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

C E R T I F I C A

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 2018, 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 27 de febrero de 2019, 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 27 de febrero de 2019.

VºBº
El Presidente
D. José Antonio Tazón García

El Secretario
Tomás López Fernebrand

Amadeus IT Group, S.A.

Auditor's Report,
Annual Accounts and
Directors' Report
for the year ended
December 31, 2018

Amadeus IT Group, S.A.

Auditor's Report
for the year ended
December 31, 2018

Deloitte.

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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 AUDITOR'S REPORT ON ANNUAL ACCOUNTS

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

Report on the Annual Accounts

Opinion

We have audited the annual accounts of Amadeus IT Group, S.A. (the Company), which comprise the balance sheet as at 31 December 2018, and the statement of profit or loss, statement of changes in equity, statement of cash flows and notes to the annual accounts for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2018, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2.1 to the annual accounts) and, in particular, with the accounting principles and rules contained therein.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Annual Accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the annual accounts in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of annual accounts and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª.
C.I.F.: B-79104469. Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Accuracy and completeness of transactional revenue

Description	Procedures applied in the audit
Most of the Company's revenue relates to the recognition of travel bookings and transactional sales of IT solutions and depends on complex IT systems. The Company has processes and controls, many of them automated, to ensure that the billions of annual transactions are processed and recorded appropriately. In this regard, we identified a significant risk relating to the possibility that transactional revenue figures could be misstated due to data processing errors. In particular, we considered the risk that a relevant system may not be configured properly, in such a way that fees and the related revenue are calculated incorrectly; the risk of data loss in transferring the output from the operational systems to the financial reporting systems; and the risk that unauthorized changes may be made to the relevant systems, which may result in the misstatement of revenue figures. Therefore, we considered this risk to be a key audit matter in our audit of the annual accounts for 2018.	Our audit procedures to address this matter included, among others, testing the operating effectiveness of the relevant controls related to access to applications and data, and changes and developments in relevant programs and systems, in order to mitigate the risk of unauthorized changes being made to the IT systems, for which purpose we involved our internal IT experts. Additionally, we verified the operating effectiveness of the controls on the relevant applications and checked that the systems were properly configured. We also performed tests on system interfaces, including those between the billing systems and the accounting systems. We also verified the operating effectiveness of the controls relating to the proper configuration and changes to the customer master data file, to verify that prices are allocated correctly to each customer in the system based on the terms of the signed contracts. Also, for a sample of transactions, we extracted data from the systems and checked that the price allocation process is performed in accordance with the defined billing rules. In addition, we performed substantive analytical tests on the revenue recognized. Lastly, we evaluated the adequacy of the disclosures in relation to revenue included in Notes 4.8 and 18.1 to the accompanying annual accounts.

Capitalization and measurement of Development costs	
Description	**Procedures applied in the audit**
The intangible assets recognized as Development Cost are a combination of software and travel content that makes it possible to process bookings and make travel information available to users through the Amadeus System, and also include the developments in the technological solutions marketed by the Company. As indicated in Note 6 to the annual accounts, the development costs capitalized in the year ended 31 December 2018 amounted to EUR 161 million. The carrying amount of capitalized Development costs amounted to EUR 287 million at 31 December 2018. Capitalization of assets of this kind requires management judgement in order to evaluate whether software development costs incurred qualifies for recognition as an intangible asset in accordance with Recognition and Measurement Standards 5 and 6 of the Spanish National Chart of Accounts and with the Company's accounting policies. The Company distinguishes between research expenditure, which are recognized in the statement of profit or loss as incurred, and development costs, which is capitalized by the Company provided that the technical and commercial feasibility of the asset has been established and the related costs can be measured reliably and on a project-by-project basis. Whenever there are indications of impairment, and at least once a year for projects that are not ready for use, the Company tests development costs for impairment, considering the possible technological obsolescence of these assets and any changes in the factors which permitted its initial capitalization. Due to the high volume of expenditure capitalized and the assumptions that have to be made by Company management, the capitalization and measurement of Development costs were considered to constitute a key audit matter in the year.	Our audit procedures included the performance of operating effectiveness tests on the relevant controls established by management in relation to the capitalization and measurement of Development costs. Also, we performed tests of details on a sample of projects capitalized in the year and obtained evidence such as technical information and the business plans relating to the selected projects in order to verify whether the expenditure capitalized qualifies as development costs. We analyzed this evidence and evaluated whether it reflects the usefulness of the asset for the Company and the Company's intention to complete the capitalized projects. Also, we checked the reasonableness of the business plans provided by assessing the existence of a market and whether the selected projects are expected to generate economic benefits in the future. In addition, we checked whether a selection of costs are capitalizable and whether the amounts were capitalized correctly, verifying evidence such as invoices from suppliers and incurred staff costs, among others. We also evaluated the main assumptions and the methodology used by the Company to test the development costs for impairment. Lastly, we assessed the adequacy of the disclosures included by the Company in this connection in the accompanying annual accounts (see Notes 4.1 and 6).

Other Information: Directors' Report

The other information comprises only the directors' report for 2018, the preparation of which is the responsibility of the Company's directors and which does not form part of the annual accounts.

Our audit opinion on the annual accounts does not cover the directors' report. Our responsibility relating to the information contained in the directors' report is defined in the audit regulations in force, which establish two distinct levels thereof:

a) A specific level that applies to the non-financial information statement, as well as to certain information included in the Annual Corporate Governance Report (ACGR), as defined in Article 35.2.b) of Spanish Audit Law 22/2015, which consists solely of checking that the aforementioned information has been provided in the directors' report, or, as the case may be, that the directors' report contains the corresponding reference to the separate report on non-financial information as provided for in the applicable legislation and, if this is not the case, reporting this fact.

b) A general level applicable to the other information included in the directors' report, which consists of evaluating and reporting on whether the aforementioned information is consistent with the annual accounts, based on the knowledge of the entity obtained in the audit of those annual accounts and excluding any information other than that obtained as evidence during the audit, as well as evaluating and reporting on whether the content and presentation of this section of the directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we have checked that the directors' report includes a reference to the fact that the non-financial information described in section a) above is presented in the consolidated directors' report of the Amadeus Group of which the Company forms part, that the information in the ACGR, discussed in the aforementioned section, is included in the director's report and that the other information in the directors' report is consistent with that contained in the annual accounts for 2018 and its content and presentation are in conformity with the applicable regulations.

Responsibilities of the Directors and of the Audit Committee for the Annual Accounts

The directors are responsible for preparing the accompanying annual accounts so that they present fairly the Company's equity, financial position and results in accordance with the regulatory financial reporting framework applicable to the Company in Spain, 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.

In preparing the annual accounts, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the process involved in the preparation and presentation of the annual accounts.

Auditor's Responsibilities for the Audit of the Annual Accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibilities for the audit of the annual accounts is included in Appendix 1 to this auditor's report. This description, which is on pages 6, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

Additional Report to the Audit Committee

The opinion expressed in this report is consistent with the content of our additional report to the Company's audit committee dated 27 February 2019.

Engagement Period

The Annual General Meeting held on 21 June 2018 appointed us as auditors for a period of one year from the year ended 31 December 2017, i.e. for 2018.

Previously, we were designated pursuant to a resolution of the General Meeting for the period of one year and have been auditing the annual accounts uninterruptedly since 2005 and, therefore, since the year ended 31 December 2010, the year in which the Parent became a Public Interest Entity.

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

José Luis Daroca Vázquez
Registered in ROAC under no. 22.275

27 February 2019

Appendix 1 to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the annual accounts.

Auditor's Responsibilities for the Audit of the Annual Accounts

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the use by the directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's audit committee with a statement that we have complied with relevant ethical requirements, including those regarding independence, and we have communicated with it to report on all matters that may reasonably be thought to jeopardise our independence, and where applicable, on the related safeguards.

From the matters communicated with the entity's audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Amadeus IT Group, S.A.

Annual Accounts
for the year ended
December 31, 2018

Balance sheet (millions of euros)

ASSETS	Note	31/12/2018	31/12/2017
NON-CURRENT ASSETS		5,531.3	4,544.2
Intangible assets	6	1,649.2	1,721.7
Brands & trademarks		179.6	205.2
Goodwill		971.8	1,110.6
Software		9.1	9.2
Development costs		287.1	140.9
Intangible rights		201.6	255.8
Tangible assets	7	6.8	6.8
Furniture, office, equipment and other tangible assets		6.8	6.8
Long-term investments in Group companies and joint ventures		3,664.7	2,616.0
Equity instruments	9.2 & 19.2	2,618.5	2,196.4
Loans to companies	19.2	1,046.2	419.6
Long-term financial investments	9.1	77.4	83.1
Equity instruments		10.9	8.2
Derivatives	11	1.5	8.7
Other financial assets		65.0	66.2
Deferred tax assets	16.1	133.2	116.4
Long-term prepaid expenses		-	0.2
CURRENT ASSETS		1,245.2	1,109.7
Trade debtors and other accounts receivable		379.8	339.4
Trade accounts receivable	10	229.8	192.5
Accounts receivable - Group companies and joint ventures	19.2	57.9	48.7
Other accounts receivable		90.2	58.6
Accounts receivable from Public Administrations	16.1	-	38.1
Employee receivable		1.1	0.9
Other accounts receivable from Public Administrations	16.1	0.8	0.6
Short-term investments in Group companies and joint ventures		442.9	325.0
Loans to companies	19.2	442.0	222.2
Other financial assets	19.2	0.9	102.8
Short-term financial investments	9.1	7.7	18.0
Derivatives	11	7.5	17.7
Other financial assets		0.2	0.3
Short-term prepaid expenses		7.9	10.6
Cash and cash equivalents		406.9	416.7
Cash		393.8	371.7
Cash equivalents		13.1	45.0
TOTAL ASSETS		6,776.5	5,653.9

Notes 1 to 22 and the appendix described in the attached annual accounts are part of the balance sheet at December 31, 2018

Amadeus IT Group, S.A.
Annual Accounts for the year ended December 31, 2018
Balance sheet (millions of euros)

EQUITY AND LIABILITIES	Note	31/12/2018	31/12/2017
EQUITY	12	1,198.0	1,160.6
Shareholders' equity		1,213.8	1,151.9
Share capital		4.4	4.4
Additional paid-in capital		754.5	754.5
Reserves		561.3	512.4
Legal reserves		556.3	556.3
Other reserves		5.0	(43.9)
Treasury shares		(512.1)	(518.5)
Retained earnings		16.9	13.1
Net profit/(loss) for the year		608.4	596.1
Interim dividend		(219.6)	(210.1)
Other comprehensive income		(15.8)	8.7
Available-for-sale financial assets		0.1	0.1
Hedges		(16.3)	8.6
Cumulative translation adjustments		0.4	-
NON-CURRENT LIABILITIES		3,126.1	2,157.1
Long-term provisions	13	139.5	125.0
Long-term employee benefit obligations		0.4	0.1
Other provisions		139.1	124.9
Long-term liabilities		1,648.5	207.2
Bonds and other long-term securities	14	1,492.3	-
Long-term debts with financial institutions and third parties	14	125.1	189.7
Obligations under finance leases	8	0.8	0.8
Derivatives	11	14.5	1.1
Other financial liabilities		15.8	15.6
Long-term debts with Group companies and joint ventures	19.2	995.3	1,492.0
Deferred tax liabilities	16.1	85.4	47.3
Long-term deferred income	15	257.4	285.6
CURRENT LIABILITIES		2,452.4	2,336.2
Short-term provisions	13	2.5	2.5
Short-term liabilities		309.6	784.3
Bonds and other short-term securities	14	3.5	-
Short-term debts with financial institutions and third parties	14	66.0	66.1
Obligations under finance leases	8	0.6	0.5
Derivatives	11	19.3	7.2
Other financial liabilities	12.3	220.2	710.5
Short-term debts with Group companies and joint ventures	19.2	1,175.6	598.9
Trade creditors and other accounts payable		898.1	888.1
Trade accounts payable	10	462.5	404.3
Accounts payable – Group companies and joint ventures	19.2	394.7	461.0
Other accounts payable		2.1	2.0
Personnel related liabilities		15.2	16.6
Other accounts payable to Public Administrations	16.1	23.6	4.2
Short-term deferred income	15	66.6	62.4
TOTAL EQUITY AND LIABILITIES		6,776.5	5,653.9

Notes 1 to 22 and the appendix described in the attached annual accounts are part of the balance sheet at December 31, 2018

Income statement (millions of euros)

CONTINUING OPERATIONS	Note	Year 2018	Year 2017
Trade revenue	18.1	4,515.5	4,303.5
Services rendered		4,515.5	4,303.5
Less charges to fixed assets		161.3	82.0
Other operating income		5.1	5.3
Personnel expenses	18.2	(116.5)	(110.5)
Salaries, wages and similar		(88.4)	(84.5)
Social benefits		(28.1)	(26.0)
Other operating expenses		(3,854.6)	(3,589.1)
External services		(98.6)	(65.9)
Taxes		(2.2)	(0.4)
Losses, impairment and variations in trading provisions		(8.5)	(8.2)
Other operating expenses	18.3	(3,745.3)	(3,514.6)
Depreciation and amortization of non-current assets	6 & 7	(279.5)	(269.0)
Impairment and gains/(losses) on disposal of non-current assets		(0.6)	(1.5)
Impairment and losses	6	(0.3)	(1.5)
Gains/(losses) on disposal of financial instruments	7	(0.3)	-
OPERATING PROFIT/(LOSS)		430.7	420.7
Financial income	18.4	356.8	314.1
From equity instruments		334.8	306.1
Group companies and joint ventures		334.3	305.6
Third parties		0.5	0.5
From other financial instruments		22.0	8.0
Group companies and joint ventures		20.9	7.9
Third parties		1.1	0.1
Financial expenses	18.4	(40.0)	(33.4)
Debts with Group companies and joint ventures		(15.3)	(17.3)
Debts with third parties		(24.7)	(16.1)
Changes in fair value of financial instruments	11.2	-	(2.7)
Financial assets held for trading and others		-	(2.7)
Exchange rate differences	17	(15.0)	(19.9)
Impairment and gains/(losses) on disposal of financial instruments		24.1	(2.9)
Impairment and losses		23.6	(3.3)
Gains/(losses) on disposal of financial instruments		0.5	0.4
FINANCIAL PROFIT/(LOSS)	18.4	325.9	255.2
PROFIT/(LOSS) BEFORE TAX		756.6	675.9
Corporate Income Tax	16.4	(148.2)	(79.8)
NET PROFIT/(LOSS) FOR THE YEAR		608.4	596.1

Notes 1 to 22 and the appendix described in the attached annual accounts are part of the income statement for the year ended December 31, 2018

Statements of changes in equity (millions of euros)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES

	Note	Year 2018	Year 2017
NET PROFIT/(LOSS) FOR THE YEAR		608.4	596.1
Income and expenses directly recognised in equity	12.5		
Cash flow hedge		(40.7)	52.9
Cumulative translation adjustments		0.4	(0.7)
Tax impact		10.2	(13.2)
TOTAL INCOME AND EXPENSES DIRECTLY RECOGNISED IN EQUITY		(30.1)	39.0
Transfers to the income statement	12.5		
Cash flow hedge		7.4	(9.3)
Tax impact		(1.8)	2.3
TOTAL TRANSFERS TO THE INCOME STATEMENT		5.6	(7.0)
TOTAL RECOGNISED INCOME AND EXPENSES		583.9	628.1

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, 2018

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
BALANCE AT DECEMBER 31, 2016	4.4	754.5	556.3	(512.2)	179.2	(25.6)	701.1	(174.9)	(23.3)	1,459.5
Total recognised income/(expenses) for the year	-	-	-	-	-	-	596.1	-	32.0	628.1
Transactions with shareholders										
Dividends distribution	-	-	-	-	-	-	(236.4)	(210.1)	-	(446.5)
Other transactions with shareholders	-	-	-	9.2	-	3.7	-	-	-	12.9
Merger Exchange-Ratio	-	-	-	-	(0.2)	0.2	-	-	-	-
Share Buy-Back Programme	-	-	-	-	-	(500.0)	-	-	-	(500.0)
Other variations in equity										
Appropriation of results	-	-	-	289.8	-	-	(464.7)	174.9	-	-
Share-based payments	-	-	-	3.4	-	3.2	-	-	-	6.6
BALANCE AT DECEMBER 31, 2017	4.4	754.5	556.3	(209.8)	179.0	(518.5)	596.1	(210.1)	8.7	1,160.6
Total recognised income/(expenses) for the year	-	-	-	-	-	-	608.4	-	(24.5)	583.9
Transactions with shareholders										
Dividends distribution	-	-	-	-	-	-	(284.2)	(219.6)	-	(503.8)
Other transactions with shareholders	-	-	-	13.8	-	3.6	-	-	-	17.4
Merger Exchange-Ratio	-	-	-	(0.1)	-	0.1	-	-	-	-
Other variations in equity										
Appropriation of results	-	-	-	101.8	-	-	(311.9)	210.1	-	-
Share-based payments	-	-	-	6.3	-	2.7	-	-	-	9.0
Other variations in equity (Note 16.1)	-	-	-	(69.1)	-	-	-	-	-	(69,1)
BALANCE AT DECEMBER 31, 2018	4.4	754.5	556.3	(157.1)	179.0	(512.1)	608.4	(219.6)	(15.8)	1,198.0

Statement of cash flows (millions of euros)

	Year 2018	Year 2017
CASH FLOWS FROM OPERATING ACTIVITIES	922.4	962.6
Profit/(loss) before income tax	756.6	675.9
Adjustments for profit/(loss)		
Asset amortization	279.5	269.0
Impairment losses	8.5	8.2
Variation of provisions	(0.4)	2.3
Impairment and gains/losses from financial instruments	(23.6)	3.3
Impairment and gains/losses on disposal of non-current assets	0.6	1.5
Gains/(losses) on disposal of financial instruments	(0.5)	(0.4)
Financial income	(356.8)	(314.1)
Financial expenses	40.0	33.4
Exchange rate differences	15.0	19.9
Changes in fair value of financial instruments	-	2.7
Other revenue and expenses	9.1	6.7
Changes in working capital		
Trade debtors and other receivables	(86.8)	4.9
Other current assets	2.7	(1.8)
Trade creditors and other payables	(9.6)	(9.4)
Other current liabilities	4.4	1.3
Other non-current assets and liabilities	(48.1)	(41.6)
Other cash flows from operating activities		
Interests paid	(22.5)	(28.2)
Dividends received	436.6	438.7
Interest received	9.7	7.7
Corporate Income Tax received from Group companies	1.8	3.9
Corporate Income Tax paid to Public Administrations	(93.8)	(121.3)
CASH FLOWS FROM INVESTING ACTIVITIES	(1,497.7)	(162.6)
Payments due to investments		
Group companies and joint ventures	(1,307.1)	(41.6)
Fixed assets	(207.2)	(116.7)
Other financial assets	(1.2)	(44.2)
Proceeds from disposals		
Group companies and joint ventures	4.7	28.7
Other financial assets	12.9	11.2
CASH FLOWS FROM FINANCING ACTIVITIES	565.5	(719.6)
Receipts and payments relating to equity instruments		
Acquisition of treasury shares	(500.0)	-
Transfer of treasury shares	17.4	12.9
Receipts and payments relating to liability instruments		
Obligations and other securities	1,491.8	-
Issue of debts with Group companies and joint ventures	951.2	1,638.1
Repayment of debts with financial institutions	(67.6)	(150.0)
Repayment of debts with Group companies and joint ventures	(833.5)	(1,806.5)
Repayment of other financial liabilities	0.5	(2.8)
Dividends and equity instruments´ payments		
Dividends	(494.3)	(411.3)
NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS	(9.8)	80.4
Cash and cash equivalents at the beginning of year	416.7	336.3
Cash and cash equivalents at year-end	406.9	416.7

Notes 1 to 22 and the appendix described in the attached annual accounts are part of the statement of cash flows for the year ended December 31, 2018

CONTENTS

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;

(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 special 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 purpose, 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).

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 offers 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 big 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 2018 have been prepared by the Directors at the meeting held on February 27, 2019. The consolidated annual accounts of the Group for the year 2017 were approved at the Ordinary General Shareholders' Meeting held on June 21, 2018 and registered at the Commercial Registry of Madrid.

The equity of the consolidated Group as of December 31, 2018 and 2017 amounts to €3,191.7 and €2,641.3 million, respectively. The profit for the years 2018 and 2017 of the consolidated Group amounts to €1,002.5 and €1,004.5 million, respectively.

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) and form part of the IBEX 35 index [AMS]. The Company's shares are also part of the Euro Stoxx 50 since September 2018.

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, which has been modified by the Royal Decree 602/2016, 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 have been 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 have been 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 2017 were approved at the Ordinary General Shareholders' Meeting held on June 21, 2018.

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

The present annual accounts have omitted that information or disclosures that do not require detail due to their qualitative importance, or due to being non-material or their relative importance according to the concept of materiality or relative importance defined in the conceptual framework of the Generally Accepted Accounting Principles in Spain approved by the Royal Decree 1514/2007.

2.3 Non-obligatory accounting principles

For the preparation of these annual accounts, the Directors have taken 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 2018 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

On August 1, 2016, the Company, formerly known as Amadeus IT Holding, S.A. (Absorbing Company), absorbed Amadeus IT Group S.A. (Absorbed Company). The merger was registered in the Commercial Registry of Madrid on August 2, 2016. As a consequence of the merger, the Absorbing and survivor Company from the merger process, Amadeus IT Holding, S.A. changed its corporate name to the Absorbed Company's name, Amadeus IT Group, S.A.

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.

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, and all the information required by the Spanish legislation in force, were included in the notes to the annual accounts for the year ended on December 31, 2016.

Likewise, 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.

2.6 Changes in accounting principles

During 2018, there have not been any changes in the accounting principles applied by the Company.

2.7 Comparative information

For comparative information purposes, the Company presents together the balance sheet, the income statement, the statements of changes in equity, the statement of cash flows and the notes to the annual accounts for the years ended on December 31, 2018 and 2017.

The financial statements and the notes to the annual accounts are expressed in millions of euros (except the information which specifies a different unit).

The preparation, classification and aggregation of certain items in the annual accounts have been revised. Non-material reclassifications have been made accordingly so that the information can be comparable with the previous year and improves the comprehension of the annual accounts.

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.

Notes to the annual accounts (millions of euros)

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. This 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 2017.

3. PROPOSED APPROPRIATION OF RESULTS

The Board of Directors will submit to the Ordinary General Shareholders´ Meeting for approval, a final gross dividend of €1.175 per share carrying dividend rights, against 2018 profit for the year. Based on the above, the proposed appropriation of the results for the year ended December 31, 2018, is as follows:

	Euros
Amount for appropriation:	
Net profit for the year	608,449,596.02
	608,449,596.02
Appropriation to:	
Other reserves	92,833,151.47
Dividends	515,616,444.55
	608,449,596.02

On December 13, 2018, the Board of Directors of the Company agreed to distribute an interim dividend of €0.51 per existing share with dividend rights against profit for the year 2018. The dividend has been paid in full on January 17, 2019, and therefore the complementary dividend to achieve the proposed final gross dividend amounts to €0.665 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
Net Income after tax from January 1, through October 31, 2018	**413.7**
Mandatory appropriation to reserves for period 2018	-
Distributable income	**413.7**
Cash and cash equivalents at October 31, 2018	**462.0**
Net cash generated until December 2018	(270.3)
Unused credit facilities	1,009.0
Net cash generated from January 2019 until December 2019	(598.4)
Net cash surplus at December 31, 2019	**602.3**
Proposed interim dividend (maximum amount)	(223.8)
Net cash surplus after interim dividend distribution	**378.5**

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 amortization 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. Although the Company considers that the registered brands and trademarks have indefinite useful life, since January 1, 2016, it began 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 (Note 2.5). Goodwill is assigned to the cash-generating unit to which the expected profit of the business combination will be allocated. 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. Although the Company considers that the registered goodwill has indefinite useful life, since January 1, 2016, it began 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, which 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 cost or production cost and subsequently adjusted by the related accumulated amortization 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 where 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 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.

Interests 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.

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 collection 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, and 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 the fair value of the given amount 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 for 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 that 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 deductions and other tax benefits, excluding withholding taxes 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 based on 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 allows 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.

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 are rather 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 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, 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. Additionally, the Company also considers as related parties the significant shareholders, and the companies controlled by them, in case they exist.

The Company considers as key management personnel the members of the Executive Committee and the Internal Audit Director.

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.

4.15 Indemnities

In accordance with the legislation in force, the Company is obliged to pay a compensation to those employees with whom, under certain conditions, it terminates its labor relations. Therefore, the compensations for lay-off that can be reasonably quantified are recorded as an expense in the year in which the dismissal decision is made.

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 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 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 natural hedges and 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, 2018, there is USD denominated debt with Group companies, this debt has not been designated as hedge instrument.

- 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 Singapore Dollars (SGD). For these exposures, a natural hedge strategy is not possible. In order to hedge a portion of the aforementioned short 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. At December 31, 2018 and 2017, approximately 71.2% and 77.8%, respectively, of the Company's borrowings were at fixed interest rate. Given the high proportion of fixed rate debt as of December 2018 and 2017, no interest rate hedges were hedging the oustanding debt as of these dates.

At December 31, 2016 the two outstanding interest rate derivatives were hedging future debt that was expected to be contracted during 2017 as part of that year new financing activity of the Company. These derivatives were cancelled in March 2017 since the expected financing to be hedged did not materialize.

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

During 2018 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 three new Eurobonds with a total notional of €1,500 million and maturities 2022, 2023 and 2026. This new debt increases both total amount of outstanding debt and the average time to maturity of the Company' debt. The fair value of the instruments is sensitive to the changes of the level of interest rates.

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 achievement of certain performance conditions. The Company will use treasury shares to cover these remuneration schemes.

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 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 a 'Revolving Credit Facility'. This facility has a notional of €1,000 million and can be used to cover working capital needs and general corporate purposes.

At December 31, 2018, this facility for a total amount of €1,000 million was fully unused. At December 31, 2017, there was not any used amount neither.

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', with 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.

Notes to the annual accounts (millions of euros)

6. INTANGIBLE ASSETS

Balances and movements of the items included under the 'Intangible assets' caption, for the year 2018, are as follows:

	31/12/2017	Additions	Disposals	31/12/2018
Cost				
Brands and trademarks	318.3	-	-	318.3
Goodwill	1,388.2	-	-	1,388.2
Software	24.2	6.0	-	30.2
Development costs	156.1	161.4	-	317.5
Intangible rights	1,223.7	38.1	(2.2)	1,259.6
Total	**3,110.5**	**205.5**	**(2.2)**	**3,313.8**
Accumulated amortization				
Brands and trademarks	(113.1)	(25.6)	-	(138.7)
Goodwill	(277.6)	(138.8)	-	(416.4)
Software	(15.0)	(6.1)	-	(21.1)
Development costs	(14.5)	(14.9)	-	(29.4)
Intangible rights	(967.6)	(92.3)	2.2	(1,057.7)
Total	**(1,387.8)**	**(277.7)**	**2.2**	**(1,663.3)**
Impairments				
Development costs	(1.0)	-	-	(1.0)
Intangible rights	-	(0.3)	-	(0.3)
Total	**(1.0)**	**(0.3)**	**-**	**(1.3)**
Net				
Brands and trademarks	205.2	(25.6)	-	179.6
Goodwill	1,110.6	(138.8)	-	971.8
Software	9.2	(0.1)	-	9.1
Development costs	140.6	146.5	-	287.1
Intangible rights	256.1	(54.5)	-	201.6
Total net intangible assets	**1,721.7**	**(72.7)**	**-**	**1,649.2**

Notes to the annual accounts (millions of euros)

Balances and movements of the items included under the 'Intangible assets' caption, for the year 2017, were as follows:

	31/12/2016	Additions	Disposals	31/12/2017
Cost				
Brands and trademarks	318.3	-	-	318.3
Goodwill	1,388.2	-	-	1,388.2
Software	14.8	9.4	-	24.2
Development costs	74.1	82.0	-	156.1
Intangible rights	1,728.7	23.0	(528.0)	1,223.7
Total	**3,524.1**	**114.4**	**(528.0)**	**3,110.5**
Accumulated amortization				
Brands and trademarks	(87.4)	(25.7)	-	(113.1)
Goodwill	(138.8)	(138.8)	-	(277.6)
Software	(9.6)	(5.4)	-	(15.0)
Development costs	(6.7)	(7.8)	-	(14.5)
Intangible rights	(1,405.3)	(89.7)	528.0	(967.0)
Total	**(1,647.8)**	**(267.4)**	**528.0**	**(1,387.2)**
Impairments				
Development costs	-	(0.7)	-	(0.7)
Intangible rights	(0.1)	(0.8)	-	(0.9)
Total	**(0.1)**	**(1.5)**	**-**	**(1.6)**
Net				
Brands and trademarks	230.9	(25.7)	-	205.2
Goodwill	1,249.4	(138.8)	-	1,110.6
Software	5.2	4.0	-	9.2
Development costs	67.4	73.5	-	140.9
Intangible rights	323.3	(67.5)	-	255.8
Total net intangible assets	**1,876.2**	**(154.5)**	**-**	**1,721.7**

The main intangible asset included under the 'Brands and Trademarks' caption is the 'Amadeus' brand. As it is explained in Note 4.1, since January 1, 2016, the Company began to amortise the brands applying the straight-line method over a period of 10 years.

Notes to the annual accounts (millions of euros)

Among others the Company has analysed the following relevant factors when determining the useful life of the 'Amadeus' brand:

- 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 the brands per reportable segment is set forth in the table below:

	Distribution	IT solutions	Total
Balance at 31/12/2016	**203.2**	**27.7**	**230.9**
Amortization	(22.6)	(3.1)	(25.7)
Balance at 31/12/2017	**180.6**	**24.6**	**205.2**
Amortization	(22.5)	(3.1)	(25.6)
Balance at 31/12/2018	**158.1**	**21.5**	**179.6**

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 key 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. As it is explained in Note 4.1, since January 1, 2016, the Company began to amortise the goodwill 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 units that are expected to benefit from the goodwill. The net book value of the goodwill per reportable segment is set forth in the table below:

	Distribution	IT solutions	Total
Balance at 31/12/2016	**1,174.4**	**75.0**	**1,249.4**
Amortization	(130.5)	(8.3)	(138.8)
Balance at 31/12/2017	**1,043.9**	**66.7**	**1,110.6**
Amortization	(130.5)	(8.3)	(138.8)
Balance at 31/12/2018	**913.4**	**58.4**	**971.8**

The Company tests the net book value of the 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 2018, 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, 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 value, an impairment loss is recognised. 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 of the distribution and IT solutions cash-generating units is established from the fair value, which is calculated discounting future cash flows. In order to determine the fair value of each cash-generating unit, the following steps are followed:

- For the purpose of the impairment test exercise, specific forecasts are developed for each cash-generating unit, which imply performing a cost allocation exercise for some concepts. These forecasts are developed from the available financial budgets and financial projections approved by the Management. The forecast developed for each cash-generating unit takes into account the Company's market position, the market environment and the market growth forecast.

- Cash-flow forecast based on the above and discount rates are calculated after tax.

- The present value of estimated future cash flows is obtained using an after tax discount rate which takes into account the appropriate risk adjustments factors.

Regarding the 2018 impairment test exercise, the forecasts considered have been based on the Company's 2018-2021 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 2022-2023. 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'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 impairment in any case, are set forth in the table below:

Notes to the annual accounts (millions of euros)

	31/12/2018	31/12/2017
	2018 – 2023 period	2017 - 2022 period
Base case	5.29% - 8.32%	4.07% - 9.21%
Optimistic case	6.29% - 9.32%	5.07% - 10.21%
Pessimistic case	4.29% - 7.32%	3.07% - 8.21%

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 units, 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 scenarios of the sensitivity analysis performed. Considering for the years 2018 and 2017 a growth rate to perpetuity in the range between (1.0)% and 2.5%, and with a discount rate of 7.59%, 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 in the years 2018 and 2017 amounting to €0.6 million and €1.5 million, respectively.

During 2018, the Company has written off intangible rights for a total amount of €2.2 million whose net book value was nil and they were not expected to generate future economic profits.

At December 31, 2018 and 2017, there are fully amortised assets and still in use, amounting to €94.8 million and €80.7 million, respectively. Likewise, at December 31, 2018 and 2017 there are no significant intangible assets outside Spain.

Notes to the annual accounts (millions of euros)

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7. TANGIBLE ASSETS

Balances and movements of the items included under the 'Tangible assets' caption, for year 2018, are as follows:

	31/12/2017	Additions	Disposals	Valuation	31/12/2018
Cost					
Furniture and office equipment	1.5	0.1	(0.1)	-	1.5
Other tangible fixed assets	14.7	1.9	(0.8)	0.1	15.9
Total	**16.2**	**2.0**	**(0.9)**	**0.1**	**17.4**
Accumulated amortization					
Furniture and office equipment	(0.6)	(0.1)	0.1	-	(0.6)
Other tangible fixed assets	(8.8)	(1.7)	0.5	-	(10.0)
Total	**(9.4)**	**(1.8)**	**0.6**	**-**	**(10.6)**
Net					
Furniture and office equipment	0.9	-	-	-	0.9
Other tangible fixed assets	5.9	0.2	(0.3)	0.1	5.9
Total net tangible asset	**6.8**	**0.2**	**(0.3)**	**0.1**	**6.8**

Balances and movements of the items included under the 'Tangible assets' caption, for year 2017, were as follows:

	31/12/2016	Additions	Valuation	31/12/2017
Cost				
Furniture and office equipment	1.2	0.4	(0.1)	1.5
Other tangible fixed assets	12.9	1.9	(0.1)	14.7
Total	**14.1**	**2.3**	**(0.2)**	**16.2**
Accumulated amortization				
Furniture and office equipment	(0.5)	(0.1)	-	(0.6)
Other tangible fixed assets	(7.3)	(1.5)	-	(8.8)
Total	**(7.8)**	**(1.6)**	**-**	**(9.4)**
Net				
Furniture and office equipment	0.7	0.3	(0.1)	0.9
Other tangible fixed assets	5.6	0.4	(0.1)	5.9
Total net tangible asset	**6.3**	**0.7**	**(0.2)**	**6.8**

Notes to the annual accounts (millions of euros)

At December 31, 2018 and 2017 there are fully amortised assets and still in use, amounting to €5.5 million and €3.8 million, respectively. Likewise, at December 31, 2018 and 2017, total tangible assets outside Spain amounts to €2.5 million and €1.8 million, respectively, with an accumulated amortization of €1.4 million and €1.1 million, respectively.

8. LEASES

8.1 Financial 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 2018 and 2017 corresponding to these contracts amounts to €0.6 million and €0.6 million, respectively. At December 31, 2018 and 2017, the financial lease fees, in accordance with the contracts in force, are the following:

	Year 2018		Year 2017	
	Gross	Fair Value	Gross	Fair Value
2018	-	-	0.5	0.5
2019	0.6	0.6	0.4	0.4
2020	0.4	0.4	0.3	0.3
2021	0.3	0.3	0.1	0.1
2022	0.1	0.1	-	-
Total	**1.4**	**1.4**	**1.3**	**1.3**

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, 2018 and 2017, the operating lease fees, in accordance with the contracts in force, are the following:

	Year 2018	Year 2017
Less than a year	3.9	3.5
Between one and five years	14.3	13.4
More than five years	24.3	25.6
Total	**42.5**	**42.5**

Notes to the annual accounts (millions of euros)

9. FINANCIAL INVESTMENTS

9.1 Financial investments

The detail of the items included under the 'Financial investments' caption at December 31, 2018, is as follows:

	Available for sale financial assets	Hedge		Loans and accounts receivable		Total
	Non-current	Current	Non-current	Current	Non-current	
Equity instruments	10.9	-	-	-	-	10.9
Derivatives (Note 11)	-	7.5	1.5	-	-	9.0
Other financial assets	-	-	-	0.2	65.0	65.2
Total	**10.9**	**7.5**	**1.5**	**0.2**	**65.0**	**85.1**

Under the 'Loans and accounts receivable – Non-Current' caption, as of December 31, 2018 it is included the amount voluntary deposited by the Company regarding the litigation described in Note 16.5.

The detail of the items included under the 'Financial investments' caption at December 31, 2017, was as follows:

	Available for sale financial assets	Hedge		Loans and accounts receivable		Total
	Non-current	Current	Non-current	Current	Non-current	
Equity instruments	8.2	-	-	-	-	8.2
Derivatives (Note 11)	-	17.7	8.7	-	-	26.4
Other financial assets	-	-	-	0.3	66.2	66.5
Total	**8.2**	**17.7**	**8.7**	**0.3**	**66.2**	**101.1**

The variations of the assets included under the 'Available-for-sale financial assets' caption during the years 2018 and 2017, are as follows:

	Valued at cost		
	Investments with a shareholding less of 20%	Certificates of deposits	Total
Balance at 31/12/2016	**3.7**	**3.9**	**7.6**
Additions	1.4	-	1.4
Disposals	(0.8)	-	(0.8)
Balance at 31/12/2017	**4.3**	**3.9**	**8.2**
Additions	2.7	-	2.7
Disposals	-	-	-
Balance at 31/12/2018	**7.0**	**3.9**	**10.9**

Notes to the annual accounts (millions of euros)

At December 31, 2018 and 2017, 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 Stichting, 'SITA Information Networking Computing Foundation,' and representing 3,579,518 shares in SITA Inc. N.V., amounting to €3.9 million. During the year 2018, the Company has acquired investments with a shareholding of less than 20% in different companies, amounting to €2.7 million.

The breakdown by due date of the assets under the 'Loans and accounts receivable' caption, at December 31, 2018, is as follows:

	2019	2020	2021	2022	2023 and subsequents years	Total
Loans and accounts receivable	0.2	48.9	1.8	1.5	12.8	65.2
Total	**0.2**	**48.9**	**1.8**	**1.5**	**12.8**	**65.2**

The assets included under the caption 'Loans and accounts receivable' have not suffered any impairment during the year 2018.

9.2 Financial investments in Group companies and joint ventures

The Group companies and joint ventures' shares do not quote on the stock market.

On January 1, 2018, the companies Amadeus North America Inc. and Amadeus Revenue Integrity were merged. The resulting company was named Amadeus North America Inc.

On January 5, 2018, the Company acquired 49% of the share capital of de NMC d.o.o. Skopje, 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 Macedonian market. The total consideration paid for this entity is €0.2million.

On March 22, 2018, the Company acquired 70.12% of the share capital of Hiberus Travel IO Solutions, S.L, obtaining 95% of shareholding of its social capital. Its main activity consists of developing and commercializing computer systems, applications and IT solutions to the travel industry. The total consideration paid for this entity is €8.5 million.

On October 4, 2018, the Company acquired, through its subsidiary Amadeus Americas, Inc., 100% of the share capital of TravelClick, Inc., composed by a group of companies, by an amount of €1,336.2 million. Its main activity consists of providing global solutions to the hospitality industry.

On October 24, 2018, the Company acquired, through its subsidiary Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal, 70% of the share capital of Argo IT Tecnologia S.A. Its main activity consists of providing computer consulting activities. The total consideration paid for this entity is €8.5 million.

On November 1, 2018, with retroactive effective since January 1, 2018, the companies Amadeus France, S.A. and Gestour S.A.S. were merged. The resulting company was named Amadeus France, S.A.

On November 15, 2018, the company CRS Amadeus America S.A., in which the Company owned a share capital of 100%, was liquidated. The investment in this company amounted to €0.8 million. This operation has not had significant impact for the Company.

At December 31, 2018 and 2017, 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, the Company has applied the following criteria as of December 31, 2018 and 2017:

For the year ended on December 31, 2018, an approach based on multiples was applied:

- Valuation multiples are derived from the cash generating units where each company is assigned.

- In the cases where the net contribution is negative or the valuation obtained applying multiples is lower than the net book value, detailed forecasts are developed and discounted cash flow valuation is performed for such company.

For the year ended December on 31, 2017, the following methods were applied:

a) For the main Companies, a detailed discounted cash flow analysis was performed, 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, 2018, the Company registered accumulated value adjustments for impairment in investments in Group companies and joint ventures, amounting to €23.9 million.

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, 2018, 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	Reversal of impairment for the year	Accumulated impairment
Group companies										
Amadeus Airport IT GmbH	100%	-	-	0.6	1.6	2.2	-	4.7	-	-
Amadeus Albania sh.p.k	100%	-	-	-	0.3	0.3	-	0.2	-	-
Amadeus América S.A.	95%	5%	-	0.5	0.5	1.0	-	0.4	-	-
Amadeus Americas, Inc.	100%	-	30.7	35.9	832.3	898.9	-	793.2	22.8	-
Amadeus Argentina S.A.	95.50%	-	2.6	(1.2)	(2.1)	(0.7)	-	10.7	-	-
Amadeus Asia Limited	100%	-	1.0	3.4	15.7	20.1	-	1.0	-	-
Amadeus Austria Marketing GmbH	100%	-	2.8	0.6	0.9	4.3	-	3.0	-	-
Amadeus Benelux N.V.	100%	-	0.1	1.7	5.8	7.6	-	2.1	-	-
Amadeus Bilgi Teknolojisi Hizmetleri A.Ş.	100%	-	-	0.1	9.0	9.1	-	9.6	-	-
Amadeus Bolivia S.R.L	100%	-	0.2	0.1	0.2	0.5	-	0.3	-	-
Amadeus Bosna d.o.o. za marketing Sarajevo	100%	-	-	0.1	0.7	0.8	-	0.3	-	-
Amadeus Brasil Ltda.	83.51%	-	16.9	(0.2)	(17.9)	(1.2)	-	18.6	-	(18.6)

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	Reversal of impairment for the year	Accumulated impairment
Amadeus Bulgaria EOOD	55.01%	-	0.1	0.1	0.1	0.3	0.1	0.4	-	-
Amadeus Capital Markets, S.A., Sociedad Unipersonal	100%	-	0.3	-	-	0.3	-	0.2	-	-
Amadeus Central and West Africa S.A.	100%	-	1.6	(0.1)	(0.4)	1.1	-	2.4	-	-
Amadeus Content Sourcing S.A., Sociedad Unipersonal	100%	-	1.0	0.1	(0.3)	0.8	-	1.0	-	-
Amadeus Corporate Business, AG	100%	-	0.1	(2.5)	(24.2)	(26.6)	-	0.1	-	-
Amadeus Customer Center Americas S.A.	100%	-	0.3	0.1	0.7	1.1	-	0.3	-	-
Amadeus Czech Republic and Slovakia s.r.o.	100%	-	-	(0.1)	1.5	1.4	0.2	0.6	-	-
Amadeus Eesti AS	100%	-	-	(0.2)	0.3	0.1	-	1.1	-	-
Amadeus Finance B.V.	100%	-	2.0	0.3	0.2	2.5	1.5	2.0	-	-
Amadeus France, S.A.	100%	-	0.1	3.8	0.3	4.2	3.1	135.0	-	-
Amadeus GDS LLP	100%	-	0.1	(0.3)	(1.1)	(1.3)	-	0.2	-	-
Amadeus GDS (Malaysia) Sdn. Bhd.	100%	-	0.2	0.1	1.1	1.4	-	0.2	-	-
Amadeus GDS Singapore Pte. Ltd.	100%	-	0.2	3.0	5.0	8.2	-	0.2	-	-
Amadeus Germany GmbH	100%	-	9.3	4.2	71.4	84.9	9.4	198.2	-	-

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	Reversal of impairment for the year	Accumulated impairment
AMADEUSGLOBAL Ecuador S.A.	100%	-	0.2	-	0.2	0.4	-	-	-	-
Amadeus Global Travel Distribution Ltd.	100%	-	0.6	(0.1)	2.5	3.0	-	0.7	-	-
Amadeus Global Travel Israel Ltd.	100%	-	2.4	0.2	1.1	3.7	-	1.9	-	-
Amadeus GTD (Malta) Limited	100%	-	0.1	-	0.1	0.2	-	0.1	-	-
Amadeus GTD Southern Africa Pty. Ltd.	100%	-	0.6	0.8	2.2	3.6	-	0.6	-	-
Amadeus Hellas, S.A.	100%	-	12.1	0.2	(0.9)	11.4	-	13.1	-	-
Amadeus Hong Kong Ltd.	100%	-	0.5	0.3	2.7	3.5	-	0.5	-	-
Amadeus Hospitality Netherlands B.V.	100%	-	-	(2.8)	(0.4)	(3.2)	-	50.2	-	-
Amadeus Information Technology LLC	100%	-	0.3	0.6	1.8	2.7	-	0.6	-	-
Amadeus Integrated Solutions Pty Ltd.	100%	-	0.2	-	0.3	0.5	-	0.4	-	-
Amadeus IT Group Colombia S.A.S.	100%	-	0.3	0.6	1.5	2.4	0.7	2.6	-	-
Amadeus IT Pacific Pty. Ltd.	100%	-	30.0	6.0	11.7	47.7	-	18.8	-	-
Amadeus IT Services UK Limited	100%	-	1.5	6.7	1.7	9.9	-	5.5	-	-
Amadeus Italia S.p.A.	100%	-	2.0	1.7	0.1	3.8	1.0	3.7	-	-

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	Reversal of impairment for the year	Accumulated impairment
Amadeus Japan K.K.	100%	-	2.7	0.3	2.1	5.1	-	2.5	-	-
Amadeus Korea, Ltd.	100%	-	0.1	0.2	0.8	1.1	-	0.1	-	-
Amadeus Lebanon S.A.R.L.	100%	-	0.1	-	0.2	0.3	-	0.1	-	-
Amadeus Magyaroszag Kft	100%	-	-	0.1	0.6	0.7	-	0.5	-	-
Amadeus Marketing (Ghana) Ltd.	100%	-	-	0.1	(0.4)	(0.3)	-	0.3	-	-
Amadeus Marketing Ireland Ltd.	100%	-	0.4	-	0.2	0.6	-	0.4	-	-
Amadeus Marketing Nigeria Ltd.	100%	-	0.3	0.4	(0.6)	0.1	-	0.6	-	-
Amadeus Marketing Phils Inc.	100%	-	2.2	(0.3)	1.5	3.4	-	1.9	-	-
Amadeus Marketing Romania S.R.L.	100%	-	0.4	0.1	0.6	1.1	-	0.5	-	-
Amadeus Marketing (Schweiz) A.G.	100%	-	0.1	0.3	0.6	1.0	0.6	0.1	-	-
Amadeus México, S.A. de C.V.	98%	2%	-	0.1	2.1	2.1	-	3.6	-	-
Amadeus Paraguay S.R.L.	100%	-	-	-	0.4	0.4	-	0.1	-	-
Amadeus Perú, S.A.	100%	-	5.4	(0.4)	(1.6)	3.4	-	7.2	-	-
Amadeus Polska Sp. z o.o.	100%	-	5.6	0.7	(3.4)	2.9	-	5.5	-	-
Amadeus Rezervasyon Dağıtım Sistemleri A.Ş.	100%	-	0.2	0.1	0.4	0.7	-	2.1	-	-
Amadeus S.A.S.	100%	-	23.0	321.5	975.2	1.319.7	298.3	7.7	-	-

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	Reversal of impairment for the year	Accumulated impairment
Amadeus Scandinavia AB	100%	-	2.2	2.5	56.7	61.4	3.1	132.6	-	-
Amadeus Services Ltd.	100%	-	0.1	-	0.1	0.2	5.4	0.1	-	-
Amadeus Slovenija, d.o.o.	100%	-	0.3	-	0.8	1.1	-	0.8	-	-
Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal	100%	-	0.3	5.9	0.3	6.5	5.2	102.1	-	-
Amadeus Taiwan Co. Ltd.	100%	-	0.4	0.2	0.8	1.4	-	0.3	-	-
Amadeus Travel IMS, S.L.	95%		1.2	-	2.7	3.9	-	10.5	-	-
Amadeus Verwaltungs GmbH	100%	-	-	109.4	(40.6)	68.8	-	217.2	-	-
Amadeus Yemen Limited	100%	-	-	-	0.2	0.2	-	-	-	-
Content Hellas Electronic Tourism Services S.A.	100%	-	0.4	-	(0.3)	0.1	-	0.4	-	(0.4)
Enterprise Amadeus Ukraine	100%	-	0.5	1.0	1.5	3.0	-	0.5	-	-
Navitaire LLC	100%	-	-	73.4	502.6	576.0	-	760.4	-	-
Navitaire Philippines Inc.	100%	-	2.3	0.8	0.9	4.0	-	2.7	-	-
NMC d.o.o. Skopje	100%	-	-	-	0.1	0.1	-	0.2	-	-
PT Amadeus Technology Indonesia	99%	1%	1.3	-	0.1	1.4	-	1.6	-	-
Pyton Communication Services B.V.	100%	-	-	(1.2)	(0.2)	(1.4)	-	8.5	-	-
SIA Amadeus Latvija	100%	-	-	1.2	0.8	2.0	0.8	0.9	-	-

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	Reversal of impairment for the year	Accumulated impairment
Sistemas de Distribución Amadeus Chile, S.A.	100%	-	0.5	0.1	1.3	1.9	-	1.1	-	-
Sistemas de Reservaciones CRS de Venezuela, C.A.	100%	-	-	6.4	0.1	6.5	-	0.9	-	-
Traveltainment GmbH	100%	-	0.1	4.7	12.4	17.2	-	61.8	-	-
UAB Amadeus Lietuva	100%	-	-	0.2	(0.1)	0.1	0.3	1.3	-	-
UFIS Airport Solutions AS	100%	-	1.9	-	12.0	13.9	-	18.8	-	(4.9)
							329.7	2,640.5	22.8	(23.9)
Join ventures and associates										
Amadeus Algerie S.A.R.L.	40%	-	0.1	-	2.9	3.0	-	0.1	-	-
Amadeus Egypt Computerized Reservation Services S.A.E.	100%	-	0.1	-	0.1	0.2	0.5	0.3	-	-
Amadeus Gulf L.L.C.	49%	-	0.2	0.4	1.6	2.2	2.0	0.1	-	-
Amadeus Libya Technical Services JV	25%	-	0.6	0.1	0.5	1.2	-	0.1	-	-
Amadeus Maroc S.A.S.	30%	-	0.7	-	0.6	1.3	-	0.2	-	-
Amadeus Qatar W.L.L.	40%	-	0.3	0.6	2.8	3.7	-	0.1	-	-
Amadeus Saudi Arabia Limited	95%	5%	0.5	1.4	6.3	8.2	-	0.4	-	-
Amadeus Sudani co. Ltd.	40%	-	-	0.1	-	0.1	0.2	0.1	-	-

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	Reversal of impairment for the year	Accumulated impairment
Amadeus Syria Limited Liability	100%	-	-	-	0.2	0.2	-	0.2	-	-
Amadeus Tunisie S.A.	30%	-	0.2	4.7	0.2	5.1	1.7	0.1	-	-
Jordanian National Touristic Marketing Private Shareholding Company	50%	-	0.4	0.3	-	0.7	0.2	0.2	-	-
							4.6	1.9	-	-
							334.3	2,642.4	22.8	(23.9)

10. TRADE ACCOUNTS RECEIVABLE AND PAYABLE

10.1 Doubtful debt provision, factoring and cancellation reserve

At December 31, 2018 and 2017, the Company has registered a value adjustment for possible impairment in accounts receivable from customers based on the risk involved in these receivables, amounting to €72.4 million and €51.5 million respectively.

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.

The Company has several agreements signed with financial institutions to carry out non-recourse factoring transactions over a part of the accounts receivable resulting from its business. At December 31, 2018 and 2017, the Company has transferred €20.0 and €35.0 million respectively to financial institutions under these agreements.

At December 31, 2018 and 2017, the Company has registered a provision against accounts receivable, for future estimated cancellations of airline bookings, amounting to €41.8 million and €37.0 million respectively. Likewise, at December 31, 2018 and 2017, the Company has registered a provision reducing the accounts payable for distribution costs associated with cancellations, amounting to €19.4 million and €16.9 million, respectively.

10.2 Information regarding the average payment term to trade payables

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 2018	Year 2017
	Days	Days
Average payment term to trade payables	23	31
Ratio of operations paid	23	32
Ratio of outstanding payments	24	18
	Millions of euros	Millions of euros
Total payments	1,347	1,216
Total outstanding payments	137	76

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, 2018 and 2017, are as follows:

Type of derivative	31/12/2018				31/12/2017			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Exchange rate (11.1)	7.5	1.5	(19.3)	(14.5)	17.7	8.7	(7.2)	(1.1)
Total	**7.5**	**1.5**	**(19.3)**	**(14.5)**	**17.7**	**8.7**	**(7.2)**	**(1.1)**

Notes to the annual accounts (millions of euros)

11.1 Exchange rate derivatives

The detail of the open foreign currency contracts held by the Company with financial institutions at December 31, 2018, is as follows:

Financial assets

					Fair value		
Type	Financial instrument	Currency	Maturity	Notional	Income statement	Equity	Total
Cash flow	Forward	USD	< 1 year	99.4	(2.0)	4.3	2.3
			> 1 year	97.8	(0.5)	1.7	1.2
		Other non USD	< 1 year	46.5	0.2	0.6	0.8
			> 1 year	25.8	-	0.3	0.3
Fair value	Forward	USD	< 1 year	662.6	2.9	-	2.9
		Other non USD	< 1 year	25.6	1.5	-	1.5
			Total		**2.1**	**6.9**	**9.0**
			Total non-current		**(0.5)**	**2.0**	**1.5**
			Total current		**2.6**	**4.9**	**7.5**

Financial liabilities

					Fair value		
Type	Financial instrument	Currency	Maturity	Notional	Income statement	Equity	Total
Cash flow	Forward	USD	< 1 year	214.8	6.2	7.7	13.9
			> 1 year	181.7	3.2	10.5	13.7
		Other non USD	< 1 year	97.3	0.6	3.2	3.8
			> 1 year	71.2	-	0.8	0.8
Fair value	Forward	Other non USD	< 1 year	34.3	1.6	-	1.6
			Total		**11.6**	**22.2**	**33.8**
			Total non-current		**3.2**	**11.3**	**14.5**
			Total current		**8.4**	**10.9**	**19.3**

Notes to the annual accounts (millions of euros)

The detail of the open foreign currency contracts held by the Company with financial institutions at December 31, 2017, was as follows:

Financial assets

					Fair value		
Type	Financial instrument	Currency	Maturity	Notional	Income statement	Equity	Total
Cash flow	Forward	USD	< 1 year	351.4	(0.8)	15.8	15.0
			> 1 year	146.8	(2.1)	9.6	7.5
		Other non USD	< 1 year	38.8	0.5	1.7	2.2
			> 1 year	64.3	-	1.2	1.2
Fair value	Forward	Other non USD	< 1 year	16.0	0.5	-	0.5
			Total		**(1.9)**	**28.3**	**26.4**
			Total non-current		**(2.1)**	**10.8**	**8.7**
			Total current		**0.2**	**17.5**	**17.7**

Financial liabilities

					Fair value		
Type	Financial instrument	Currency	Maturity	Notional	Income statement	Equity	Total
Cash flow	Forward	Other non USD	< 1 year	100.4	1.4	5.8	7.2
			> 1 year	57.0	-	1.1	1.1
Fair Value	Forward	Other non USD	< 1 year	2.0	-	-	-
			Total		**1.4**	**6.9**	**8.3**
			Total non-current		**-**	**1.1**	**1.1**
			Total current		**1.4**	**5.8**	**7.2**

11.2 Interest rate derivatives

At December 31, 2015, the Absorbed Company had an interest rate derivative suscribed with the purpose of hedging the risk of an increase in the interest rates of the debt that was contracted during 2016 as part of the refinancing of the Eurobond issued by the Group company Amadeus Capital Markets, S.A., Sociedad Unipersonal, with an amount of €750 million and due date in July 2016, which funds were fully transferred to the Company.

Notes to the annual accounts (millions of euros)

The notional amount of this interest rate derivative was €300 million and is being 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 amount charged during the years 2018 and 2017 in the income statement has been €3.7 million, and €3.9 million, respectively.

The calendar of the realized impacts in the income statement of the remaining discontinued hedge instrument, is as follows:

2019	2020	2021	Total
3.0	2.5	1.0	6.5

12. EQUITY AND SHAREHOLDERS' EQUITY

At December 31, 2018 and 2017, 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.

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) and form part of the IBEX 35 index [AMS]. The Company's shares are also part of the Euro Stoxx 50 since September 2018.

At December 31, 2018 and 2017, the Company's shares are distributed as follows:

Shareholder	31/12/2018		31/12/2017	
	Shares	Voting rights	Shares	Voting rights
Free float (1)	430,179,933	98.03 %	437,296,273	99.65%
Treasury shares (2)	8,214,289	1.87 %	1,069,252	0.24%
Board of Directors (3)	428,284	0.10 %	456,981	0.11%
Total	**438,822,506**	**100.00 %**	**438,822,506**	**100.00%**

(1) Includes shareholders with significant equity stake on December 31, 2018 and 2017 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, 2018 and 2017, 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, 2018 and 2017, the company has not yet reclassified any amount of the goodwill reserve to the other reserves.

On December 31, 2018 and 2017, 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 (excluding extraordinary impacts). 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.

The Company is able to distribute dividends whenever the amount of the reserves is greater than the net book value of the research and development costs registered in the asset caption of the balance sheet.

On June 21, 2018, the Ordinary General Shareholders' Meeting of the Company approved the distribution of a final dividend against 2017 profit for the year, amounting to €1.135 per share, out of which an interim dividend of €0.48 per share with dividend rights was paid on January 31, 2018, for a total amount of €210.1 million. The total dividend amounts to €494.3 million.

Additionally, on December 13, 2018, the Company's Board of Directors proposed a fixed dividend distribution of 2018 profit for the year of an equivalent 50% of the consolidated net profit, reaching the maximum percentage of the dividend distribution policy. Consequently, an interim dividend distribution was approved against 2018 profit for the year, amounting to €0.51 per share with dividend rights, effective on January 17, 2019, for a total amount of €219.6 million, which has been registered in the 'Other current financial liabilities' caption.

12.4 Treasury shares

Balances and movements during the years 2018 and 2017, are as follows:

	Treasury shares	Millions of euros
As of December 31, 2016	**1,521,273**	**25.6**
Disposals for exchange ratio – merger	(4,583)	(0.2)
Disposals	(447,438)	(6.9)
As of December 31, 2017	**1,069,252**	**18.5**
Outstanding share Buy-back programme	-	500.0
Total	**1,069,252**	**518.5**
Additions	7,554,070	-
Disposals	(408,137)	(6.3)
Disposals for exchange ratio – merger	(896)	(0.1)
As of December 31, 2018	**8,214,289**	**512.1**

On December 14, 2017, the Board of Directors of the Company agreed on a Share buy-back programme for the purchase of ordinary shares of the Company subject to a capped maximum amount of aggregate total consideration of €1,000 million and a maximum of 25,000,000 shares, representing 5.69% of the share capital of the Company. The programme was structured in a first non-cancellable tranche amounting €500 million, and a second tranche amounting €500 million, cancellable under Company judgement.

During the year 2018, the Company has acquired 7,554,070 shares under the aforementioned Share Buy-back programme, by a total amount of €500 million (including transaction fees amounting to €2.8 million), which was included in the 'Other current financial liabilities' caption as of December 31, 2018. The Share Buy-back programme was terminated on December 6, 2018.

On October 11, 2018, the Board of Directors of the Company agreed the cancelation of the aforementioned second tranche of the Share Buy-back programme.

During 2017, the Company acquired 4,583 shares to comply with the exchange ratio agreed in the merger described in Note 2.5. During 2018, 896 shares have been exchanged, so, there still remain 75,750 shares pending to be exchanged by the former minority shareholders of the Absorbed Company.

Notes to the annual accounts (millions of euros)

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 three years 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, 2017, to cover the remuneration schemes consisting in the delivery of shares to employees and/or managers, and also the other Group companies remuneration programs (Note 18.5). During 2018, the Company delivered 408,137 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 2018 and 2017, are as follows:

	Available-for-sale financial instruments	Cash flow hedge		Cumulative translation adjustments	Total
		Interest rate	Exchange rate		
Balance at 31/12/2016	0.1	(12.8)	(11.3)	0.7	(23.3)
Valuation	-	3.0	49.9	(0.7)	52.2
Valuation tax impact	-	(0.7)	(12.5)	-	(13.2)
Transfers to income statement	-	4.0	(13.3)	-	(9.3)
Transfers to income statement tax impact	-	(1.0)	3.3	-	2.3
Balance at 31/12/2017	0.1	(7.5)	16.1	-	8.7
Valuation	-	-	(40.7)	0.4	(40.3)
Valuation tax impact	-	-	10.2	-	10.2
Transfers to income statement	-	3.7	3.7	-	7.4
Transfers to income statement tax impact	-	(0.9)	(0.9)	-	(1.8)
Balance at 31/12/2018	0.1	(4.7)	(11.6)	0.4	(15.8)

Notes to the annual accounts (millions of euros)

13. PROVISIONS

Balances and movements of the items included under the 'Long-term provisions and Short-term provisions' captions, for the years 2018 and 2017, are as follows:

	Employees benefit obligations	Investments	Claims and litigations		Total
	Long-term	Long-term	Short-term	Long-term	
Balance at 31/12/2016	**0.1**	**0.6**	**3.3**	**115.8**	**119.8**
Additions	-	-	-	11.3	11.3
Disposals	-	-	(0.8)	(2.8)	(3.6)
Balance at 31/12/2017	**0.1**	**0.6**	**2.5**	**124.3**	**127.5**
Additions	0.3	0.2	-	16.5	17.0
Disposals	-	-	-	(2.5)	(2.5)
Balance at 31/12/2018	**0.4**	**0.8**	**2.5**	**138.3**	**142.0**

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 provisions to comply with offsetting and fiscal obligations for operating in certain territories which at the year-end are undetermined regarding their amount and settlement date (Note 16.5).

Notes to the annual accounts (millions of euros)

14. FINANCIAL DEBT

The detail of the captions 'Bonds and other securities' and 'Debts with financial institutions' at December 31, 2018 and 2017, is as follows:

	31/12/2018	31/12/2017
Long-term bonds	1,500.0	-
Amortization fees from bonds	(7.7)	-
Total bonds and other long term securities	**1,492.3**	**-**
Long-term debts with financial institutions	127.5	192.5
Deferred arrangement fees	(2.4)	(2.8)
Total long-term debts with financial institutions	**125.1**	**189.7**
Short term interest from bonds	3.5	-
Total bonds and other short term securities	**3.5**	**-**
Short-term debts with financial institutions	65.0	65.0
Deferred arrangement fees	(0.1)	(0.1)
Interest payable, financial institutions	0.8	1.0
Interest payable, other financial expenses	0.3	0.2
Total short-term debts with financial institutions	**66.0**	**66.1**
Total financial debt	**1,686.9**	**255.8**

Notes to the annual accounts (millions of euros)

The breakdown of the debts with financial institutions at December 31, 2018 and 2017 is as follows:

			31/12/18		31/12/17	
Loans	Issue price	Maturity	Interest rate	Amount used	Interest rate	Amount used
Revolving loan 2015						
Term A (1)		April 2018	EURIBOR+0.55%	-	EURIBOR+0.55%	-
Revolving Loan 2016						
Revolving Loan (1)		April 2018	EURIBOR+0.60%	-	EURIBOR+0.60%	-
Bridge loan 2018						
Bridge loan (2)		September 2018	EURIBOR+0.35%	-	-	-
Revolving loan 2018						
Revolving loan 2018		April 2023	EURIBOR+0.40%	-	-	-
European Investment Bank (EIB)						
Tranche A 2012		May 2021	2.936%	62.5	2.936%	87.5
Tranche B 2012		May 2021	3.237%	25.0	3.237%	35.0
Tranche A 2013		May 2022	2.038%	105.0	2.038%	135.0
Total				192.5		257.5
Bond issuance						
September 2018	100.0%	March 2022	EURIBOR+0.45%	500.0	-	-
	99.898%	September 2023	0.875%	500.0	-	-
	99.761%	September 2026	1.5%	500.0	-	-
Total				1,500.0	-	-
Total				1,692.5		257.5

(1) On April 27th, 2018 term A from the 2015 Revolving Loan and the 2016 Revolving Loan were cancelled.
(2) On September 2018 the bridge was cancelled.

The agency Standard & Poor's Credit Market Service Europe Limited determined the credit rating for the three bond issuances at 'BBB'. The agency Moody's Investors Service España S.A., determined the credit rating for these issuances at 'Baa2', with stable outlook. Both agencies maintain the Company credit rating of 'Investment Grade'.

At December 31, 2018 and 2017, including the loans with Group companies, approximately 71.2% and 77.8% respectively, 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, 2018 and 2017, the Company is in compliance with the aforementioned financial covenants.

a) Revolving Loans Facilities

• Revolving Loan Facility 2015

On March 5, 2015, the Company 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.

No amount was used from Term B and it was fully cancelled on April 25, 2016. Term A, available for €500 million euros was used as working capital, was cancelled on April 27th, 2018.

• Revolving Loan Facility 2016

On April 26, 2016, the Company signed a revolving loan facility for a total amount of €500 million, with a 5 year maturity date, extended for one additional year during the year 2017. 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 has been used as working capital and for other corporate purposes, and substituted 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., Sociedad Unipersonal. The Company repaid €260 million from the initial amount disposed during the year 2016. On February 14, 2017 the Company repaid the remaining €100 million from the amount disposed. This revolving loan facility was cancelled on April 27, 2018.

• Revolving Loan Facility 2018

On April 27, 2018, the Company signed a revolving loan facility for a total amount of €1,000 million with a 5 year maturity, available for two more annual extensions at the end of its maturity date. This facility was structured under a 'club deal' with several financial institutions with the National Westminster Bank PLC as agent. This revolving loan facility is used as working capital and for other corporate purposes.

This revolving loan facility replaces the revolving loan facility of €1,000 million signed on March 5, 2015, from which only term A was available for €500 million, and the revolving loan facility signed on April 26, 2016.

At December 31, 2018, there was no amount used from the revolving loan facility.

b) Bridge Loan

On August 8, 2018, the Company signed a bridge loan of €1,000 million euros with a 12 month maturity, available for a six month extension. This facility was structured with several financial institutions with the Crédit Agricole Corporate and Investment Bank, Sucursal en España as agent. The amount of the bridge loan was used to partially finance the acquisition of Travelclick, Inc. on October 2018. On September 18th, 2018 this bridge loan was fully cancelled and no amount was used.

Notes to the annual accounts (millions of euros)

c) European Investment Bank (EIB)

On May 14, 2012, the European Investment Bank (EIB) granted to the Company, with an unsecured senior loan amounting to €200 million, with a 9 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 2018, €25 million have been repaid of the first tranche and €10 million of the second tranche.

On April 29, 2013, the European Investment Bank (EIB) granted the Company with a second unsecured senior loan amounting to €150 million, with a 9 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. During the year 2018, €30 million have been repaid of this loan.

The breakdown by due date of the debt with the European Investment Bank at December 31, 2018, is as follows:

Loans	2019	2020	2021	2022	Total
Tranche A 2012	25.0	25.0	12.5	-	62.5
Tranche B 2012	10.0	10.0	5.0	-	25.0
Tranche A 2013	30.0	30.0	30.0	15.0	105.0
Total	65.0	65.0	47.5	15.0	192.5

d) Bonds and other securities

On September 6, 2018, the Company issued three bonds for a total amount of €1,500 million euros, under the debt instruments issuance program, the 'Euro Medium Term Note Program' signed up by the Group company Amadeus Finance B.V in 2014, which the Company has joined in 2017.

The first issuance of €500 million with a 3.5 years maturity does not have an annual coupon rate. The second issuance of €500 million with a 5 year maturity, has an annual coupon rate of 0.875% and an issue price of 99.898% of its nominal value. The third bond was issued for €500 million with an 8 year maturity, an annual coupon rate of 1.5% and an issue price of 99.761% of its nominal value.

The issuance was formalized on September 18, 2018. The issue amount was allocated to the acquisition of Travelclick, Inc. and its group of companies, and other financing corporate purposes.

At December 31, 2018, the fair value of the bonds issued maturing in 2022, 2023 and 2026 amounts to €495.6 million (99.136% of its face value), €497.9 million (99.583% of its face value) and bonds issued in €493.2 million (98.647% of its face value) respectively. These fair values have been calculated taking the quoted prices in active markets as a reference.

e) Debt guaranteed by the Company

- ### Euro Medium Term Note Program

In 2014, the Group company, Amadeus Finance B.V., signed up a debt instruments issuance program, the 'Euro Medium Term Note Program', 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., and in 2017 the Company, joined this program.

The Base Prospectus of the program 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 program was requested and the quoting in the Luxemburg's Stock Exchange.

In 2018, Amadeus Finance B.V and Amadeus Capital Markets, S.A., Sociedad Unipersonal have increased the nominal amount of the 'Euro Medium Term Note Program' to €4,000 million. The Base Prospectus of the program was updated and approved by the 'Luxembourg Commission de Surveillance du Secteur Financier' (CSSF) on August 22, 2018. Also, an additional supplement was approved by the CSSF on September 4, 2018.

- ### Euro-Commercial Paper Program – ECP

Additionally, Amadeus Finance B.V., signed up in the year 2014 a short-term commercial paper issuance program called 'Euro-Commercial Paper Program – ECP'. The program was agreed by a maximum nominal amount of €500 million, on August 16, 2016 the program was extended up to €750 million, it can be issued in euros or any other currency, with different maturity dates, always less than 365 days.

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

The Company, as parent company of the Group, has subscribed, as guarantor the commercial paper and debt instruments programs. The structure of the securities listed on the secondary market guaranteed by the Company at December 31, 2018 and 2017, is as follows:

Notes to the annual accounts (millions of euros)

Debt	Value at issuance	Maturity	31/12/18 Interest rate	31/12/18 Amount Used	31/12/17 Interest rate	31/12/17 Amount used
Bond issue						
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	0.125%	500.0
May 2017 (1)	99.932%	May 2019	0.0%	500.0	0.0%	500.0
Total value of securities				1,500.0		1,500.0
Commercial paper issue						
Commercial paper (2)		Under 365 days	(0.300-0.200%)	330.0	(0.320-0.190%)	300.0
Total commercial paper				330.0		300.0
Total				1,830.0		1.800,0

(1) Debt issued by Amadeus Capital Markets, S.A, Sociedad Unipersonal.
(2) Debt issued by Amadeus Finance B.V.

15. DEFERRED INCOME

Balances and movements of the 'Deferred income' captions during the years 2018 and 2017, are as follows:

	Current	Non-current	Total
Balance at 31/12/2016	61.2	308.1	369.3
Additions	-	50.8	50.8
Transfers to the income statement	(72.1)	-	(72.1)
Transfers	73.3	(73.3)	-
Balance at 31/12/2017	62.4	285.6	348.0
Additions	-	45.3	45.3
Transfers to the income statement	(69.3)	-	(69.3)
Transfers	73.5	(73.5)	-
Balance at 31/12/2018	66.6	257.4	324.0

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, and was not 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.

Notes to the annual accounts (millions of euros)

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

In 2016 the Company was involved in a merger process, described in Note 2.5, which 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, 2018 and 2017 is as follows:

	31/12/2018	31/12/2017
Deferred tax assets		
Share-based payments	2.9	2.3
Purchase price allocation amortization	-	3.2
Non-current asset amortization	0.9	1.1
Doubtful debt provision	2.3	2.7
Cancellations provision	5.6	5.0
Cash flow hedge	7.5	4.2
Investment impairment adjustments	9.4	9.4
Other non-deductible expenses	3.3	5.4
Withholding tax and outstanding tax credits	101.3	83.1
Total deferred tax assets	**133.2**	**116.4**
Current debtors balances		
Tax Authorities, debtor for Corporate Income Tax	-	38.1
Tax Authorities of other countries, debtor for V.A.T.	0.8	0.6
Total current debtor balances	**0.8**	**38.7**
Total	**134.0**	**155.1**

The above mentioned deferred tax assets have been recognized 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.

Notes to the annual accounts (millions of euros)

The breakdown of the deferred tax liabilities and the current creditor balances with Public Administrations, at December 31, 2018 and 2017, is as follows:

	31/12/2018	31/12/2017
Deferred tax liabilities		
Purchase price allocation amortization	72.0	29.9
Cash flow hedge	2.0	7.1
Amortization of goodwill from investments	11.3	10.2
Other deferred taxes liabilities	0.1	0.1
Total deferred tax liabilities	**85.4**	**47.3**
Current creditor balances		
Tax Authorities, creditor for Corporate Income Tax	20.5	-
Tax Authorities, creditor for V.A.T.	0.3	1.8
Tax Authorities, creditor for other concepts	1.6	1.3
Social Security Authorities, creditors	1.2	1.1
Total current creditor balances	**23.6**	**4.2**
Total	**109.0**	**51.5**

The variation of deferred tax liability linked to the purchase price allocation amortization includes the revaluation of the amounts generated in previous years.

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 2018, is as follows:

	Income statement		
	Increases	Decreases	Total
Net result before tax			756.6
Permanent differences	132.9	(334.6)	(201.7)
Exempt dividends received and other income	-	(334.6)	(334.6)
Amortization of goodwill	131.8	-	131.8
Others	1.1	-	1.1
Temporary differences	101.8	(19.3)	82.5
Arising in current year			
Doubtful debt provision	11.0	-	11.0
Share-based payments	2.5	-	2.5
Others	-	(1.5)	(1.5)
Arising in previous years			
Purchase price allocation amortization	87.9	-	87.9
Investment impairment adjustments	-	(17.8)	(17.8)
Others	0.4	-	0.4
Tax base before compensations			637.4
Tax Consolidation Group negative tax base compensation			-
Company tax base			**637.4**

Notes to the annual accounts (millions of euros)

According to Royal Legislative Decree 3/2016, of December 2, the temporary difference for impairment of investments includes the reversal of the impairment loss that was tax deductible in previous years and whose amount has not been significant.

The reconciliation between the net result before tax registered in the income statement and the Corporate Income Tax base for the year 2017, was as follows:

	Income Statement		
	Increases	Decreases	Total
Net result before tax			675.9
Permanent differences	0.9	(310.5)	(309.6)
Exempt dividends received and other income	-	(305.9)	(305.9)
Amortization of goodwill from investments	-	(4.6)	(4.6)
Others	0.9	-	0.9
Temporary differences	227.6	(10.0)	217.6
Arising in current year			
Doubtful debt provision	-	(7.6)	(7.6)
Share-based payments	-	(0.9)	(0.9)
Others	1.0	-	1.0
Arising in previous years			
Purchase price allocation amortization	222.2	-	222.2
Investment impairment adjustments	4.4	-	4.4
Others	-	(1.5)	(1.5)
Tax base before compensations			583.9
Tax Consolidation Group negative tax base compensation			-
Company tax base			**583.9**

The reconciliation between the income and expenses directly recognized in equity and the Corporate Income Tax base, for the years 2018 and 2017, is as follows:

	Income and expenses directly recognised in equity			
	Year 2018		Year 2017	
	Increases	Total	Decreases	Total
Income and expenses recognised in equity		(33.3)		43.6
Temporary differences	33.3	33.3	(43.6)	(43.6)
Arising in current year				
Cash flow hedge	33.3	33.3	(43.6)	(43.6)
Corporate Income Tax Base in equity		-		-

Notes to the annual accounts (millions of euros)

16.3 Tax recognised in equity

The detail of taxes directly recognized in equity at December 31, 2018, is as follows:

	Increases	Decreases	Total
Deferred tax			
Arising in current year			
Cash flow hedge	10.2	(1.8)	8.4
Total deferred tax	10.2	(1.8)	8.4
Total tax recognised in equity			**8.4**

The detail of taxes directly recognized in equity at December 31, 2017, was as follows:

	Increases	Decreases	Total
Deferred tax			
Arising in current year			
Cash flow hedge	2.3	(13.2)	(10.9)
Total deferred tax	2.3	(13.2)	(10.9)
Total tax recognised in equity			**(10.9)**

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 2018 and 2017, is as follows:

	Year 2018	Year 2017
Net result before tax	756.6	675.9
Tax rate 25%	(189.2)	(169.0)
Permanent and temporary differences	32.3	84.5
Tax credits and others	8.7	4.7
Total Corporate Income Tax expense recognised in the income statement	**(148.2)**	**(79.8)**
Current tax	(147.1)	(100.4)
Deferred tax	(1.1)	20.6

16.5 Periods open to 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 2018, the Company has opened to 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.

In December 2016, a claim has been filed with the National Appellate Court, related to the tax assessments signed under protest for the Corporate Income Tax of the years from 2005 to 2007 and from 2008 to 2010. During 2017 the Company has submitted a writ of conclusions. The National Appellate Court rejected the appeal by decision in September 2018 and in October 2018, the Company, filed an extraordinary appeal (Recurso de Casación) before the Supreme Court only with respect to the non-tax deductibility of financial interest (years 2007-2010), which is still pending of admission.

In June 2015, the Company received a final decision from the Central Administrative Court (TEAC) rejecting cumulatively appeals regarding 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. In January 2017, a resolution from the TEAC was received, rejecting the allegations submitted by the Company before it. In February 2017, the Company filed an appeal before the National Appellate Court. In September 2017, after the disclosure of the file, a claim has been registered to the National Appellate Court, and in November 2017 the statement of conclusions, pending execution at the year-end.

The Company has voluntarily deposited the amount required by the Tax Authorities until the resolution of this litigation (Note 9.1) and has registered the appropriate provisions in order to minimize its exposure in the event the final ruling from the Court does not result in its favour (Note 13). Therefore, and in any case, the resolution of this matter should not have any significant impact on the Company's financial situation.

Since 1999, the Company has been engaged in disputes with the Indian tax authorities in relation to an allegation that the distribution activities in that country qualify as a permanent establishment in India. On this basis, the Indian tax authorities claim that a portion of the revenue generated in respect of bookings made by travel agencies located in India should be subject to Indian tax.

Notes to the annual accounts (millions of euros)

There is a number of proceedings underway relating to the tax years between 1995 and 2015 at different procedural stages (ranging from initial inspection to appeal) before the Indian administrative authorities and before the Supreme Court. The resolution from the Delhi High Court dated on January 2010 concerning tax years from 1995 to 1998 concludes on the existence of permanent establishment, but without income liable to tax in India.

This resolution was also extended to the fiscal years from 1998 to 2006 (both inclusive). These decisions are under dispute before the Supreme Court. The Company has been advised that there is no provision under Indian law for sanctions to be imposed as a result of the ongoing proceedings.

Additionally, since 2006, the Indian tax authorities are of the opinion that the IT service agreement executed between the Company and an airline (both non-resident) may give rise to royalty payments and fees for technical services in India. As a result of this interpretation, a new tax claim is under dispute.

The Company has registered the appropriate provisions in order to minimize its exposure in the event the final ruling from the Court does not result in its favour (Note 13).

17. FOREIGN CURRENCIES

The detail of the main balances and transactions in foreign currency, valuated at the year-end exchange rate and at the average exchange rate as of December 31, 2018 and 2017, respectively, is as follows:

	31/12/2018	31/12/2017
Assets		
Accounts receivable	203.5	184.3
Loans given	1,033.9	132.2
Other assets	181.5	112.5
Cash and cash equivalents	38.9	17.8
Liabilities		
Accounts payable	(401.2)	(322.4)
Loans received	(245.3)	(180.4)
Other liabilities	(15.3)	(21.4)
	2018	**2017**
Income statement		
Services rendered	1,417.4	1,303.2
Services received	(933.8)	(865.8)

Notes to the annual accounts (millions of euros)

The amount of exchange rate differences by financial instrument recognised in the income statement for the year 2018, is as follows:

	Transactions settled in the year	Outstanding balances	Total
Financial assets			
Loans to Group companies and joint ventures	(22.7)	16.0	(6.7)
Derivatives	1.0	5.6	6.6
Other financial assets	13.9	4.5	18.4
Total financial assets	(7.8)	26.1	18.3
Financial liabilities			
Debts with Group companies and joint ventures	(13.4)	(8.0)	(21.4)
Derivatives	(4.2)	(9.7)	(13.9)
Other financial liabilities	-	2.0	2.0
Total financial liabilities	(17.6)	(15.7)	(33.3)
Total	(25.4)	10.4	(15.0)

The amount of exchange rate differences by financial instrument recognised in the income statement for the year 2017, was as follows:

	Transactions settled in the year	Outstanding balances	Total
Financial assets			
Loans to Group companies and joint ventures	(7.8)	(13.0)	(20.8)
Derivatives	6.3	(2.3)	4.0
Other financial assets	(1.0)	(9.5)	(10.5)
Total financial assets	(2.5)	(24.8)	(27.3)
Financial liabilities			
Debts with Group companies and joint ventures	0.8	11.0	11.8
Derivatives	(2.8)	(4.7)	(7.5)
Other financial liabilities	-	3.1	3.1
Total financial liabilities	(2.0)	9.4	7.4
Total	(4.5)	(15.4)	(19.9)

Notes to the annual accounts (millions of euros)

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.

The segment information has been prepared in accordance how the segments are regularly reviewed by the chief operating decision maker in order to allocate resources to a segment and to assess its performance. The Company is organized into two operating segments on the basis of the different services offered:

— Distribution, where the primary offering is the GDS platform. It generates revenues mainly from booking fees the Company charges to travel providers for bookings made, as well as other non–booking revenues; and

— IT solutions, where the Company offers 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 information regarding the operating segments during 2018 and 2017, is as follows:

Operating segment	Year 2018	Year 2017
Distribution	3,272.5	3,123.9
IT solutions	1,243.0	1,179.6
Total	**4,515.5**	**4,303.5**

The processing of bookings and sales of transactional IT solutions depends on complex IT systems, and on billions of transactions processed during each year. The classification of the trade revenues between transactional and non-transactional during 2018 and 2017, is as follows:

	Year 2018	Year 2017
Transactional revenue	4,009.9	3,742.0
Non-transactional revenue	505.6	561.5
Total	**4,515.5**	**4,303.5**

Notes to the annual accounts (millions of euros)

The following geographical distribution of the services provided during the year 2018 and 2017, 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 criteria applied.

Geographical market	Year 2018	Year 2017
Spain	169.8	227.0
European Union	1,563.7	1,545.7
O.E.C.D.	1,290.5	1,282.4
Rest of the world	1,491.5	1,248.4
Total	**4,515.5**	**4,303.5**

18.2 Personnel expenses

The breakdown of the 'Personnel expenses' for the years 2018 and 2017, is as follows:

	Year 2018	Year 2017
Salaries, wages and similar	88.4	84.5
Social benefits		
Pension plan contributions	2.6	2.4
Other social costs	25.5	23.6
Total	**116.5**	**110.5**

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 2018 and 2017, is as follows:

	Year 2018	Year 2017
Group companies	2,712.7	2,596.4
Joint ventures	141.5	123.2
Third parties	891.1	795.0
Total	**3,745.3**	**3,514.6**

Notes to the annual accounts (millions of euros)

18.4 Financial results

The detail of the financial income and expenses for the years 2018 and 2017, is as follows:

	Note	Year 2018	Year 2017
Financial income		**356.8**	**314.1**
From equity instruments		334.8	306.1
Dividends received from Group companies and joint ventures	9.2 & 19.1	334.3	305.6
Dividends received from third parties		0.5	0.5
From securities and other financial instruments		22.0	8.0
Loans to Group companies and joint ventures	19.1	20.9	7.9
Other financial income		1.1	0.1
Financial expenses		**(40.0)**	**(33.4)**
Debts with Group companies and joint ventures	19.1	(15.3)	(17.3)
Interest from debts		(14.5)	(16.0)
Arrangement fees amortization		(0.8)	(1.3)
Debts with third parties		(24.7)	(16.1)
Interest from debts with financial institutions		(5.9)	(7.5)
Interest from bonds		(3.6)	-
Interest from derivatives financial instruments – hedge		(3.7)	(3.9)
Arrangement fees amortization		(4.0)	(1.0)
Other financial expenses		(7.5)	(3.7)
Changes in fair value of financial instruments		**-**	**(2.7)**
Financial instruments held for trading and others		-	(2.7)
Exchange rate differences	17	**(15.0)**	**(19.9)**
Impairment and gains/ losses on disposal of financial instruments		**24.1**	**(2.9)**
Impairment and losses		23.6	(3.3)
Gains / (losses) on disposal of financial instruments		0.5	0.4
Financial profit / (loss)		**325.9**	**255.2**

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.

Notes to the annual accounts (millions of euros)

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. PSP 2018 includes an additional performance objective related to pre-tax adjusted free cash flow (OCF) growth. The vesting period of each independent cycle is 3 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, 2018 and 2017, as consideration for the equity instruments granted, is presented in the income statement under the 'Personnel and related expenses' caption by an amount of €7.5 million and €5.3 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 2015	PSP 2016	PSP 2017	PSP 2018
Total shares allotted at grant date (1)	98,814	111,880	99,695	74,970
Fair value of those instruments at grant date (€)	34.74	37.73	49.49	64.03
Dividend yield	1.41%	1.59%	1.47%	1.24%
Expected volatility	20.06%	22.37%	21.23%	19.06%
Risk free interest rate	0.56%	0.00%	0.00%	0.00%

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

During the year 2018, the PSP 2015 has been settled at the vesting date, implying that the Company transferred to the eligible employees 172,672 shares, due to the achievement of the performance objectives (200.00%), at a weighted average price of €74.72 per share. The Company used treasury shares to settle this share-based payments (Note 12.4).

During the year 2017, the PSP 2014 was settled at the vesting date, implying that the Company transferred to the eligible employees 214,341 shares, due to the achievement of the performance objectives (187.00%), at a weighted average price of €53.70 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 2 and 5 years.

This plan is considered as equity-settled. The fair value of the services received as consideration for the equity instruments granted, 7,025 and 6,959 shares during the years 2018 and 2017 is presented in the income statement under the 'Personnel and related expenses' caption by an amount of €0.1 million and nill, respectively.

During the year 2018, certain RSP awards have been settled at vesting date, implying that the Company transferred to the eligible employees 40 shares in May at a weighted average price of €66.72 per share and 969 shares in August at a weighted average price of €74.72 per share. The Company used treasury shares to settle these share-based payments (Note 12.4).

During the year 2017, certain RSP awards were settled at vesting date, implying that the Company transferred to the eligible employees 500 shares in April at a weighted average price of €47.01 per share and 1,606 shares in November at a weighted average price of €59.90 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 SMP, 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.

This plan is considered as equity-settled. The fair value of the services received as consideration for the equity instruments granted, 20,450 and 24,201 shares during the years 2018 and 2017, respectively, is presented in the income statement under the 'Personnel and related expenses' caption by an amount of €0.4 million and €0.4 million, respectively.

During the year 2018, the SMP 2016 has been settled according to the terms of the plan, implying that the Company transferred to the participants 9,431 shares, at a weighted average price of €74.42 per share. The Company used treasury shares to settle this share-based payments (Note 12.4).

During the year 2017, the SMP 2015 was settled according to the terms of the plan, implying that the Company transferred to the participants 5,741 shares, at a weighted average price of €54.04 per share. The Company used treasury shares to settle this share-based payments (Note 12.4).

Notes to the annual accounts (millions of euros)

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

19.1 Transactions with related parties

The breakdown of transactions with related parties for the year 2018, is as follows:

	Group companies	Joint ventures	Other related parties	Total
Services rendered	163.3	28.8	-	192.1
Other operating expenses	(2,712.7)	(141.5)	-	(2,854.2)
Interests from loans	20.9	-	-	20.9
Debt expenses	(15.3)	-	-	(15.3)
Dividends received	329.7	4.6	-	334.3
Dividends distributed	-	-	(0.8)	(0.8)
Remuneration	-	-	(16.4)	(16.4)
Total	**(2,214.1)**	**(108.1)**	**(17.2)**	**(2,339.4)**

The breakdown of transactions with related parties for the year 2017, was as follows:

	Group companies	Joint ventures	Other related parties	Total
Services rendered	207.3	20.1	-	227.4
Other operating expenses	(2,596.4)	(123.2)	-	(2,719.6)
Interests from loans	7.9	-	-	7.9
Debt expenses	(17.3)	-	-	(17.3)
Dividends received	302.8	2.8	-	305.6
Dividends distributed	-	-	(0.7)	(0.7)
Remuneration	-	-	(19.2)	(19.2)
Total	**(2,095.7)**	**(100.3)**	**(19.9)**	**(2,215.9)**

Notes to the annual accounts (millions of euros)

19.2 Balances with related parties

The breakdown of balances with related parties at December 31, 2018, is as follows:

	Group companies	Joint ventures	Other related parties	Total
Long-term investments				
Equity instruments	2,616.6	1.9	-	2,618.5
Loans to companies	1,046.2	-	-	1,046.2
Trade debtors	44.7	13.2	-	57.9
Short-term investments				
Loans to companies	282.3	-	-	282.3
Interests from loans to companies	14.1	-	-	14.1
Cash-pooling	145.6	-	-	145.6
Dividends	0.4	0.5	-	0.9
Long-term debts	(995.3)	-	-	(995.3)
Short-term debts				
Debts with companies	(1,088.8)	-	-	(1,088.8)
Interests from debts with companies	(1.8)	-	-	(1.8)
Cash-pooling	(85)	-	-	(85)
Dividends	-	-	(0.4)	(0.4)
Trade creditors	(347.7)	(47)	-	(394.7)
Total	**1,631.3**	**(31.4)**	**(0.4)**	**1,599.5**

Notes to the annual accounts (millions of euros)

The breakdown of balances with related parties at December 31, 2017, was as follows:

	Group companies	Joint ventures	Other related parties	Total
Long-term investments				
Equity instruments	2,192.5	3.9	-	2,196.4
Loans to companies	419.6	-	-	419.6
Trade debtors	40.5	8.2	-	48.7
Short-term investments				
Loans to companies	14.2	-	-	14.2
Interests from loans to companies	1.7	-	-	1.7
Cash-pooling	206.3	-	-	206.3
Dividends	102.7	0.1	-	102.8
Long-term debts	(1,492.0)	-	-	(1,492.0)
Short-term debts				
Debts with companies	(498.4)	-	-	(498.4)
Interests from debts with companies	(1.8)	-	-	(1.8)
Cash-pooling	(98.7)	-	-	(98.7)
Dividends	-	-	(0.4)	(0.4)
Trade creditors	(435.0)	(26.0)	-	(461.0)
Total	**451.6**	**(13.8)**	**(0.4)**	**437.4**

Notes to the annual accounts (millions of euros)

19.2.1 Trade debtors and creditors

The breakdown of the 'Trade debtors' and 'Trade creditors' as of December 31, 2018 and 2017, is as follows:

	31/12/2018	31/12/2017
Debtors		
For taxes	2.2	1.9
For other concepts	55.7	46.8
Total	**57.9**	**48.7**
Creditors		
For taxes	-	(0.1)
For other concepts	(394.7)	(460.9)
Total	**(394.7)**	**(461.0)**

As of December 31, 2018 and 2017, 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.

As of December 31, 2018 and 2017, the captions 'Group companies, debtor for other concepts' and 'Group companies, creditors for other concepts' include the different transactions that the Company has with the companies that form the Amadeus Group for agreements in application of the transfer pricing policies.

19.2.2 Loans to Group companies

The detail of loans to Group companies at December 31, 2018, is as follows:

Group companies	Currency	Millions of euros	Reference interest	Due date
Amadeus Verwaltungs GmbH	EUR	168.3	1.32%	11/11/2019
Amadeus Hellas S.A.	EUR	36.6	0.26%	15/10/2019
Amadeus Central and West Africa S.A.	EUR	0.9	0.42%	20/06/2020
Content Hellas Electronic Tourism Services S.A.	EUR	0.2	0.73%	05/11/2019
Amadeus Corporate Business, AG	EUR	62.8	1.53%	08/04/2019
Amadeus Corporate Business, AG	EUR	30.9	0.73%	02/11/2021
Amadeus Bilgi Teknolojisi Hizmetleri A.Ş.	EUR	2.5	0.45%	01/07/2021
Amadeus Rezervasyon Dağıtım Sistemleri A.Ş	EUR	3.0	0.45%	01/12/2020
Amadeus Polska Sp. z o.o.	EUR	1.8	0.47%	05/10/2021
Amadeus Albania sh.p.k	EUR	0.1	0.74%	15/01/2020
Amadeus Travel IMS	EUR	0.5	0.44%	22/03/2021
UFIS Airport Solutions (Thailand) Ltd.	USD	2.3	3.34%	14/04/2021
Amadeus Bolivia S.R.L.	USD	0.4	4.11%	18/04/2019
Amadeus GDS LLP	USD	1.0	4.07%	01/03/2019
Amadeus Global Travel Israel Ltd.	USD	2.4	3.41%	05/05/2021
Amadeus GDS Singapore Pte. Ltd.	USD	9.7	3.76%	01/02/2019
Amadeus Americas, Inc.	USD	988.9	5.08%	01/10/2026
Amadeus Argentina S.A	USD	1.1	3.44%	27/08/2021
Amadeus Argentina S.A., Sucursal Uruguay	USD	2.9	3.37%	06/05/2020
Amadeus Perú S.A.	USD	2.4	3.74%	14/12/2021
Amadeus Perú S.A.	USD	3.1	2.80%	02/10/2021
Amadeus Marketing (Ghana) Ltd.	USD	0.4	3.45%	21/01/2019
Amadeus Marketing Nigeria Ltd.	USD	1.0	4.36%	28/11/2019
Amadeus Marketing Phils Inc.	USD	2.8	3.69%	01/11/2021
Amadeus GTD Southern Africa Pty. Ltd.	USD	1.4	4.12%	20/07/2019
Amadeus Ecuador	USD	0.5	3.39%	19/07/2019
Amadeus Integrated Solutions Pty Ltd.	USD	0.6	3.22%	01/03/2020
		1,328.5		

As of October 1, 2018, the Company granted a loan amounting to $1,070 million to the group company Amadeus Americas, Inc. with the purpose of financing the acquisition of Travelclick, Inc. and its subsidiaries.

19.2.3 Debts with Group companies

The detail of debts with Group companies at December 31, 2018, is as follows:

Group companies	Currency	Millions of euros	Reference interest	Due date
Amadeus Finance B.V.	EUR	330.5	(0.05)%	14/01/2019
Amadeus Capital Markets, S.A.U.	EUR	499.6	0.08%	19/05/2019
Amadeus Capital Markets, S.A.U.	EUR	498.4	0.25%	06/10/2020
Amadeus Capital Markets, S.A.U.	EUR	496.9	1.81%	17/11/2021
Amadeus Capital Markets, S.A.U.	EUR	-	0.00%	05/05/2019
UFIS Airport Solutions AS	EUR	13.4	0.00%	12/04/2019
Amadeus Slovenija, d.o.o.	EUR	0.6	0.00%	12/04/2019
Navitaire LLC	USD	198.2	2.72%	25/01/2019
Amadeus IT Pacific Pty. Ltd.	AUD	33	2.02%	10/01/2019
Amadeus Scandinavia AB	SEK	11.3	0.00%	10/01/2019
Amadeus Norway AS	NOK	1.0	0.80%	10/01/2019
Amadeus Denmark A/S	DKK	1.2	0.00%	10/01/2019
Total		**2,084.1**		

During 2015, the Group company Amadeus Finance B.V., made several issuances of commercial paper in the Euromarket. At December 31, 2018 and 2017, Amadeus Finance B.V. had outstanding commercial paper by an amount of €330.5 million and €300.3 million, respectively. The Company subscribed these agreements as guarantor. Amadeus Finance B.V. transferred the amount received in the issuances, net of related expenses, to the Company through a loan contract. The contract is registered under the 'Short-term debts with Group companies' caption.

Financial expenses for the years 2018 and 2017 derived from the aforementioned loans, amounting to €(0.6) million and €4.6 million, respectively, are included in the income statement under 'Interest from debts with Group companies' caption.

On November 10, 2015, the Group company Amadeus Capital Markets, S.A., Sociedad Unipersonal, under the debt issuance Euro Medium Term Note Program, 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, 2018, the amortised cost of this loan amounts €496.8 million, including the principal of €497.4 million and the arrangement fees of €0.6 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 'Short-term debts with Group companies' caption.

On September 29, 2016, the Group company Amadeus Capital Markets, S.A., Sociedad Unipersonal, 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, 2018, the amortised cost of this loan amounts €498.4 million, including the principal of €498.8 million and the arrangement fees of €0.4 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.

As of May 12, 2017 the Group company Amadeus Capital Markets, S.A., Sociedad Unipersonal, 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, 2018, the amortised cost of this loan amounts €499.4 million, including the principal of €499.6 million and the arrangement fees of €0.2 million. This loan has an implicit interest rate of 0.08411% to be capitalised annually. This loan is registered under the 'Long-term debts with Group companies' caption.

Financial expenses for the years 2018 and 2017 derived from the aforementioned loans with Amadeus Capital Markets, S.A., Sociedad Unipersonal, amounting to €11.5 million and €11.2 million, respectively, are registered in the income statement under the 'Interest 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 Chief Executive Officer 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 3 years.

On June 21, 2018 and June 15, 2017, the Ordinary General Shareholders' Meeting agreed a fixed remuneration for said functions, in cash or in kind, for the period January to December 2018 and 2017, with a limit of €1,426 thousand and €1,426 thousand, respectively, 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 2018 and 2017, is as follows:

In thousands of euros	Year 2018		Year 2017	
Board members	Cash	In kind	Cash	In kind
José Antonio Tazón García	303	2	303	2
Guillermo de la Dehesa Romero	158	-	152	-
Luis Maroto Camino	35	-	35	-
Stuart Anderson McAlpine	-	-	86	-
Francesco Loredan	113	-	120	-
Clara Furse	145	-	136	-
David Webster	149	-	158	-
Pierre–Henri Gourgeon	113	-	113	-
Roland Busch	53	-	113	-
Marc Verspyck	53	-	113	-
Nicolas Huss	91	-	49	-
Pilar García Ceballos-Zúñiga	102	-	4	-
Stephan Gemkow	48	-	-	-
Peter Kuerpick	59	-	-	-
Total	**1,422**	**2**	**1,382**	**2**

As of December 31, 2018 and 2017, the Key Management personnel includes 8 and 11 members, respectively.

During the year ended December 31, 2018, 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 €4,342 thousand, €283 thousand, €500 thousand and €4,890 thousand, respectively (€7,161 thousand, €305 thousand, €452 thousand and €4,858 thousand, respectively, during the year ended December 31, 2017).

Additionally, the amounts accrued to the Chief Executive Officer 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 €1,722.6 thousand, €46 thousand, €183 thousand and €3,084 thousand, respectively (€2,018 thousand, €104 thousand, €176 thousand and €2,728 thousand respectively for the year ended December 31, 2017).

Notes to the annual accounts (millions of euros)

19.4 Directors' information regarding situations of conflict of interests

As of December 31, 2018, 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

As of December 31, 2018 and 2017, investment held by the members of the Board of Directors in the share capital of the Company, is as follows:

Board members	Shares	
	31/12/2018	31/12/2017
José Antonio Tazón García	255,000	255,000
Luis Maroto Camino	172,883	201,480
David Webster	1	1
Pierre–Henri Gourgeon	400	400
Roland Busch	-	100
Total	**428,284**	**456,981**
Voting rights	**0.09760%**	**0.10414%**

The number of shares in the capital of the Company held by the members of the Key Management at December 31, 2018 is 273,692 shares. The number of shares in the capital of the Company held by the members of the Key Management at December 31, 2017 was 273,128 shares.

19.6 Financial structure

As mentioned in Note 1, the Company belongs to the Amadeus Group. Companies belonging to the Group, at December 31, 2018 and 2017, are detailed in the appendix attached to these annual accounts.

20. OTHER INFORMATION

20.1 Auditors' 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 2018 and 2017, are as follows:

In thousands of euros	Year 2018	Year 2017
Auditing	701	802
Other audit related services	205	583
Total auditing and related services	**906**	**1,385**
Tax advice	257	195
Other services	210	176
Total professional services	**467**	**371**
Total	**1,373**	**1,756**

20.2 Number of employees

The average number of employees and Board of Directors members of the Company during 2018 and 2017, is 976 and 982, respectively. Distribution by category and gender, is as follows:

	Year 2018		Year 2017	
	Female	Male	Female	Male
Board of Directors	2	9	2	9
Key Management and Vice Presidents	3	7	3	8
Directors	11	30	11	34
Managers	195	191	192	214
Disabled managers	1	-	1	-
Rest of personnel	304	215	296	206
Rest of disabled personnel	6	2	5	1

Notes to the annual accounts (millions of euros)

The number of employees and Board of Directors members of the Company as of December 31, 2018 and 2017, is 1,005 and 1,039, respectively. Distribution by category and gender, is as follows:

	31/12/18		31/12/17	
	Female	Male	Female	Male
Board of Directors	2	9	2	9
Key Management and Vice Presidents	3	8	3	7
Directors	12	30	10	31
Managers	207	195	202	232
Disabled managers	1	-	1	-
Rest of personnel	301	229	318	219
Rest of disabled personnel	6	2	5	-

20.3 Off–balance sheet commitments

At December 31, 2018 and 2017, the Company has guarantees issued to cover certain obligations entered into by Group companies and received from third parties, as per the following detail:

	31/12/2018	31/12/2017
Other guarantees and bank guarantees	28.6	22.1
Guarantees over office buildings and equipment	10.0	11.8
Bank guarantees on commercial contracts	1.3	5.0
Total	**39.9**	**38.9**

At December 31, 2018 and 2017 the guarantees undertaken by the Company, in the form of comfort letters, amount to €1.8 and €1.7 million, respectively.

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

As of the date of issuance of the annual accounts no significant subsequent events have occurred after the reporting period which might affect the Company and that should be included in these notes to the annual accounts.

Notes to the annual accounts (millions of euros)

APPENDIX

The subsidiaries of the Company as of December 31, 2018 and 2017 are:

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2018 (%) (1) (2)	Investment 31/12/2017 (%) (1) (2)	Date of acquisition or creation (3)
Group companies							
Amadeus Airport IT Americas, Inc. (4)	Inc.	U.S.A.	5950 Hazeltine National Drive, Suite 210. Orlando, Florida. 32822.	Software development	100%	100%	21.04.15
Amadeus Airport IT GmbH	GmbH	Germany	Berghamer Str. 6 85435, Erding-Aufhasen.	Software development	100%	100%	11.06.12
Amadeus Albania sh.p.k	sh.p.k.	Albania	Bulevardi Deshmoret e Kombit, Tirana.	Distribution	100%	100%	15.04.16
Amadeus América S.A. (5)	Sociedad Anónima	Argentina	Ingeniero Enrique Butty 240 4° piso. Caba CP 1001.	Regional support	100%	100%	28.04.00
Amadeus Americas, Inc.	Inc.	U.S.A.	3470 NW 82nd Avenue Suite 1000 Miami, Florida 33122.	Regional support	100%	100%	17.04.95
Amadeus Argentina S.A.	Sociedad Anónima	Argentina	Ingeniero Enrique Butty 240 4° piso. Caba CP 1001.	Distribution	95.50%	95.50%	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%	100%	24.11.95
Amadeus Austria Marketing GmbH	GmbH	Austria	Dresdnerstrasse 91/C1/4, 1200 Wien.	Distribution	100%	100%	13.02.88
Amadeus Benelux N.V.	N.V.	Belgium	Medialaan, 30. Vilvoorde 1800.	Distribution	100%	100%	11.07.89
Amadeus Bilgi Teknolojisi Hizmetleri A.Ş.	Anonim Şirketi	Turkey	İstanbul Havalımanı Serbest Bölgesi Plaza Ofis No: 1401 Kat: 14 34830 Yesilköy, İstanbul.	Software development	100%	100%	03.04.13
Amadeus Bolivia S.R.L.	S.R.L.	Bolivia	Equipetrol Norte. Calle J. Edificio "Rolea Center" Piso 1. Oficinas E&D. Santa Cruz.	Distribution	100%	100%	14.03.02

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2018 (%) (1) (2)	Investment 31/12/2017 (%) (1) (2)	Date of acquisition or creation (3)
Amadeus Bosna d.o.o. za marketing Sarajevo	d.o.o.	Bosnia and Herzegovina	Midhat Karic Mitke 1, 71000 Sarajevo.	Distribution	100%	100%	01.06.01
Amadeus Brasil Ltda.	Limited	Brasil	Rua das Olimpiadas 205 – 5 andar, Sao Paulo 04551-000.	Distribution	83.51%	83.51%	30.06.99
Amadeus Bulgaria EOOD	Limited	Bulgaria	1, Bulgaria Square, 16th Floor. Triaditza Region. 1463 Sofia.	Distribution	55.01%	55.01%	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%	100%	03.10.01
Amadeus Content Sourcing, S.A., Sociedad Unipersonal	Sociedad Anónima Unipersonal	Spain	Calle Salvador de Madariaga 1, 28027, Madrid.	Intermediation	100%	100%	11.06.14
Amadeus Corporate Business, AG	AG	Germany	Berghamer Strasse 6. D-85435. Erding. Munich.	Holding of shares	100%	100%	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%	100%	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 - Karlin 186 00.	Distribution	100%	100%	19.09.97
Amadeus Data Processing GmbH (6)	GmbH	Germany	Berghamer Strasse 6. D-85435. Erding. Munich.	Data processing	100%	100%	15.04.88
Amadeus Denmark A/S (7)	A/S	Denmark	Oldenburg Allé 3, 1.tv. DK-2630 Taastrup.	Distribution	100%	100%	31.08.02
Amadeus Eesti AS	AS	Estonia	Tuukri 19. 10152 Tallinn.	Distribution	100%	100%	27.12.13
Amadeus Finance B.V.	B.V.	The Netherlands	De Entrée 99, 1101 HE Amsterdam.	Financial activities	100%	100%	23.10.14
Amadeus France, S.A. (8)	S.A.	France	Le Seine Saint Germain Bâtiment C, 2-8 Ave. Du Bas-Meudon. F-92445 Issy-Les-Moulineaux Cedex.	Distribution	100%	100%	27.04.98
Amadeus GDS LLP	LLP	Kazakhstan	48, Auezov Str., 4th floor, 050008, Almaty.	Distribution	100%	100%	08.01.02
Amadeus GDS (Malaysia) Sdn. Bhd.	Sdn. Bhd.	Malaysia	Suite 1005, 10th Floor. Wisma Hamzah-kwong Hing. nº 1 Leboh Ampang. Kuala Lumpur 50100.	Distribution	100%	100%	02.10.98

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2018 (%) (1) (2)	Investment 31/12/2017 (%) (1) (2)	Date of acquisition or creation (3)
Amadeus GDS Singapore Pte. Ltd.	Pte. Ltd.	Singapore	1 Wallich Street #27-00 Guoco Tower, Singapore 078881.	Distribution	100%	100%	25.02.98
Amadeus Germany GmbH	GmbH	Germany	Zentrale Finanzen SiemensstaBe 1, 61352. Bad Homburg.	Distribution	100%	100%	07.08.99
AMADEUSGLOBAL Ecuador S.A.	Sociedad Anónima	Ecuador	República del Salvador N35- 126 y Portugal, Edificio Zanté; piso 2 oficina 206, Quito.	Distribution	100%	100%	12.01.96
Amadeus Global Operations Americas, Inc. (4)	Inc.	U.S.A.	Corporate creations, Network Inc, 3411 Silverside Road #104 Rodney building, Wilmington, Delaware 19810. New Castle County.	Data processing	100%	100%	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%	100%	03.07.03
Amadeus Global Travel Israel Ltd.	Limited	Israel	14 Ben Yehuda St. 61264, Tel Aviv.	Distribution	100%	100%	23.03.00
Amadeus GTD (Malta) Limited	Limited	Malta	Birkirkara Road. San Gwann. SGN 08.	Distribution	100%	100%	17.02.04
Amadeus GTD Southern Africa Pty. Ltd.	Pty. Limited.	South Africa	Turnberry Office Park. 48 Grosvenor Road, Bryanston. 2021 Johannesburg.	Distribution	100%	100%	01.01.03
Amadeus Hellas, S.A.	S.A.	Greece	Sygrou Ave. 157. 17121 N. Smyrni - Athens	Distribution	100%	100%	02.02.93
Amadeus Honduras, S.A. (4)	Sociedad Anónima	Honduras	Edificio El Ahorro Hondureño. Cía. de Seguros, S.A. 4to Nivel - Local B. Av. Circunvalación. San Pedro Sula.	Distribution	100%	100%	17.03.98
Amadeus Hong Kong Ltd.	Limited	China	3/F, Henley Building nº 5 Queen's Road. Central Hong Kong.	Distribution	100%	100%	21.08.03
Amadeus Hospitality Americas, Inc. (4)	Inc.	U.S.A.	75 New Hampshire Ave, Portsmouth NH 03801.	Distribution and Software development	100%	100%	05.02.14
Amadeus Hospitality Asia Pacific Pte. Ltd. (4)	Limited	Singapore	600 North Bridge Road, #14-02 Parkview Square, Singapore 188778.	Distribution and Software development	100%	100%	05.02.14

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2018 (%) (1) (2)	Investment 31/12/2017 (%) (1) (2)	Date of acquisition or creation (3)
Amadeus Hospitality Netherlands B.V.	B.V.	The Netherlands	Chasséveld 15-G 4811 DH Breda.	Distribution and Software development	100%	100%	21.07.15
Amadeus Hospitality UK Limited (4)	Limited	U.K.	Fourth Floor Drapers Court, Kingston Hall Road, Kingston-upon-Thames, Surrey KT1 2BQ.	Distribution and Software development	100%	100%	05.02.14
Amadeus Information Technology LLC	Limited Liability	Russia	M. Golovin line 5, 2nd floor 107045, Moscow.	Distribution	100%	100%	28.03.08
Amadeus Integrated Solutions Pty Ltd.	Limited	South Africa	Turnberry Office Park, 48 Grosvenor Road, Bryanston, Johannesburg.	Distribution	100%	100%	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%	100%	25.07.02
Amadeus IT Pacific Pty. Ltd.	Pty. Limited	Australia	Level 7 180 Thomas Street 2000 Haymarket, Sydney.	Distribution	100%	100%	18.11.97
Amadeus IT Services UK Limited	Limited	U.K.	3rd Floor First Point, Buckingham Gate, Gatwick, West Sussex RH6 0NT.	Distribution and Software development	100%	100%	13.07.88
Amadeus Italia S.p.A.	Societá per Azioni	Italy	Via Morimondo, 26. 20143 Milano.	Distribution	100%	100%	18.12.92
Amadeus Japan K.K.	K.K.	Japan	SPP Ginza Building 5F, 2-4-9 Ginza, Chuo-Ku, Tokio 104-0061.	Distribution	100%	100%	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%	100%	14.11.11
Amadeus Lebanon S.A.R.L.	S.A.R.L.	Lebanon	Gefinor Centre P.O. Box 113-5693 Beirut.	Distribution	100%	100%	07.05.09
Amadeus Magyaroszag Kft	Korlatolf Felelossegu Tarsasag	Hungary	1075 Budapest. Madách Imre út 13-14. Budapest.	Distribution	100%	100%	13.10.93
Amadeus Marketing (Ghana) Ltd.	Limited	Ghana	12 Quarcoo Lane, West Airport Residential Area, Accra.	Distribution	100%	100%	14.11.00
Amadeus Marketing Ireland Ltd.	Limited	Ireland	65 Charlemont Street Dublin 2.	Distribution	100%	100%	20.06.01

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2018 (%) (1) (2)	Investment 31/12/2017 (%) (1) (2)	Date of acquisition or creation (3)
Amadeus Marketing Nigeria Ltd.	Limited	Nigeria	26, Ladipo Bateye Street, G.R.A., Ikeja, Lagos.	Distribution	100%	100%	18.05.01
Amadeus Marketing Phils Inc.	Inc.	Philippines	36th Floor, LKG Tower Ayala Avenue, Makati City.	Distribution	100%	100%	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%	100%	22.01.03
Amadeus Marketing (Schweiz) A.G.	A.G.	Switzerland	Pfingstweidstrasse 60. Zurich CH 8005.	Distribution	100%	100%	14.06.94
Amadeus México, S.A. de C.V. (9)	Sociedad Anónima	Mexico	Pº de la Reforma nº 265, Piso 11. Col. Cuauhtemoc 06500 México D.F.	Distribution	100%	100%	13.02.95
Amadeus North America Inc. (4) (10)	Inc.	U.S.A.	3470 NW 82nd Avenue Suite 1000 Miami, Florida 33122.	Distribution	100%	100%	28.04.95
Amadeus Norway AS (7)	AS	Norway	Post boks 6645, St Olavs Plass, NO-0129 Oslo.	Distribution	100%	100%	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%	100%	13.03.95
Amadeus Perú S.A.	Sociedad Anónima	Peru	Víctor Andrés Belaunde, 147. Edificio Real 5, Oficina 902. San Isidro, Lima.	Distribution	100%	100%	12.10.95
Amadeus Polska Sp. z o.o.	Sp. z o.o.	Poland	ul. Domaniewska 49, Warsaw 26-672.	Distribution	100%	100%	17.12.92
Amadeus Revenue Integrity Inc. (4) (10)	Inc.	U.S.A.	3530 E. Campo Abierto, Suite 200, Tucson, AZ – 85718.	Information technology	-	100%	07.11.03
Amadeus Rezervasyon Dağıtım Sistemleri A.Ş.	Anonim Şirketi	Turkey	Barbaros Plaza İş Merkezi. Dikilitaş Mah. Emirhan Cad. No:113 Kat:18 34349 Istanbul.	Distribution	100%	100%	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%	100%	02.05.88
Amadeus Scandinavia AB	Limited	Sweden	Hälsingegatan 49 6tr, Box 660 SE-113 84 Stockholm.	Distribution	100%	100%	31.08.02

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2018 (%) (1) (2)	Investment 31/12/2017 (%) (1) (2)	Date of acquisition or creation (3)
Amadeus Services Ltd. (11)	Limited	U.K.	World Business Centre 3. 1208 Newall Road. Heathrow Airport. Hounslow TW6 2RB Middlesex.	Software development	100%	100%	20.07.00
Amadeus Slovenija, d.o.o.	d.o.o	Slovenia	Dunajska 122, 1000 Ljubljana.	Distribution	100%	100%	15.04.16
Amadeus Software Labs India Private Limited (12)	Limited	India	6th Floor, Etamin Block, Prestige Technology Park-II, Marathahalli-Srajapur Outer Ring Road, 560103 Bangalore.	Software development and software definition	100%	100%	21.02.12
Amadeus Software Technology (Shanghai) CO., Ltd (4)	Limited	China	1709 You You International Plaza, No.76 Pujian Road, Pudong New Area 200127 Shanghai.	Distribution and software development	100%	100%	05.02.14
Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal	Sociedad Anónima Unipersonal	Spain	Edificio Iris, Ribera del Loira 4-6, 28042, Madrid.	Distribution	100%	100%	23.09.98
Amadeus Taiwan Co. Ltd.	Limited by shares	Taiwan	12F, No. 77 Sec.3, Nan-Jing E. Rd. Taipei City.	Distribution	100%	100%	10.07.08
Amadeus Travel IMS, S.L. (13)	S.L.	Spain	Paseo Isabel La Católica, 6, 50009, Zaragoza.	Software development	95%	24.88%	14.05.15
Amadeus Verwaltungs GmbH	GmbH	Germany	Unterreut 6. 76135 Karlsruhe.	Holding of shares	100%	100%	21.06.05
Amadeus Yemen Limited (11)	Limited	Yemen	Al-Zubairi Street. Aman Tower Building – 6th Floor. Sana'a.	Distribution	100%	100%	31.10.08
Argo IT Tecnologia S.A. (14)	Sociedad Anónima	Brasil	Rua do Paraiso, No. 148, planta 13, Sao Paulo, Estado de Sao Paulo.	Computer consulting	70%	-	24.10.18
Bratys Development Srl (4)	Srl	Romania	3 Zarii Street, 5th District Bucharest.	Information technology	100%	-	04.10.18
Content Hellas Electronic Tourism Services S.A.	Limited Liability Company	Greece	157, Syngrou Av., 3rd floor, N. Smyrni, 17121 Athens.	Distribution	100%	100%	14.09.09
CRS Amadeus America S.A. (15)	Sociedad Anónima	Uruguay	Av. 18 de Julio 841. Montevideo 11100.	Regional support	-	100%	22.07.93
Digital Alchemy, LLC. (4)	LLC.	U.S.A.	8721 Airport Freeway Suite 200, N. Richland Hills, Texas	Data processing and Information technology	100%	-	04.10.18

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2018 (%) (1) (2)	Investment 31/12/2017 (%) (1) (2)	Date of acquisition or creation (3)
Enterprise Amadeus Ukraine	Limited Liability Company	Ukraine	Podil Plaza business center 30, Spasska street. 04070 Kyiv.	Distribution	100%	100%	22.10.04
Gestour S.A.S. (8)	Société par Actions Simplifiée	France	16, Avenue de l'Europe, 67300 Schiltigheim.	Software development	-	100%	01.06.10
i:FAO AG (16)	AG	Germany	Clemensstrasse 9 60487, Frankfurt am Main.	Holding of shares	90.02%	88.89%	25.06.14
i:FAO Bulgaria EOOD (16)	EOOD	Bulgaria	Antim Tower, Level 15, 2 Kukush Street, 1309 Sofia.	Software development	90.02%	88.89%	25.06.14
i:FAO Group GmbH (16)	GmbH	Germany	Clemensstrasse 9, 60487 Frankfurt am Main.	Distribution and Software development	90.02%	88.89%	25.06.14
Latinoamérica Soluciones Tecnológicas SPA (17)	SPA	Chile	Isidora Goyenechea 2939 P/10, Las Condes, Santiago de Chile.	Distribution	100%	100%	21.02.14
Navitaire LLC	LLC	U.S.A.	333 South Seventh Street Suite 1800, 55402 Minneapolis.	Software development	100%	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%	100%	26.01.16
NMC d.o.o. Skopje	d.o.o	Macedonia	Gradski Zid, Blok 4/8, 1000 Skopje.	Distribution	100%	51%	15.04.16
NMTI Holdings, Inc. (4)	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%	100%	05.02.14
Private Enterprise "Content Ukraine" (18)	Limited Liability Company	Ukraine	Podil Plaza business center 30, Spasska street. 04070 Kyiv.	Distribution	100%	100%	23.08.06
PT Amadeus Technology Indonesia (19)	Limited Liability Company	Indonesia	UOB Plaza Floor 39, Unit 2, Jl. M.H. Thamrin No. 10, Jakarta 10230.	Distribution	100%	100%	23.02.17
Pyton Communication Services B.V.	B.V.	The Netherlands	Schatbeurderlaan 10, Postbus 116 6002 AC Weert.	Distribution and Software development	100%	100%	30.06.98
Pyton Communication Services Deutschland GmbH (20)	GmbH	Germany	Kölner Straße 7A D - 51789 Lindlar.	Software development	100%	100%	21.08.15

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2018 (%) (1) (2)	Investment 31/12/2017 (%) (1) (2)	Date of acquisition or creation (3)
SIA Amadeus Latvija	SIA	Latvia	8 Audeju Street, LV-1050 Riga.	Distribution	100%	100%	31.08.02
Sistemas de Distribución Amadeus Chile, S.A.	Sociedad Anónima	Chile	Marchant Pereira No 221, piso 11. Comuna de Providencia, Santiago de Chile	Distribution	100%	100%	06.05.08
Sistemas de Reservaciones 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%	100%	14.11.95
The Rubicon Group, LLC. (4)	LLC.	U.S.A.	101 Marietta Street, Suite 3525, Atlanta GA 30303	Information technology	100%	-	04.10.18
Travel Audience, GmbH (21)	GmbH	Germany	Elsenstraße 106 12435 Berlin.	E-Commerce	100%	100%	23.11.11
TravelClick Asia Pty (4)	Pty.	Australia	291 Coventry Street. Melbourne, Australia 3205	Distribution	100%	-	04.10.18
TravelClick Canada (4)	Inc.	Canada	1306 Wellington Street West Suite 300 & 500 Otawa, Ontario K1Y 4R1.	Distribution	100%	-	04.10.18
TravelClick Europe, S.L. (4)	Sociedad Limitada	Spain	Via Augusta, 117. Barcelona, 08006.	Distribution	100%	-	04.10.18
TravelClick France, Eurl. (4)	Eurl.	France	12 Rue de la Chaussee D'Antin 75009, Paris.	Distribution	100%	-	04.10.18
TravelClick, Inc. (4)	Inc.	U.S.A.	55 W 46th St 27th floor. New York, NY 10036, EE. UU.	Distribution and Software development	100%	-	04.10.18
TravelClick Singapore Pte. Ltd (4)	Limited	Singapore	8 Kallang Avenue #12-05, APERIA Tower 1 Singapore 339509	Distribution	100%	-	04.10.18
Traveltainment GmbH	GmbH	Germany	Carlo-Schmid-Straße 12 52146 Würselen/ Aachen.	Software development	100%	100%	27.09.06
Traveltainment UK Ltd. (15)	Limited	U.K.	Unit 102 Culley Court, Orton Southgate, Peterborough, PE2 6WA.	Software development	-	100%	27.09.06
UAB Amadeus Lietuva	UAB	Lithuania	Olimpieciu 1A-9B, LT-09200, Vilnius.	Distribution	100%	100%	31.08.02
UFIS Airport Solutions AS	AS	Norway	Cort Adelers gate 17, 0254 Oslo.	Holding of shares	100%	100%	24.01.14

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2018 (%) (1) (2)	Investment 31/12/2017 (%) (1) (2)	Date of acquisition or creation (3)
UFIS Airport Solutions 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%	49%	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%	74%	24.01.14
UFIS Airport Solutions Pte Ltd (11) (25)	Limited	Singapore	300 Beach Road #14-06, The Concourse, Singapore 199555.	Software development	100%	100%	24.01.14
Videopolis, S.A.S. (4)	Société par Actions Simplifiée	France	8 place du Marché, Neuilly Sur Seine, 92200.	Information technology and Distribution	100%	-	04.10.18
Videopolis.com, S.A. (4)	Société par Actions	Belgium	Avenue Louise 523, 1050 Bruxelles.	Information technology	100%	-	04.10.18
Zdirect, Inc. (4)	Inc.	U.S.A.	4712 Oleander Drive Myrtle Beach SC 29577.	Information technology	100%	-	04.10.18
Zdirect.Biz Canada, Inc. (4)	Inc.	Canada	6 Hamilton Avenue North, Suite 206, K1Y 4R1 Ottawa, ON.	Software development and Information technology	100%	-	04.10.18
<u>Joint ventures and associates</u>							
Amadeus Algerie S.A.R.L.	S.A.R.L.	Algeria	06, Rue Ahcéne Outaleb "les Mimosas" Ben Aknoun.	Distribution	40%	40%	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%	100%	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%	49%	27.12.03
Amadeus Libya Technical Services JV	Limited Liability Company	Libya	Abu Kmayshah ST. Alnofleen Area. Tripoli.	Distribution	25%	25%	08.10.09

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2018 (%) (1) (2)	Investment 31/12/2017 (%) (1) (2)	Date of acquisition or creation (3)
Amadeus Maroc S.A.S.	S.A.S.	Morocco	Route du Complexe Administratif. Aéroport Casa Anfa. BP 8929, Hay Oulfa. Casablanca 20202.	Distribution	30%	30%	30.06.98
Amadeus Qatar W.L.L.	W.L.L.	Qatar	Al Darwish Engineering W.W.L. Building nº 94 "D" Ring road 250. Hassan Bin Thabit – Street 960. Doha.	Distribution	40%	40%	03.07.01
Amadeus Saudi Arabia Limited (26) (27)	Limited	Saudi Arabia	3rd Floor, Diner's Square Center, King Abdulaziz Road P.O. Box no. 16196 Jeddah 21464.	Distribution	100%	100%	06.05.04
Amadeus Sudani co. Ltd.	Limited	Sudan	Street 3, House 7, Amarat. Khartoum 11106.	Distribution	40%	40%	21.09.02
Amadeus Syria Limited Liability (26)	Limited	Syria	Shakeeb Arslan Street Diab Building, Ground Floor. Abu Roumaneh, Damascus.	Distribution	100%	100%	04.12.08
Amadeus Tunisie S.A.	Société Anonyme	Tunisia	41 bis. Avenue Louis Braille. 1002 Tunis – Le Belvedere.	Distribution	30%	30%	06.09.99
Jordanian National Touristic Marketing Private Shareholding Company	Limited	Jordan	Second Floor, nº2155, Abdul Hameed Shraf Street Shmaisani. Amman.	Distribution	50%	50%	19.05.04
Qivive GmbH (11) (28)	GmbH	Germany	c/o Rechtsanwälte Amend Minnholzweg 2b. 61476 Kronberg im Taunus.	Information technology	33.33%	33.33%	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) In the case of various investments or capital increases, the date of acquisition or creation refers to the first one.
(4) The share percentage 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 share percentage in this company is held through Amadeus Verwaltungs GmbH.
(7) The share percentage in these companies is held through Amadeus Scandinavia AB.
(8) On November 1, 2018, with retroactive effective since January 1, 2018, the companies Amadeus France, S.A. and Gestour S.A.S. were merged. The resulting company was named Amadeus France, S.A.
(9) The share percentage in this company is 98% direct and 2% indirect, through Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal.
(10) On January 1, 2018, the companies Amadeus North America Inc. and Amadeus Revenue Integrity were merged. The resulting company was named Amadeus North America Inc.
(11) These companies are in the process of being liquidated.
(12) The share percentage in this company is 99.99 % indirect, through Amadeus S.A.S. and 0.01% through Amadeus Asia Limited.
(13) On March 22, 2018, the company Hiberus Travel IO Soltuions, S.L. became Group company, previously considered joint venture. The name of this company has been changed to Amadeus Travel IMS, S.L.
(14) The share percentage in this company is held through Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal.
(15) This company has been liquidated during 2018.
(16) The share percentage in these companies is held through Amadeus Corporate Business, AG.
(17) The share percentage in this company is held through Sistemas de Distribución Amadeus Chile, S.A.
(18) The share percentage in this company is held through Enterprise Amadeus Ukraine.
(19) The share percentage in this company is 99% direct and 1% indirect, through Amadeus Asia Limited.
(20) The share percentage in this company is held through Pyton Communication Services B.V.
(21) The share percentage in these companies is held through Traveltainment AG.
(22) The control of these companies 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 this company is held through Amadeus Germany GmbH.

Amadeus IT Group, S.A.

Directors' Report
for the year ended
December 31, 2018

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 2018:

DISTRIBUTION

— During 2018, we signed 50 new contracts or renewals of content or distribution agreements with airlines, including Vistara, United Airlines, Scandinavian Airlines (SAS) and Norwegian. Subscribers to Amadeus' inventory can access c. 115 low cost carriers (LCCs) and hybrid carriers' content worldwide. LCC and hybrid carriers' bookings grew 13% in 2018.

— Several airlines and travel sellers joined our NDC-X program during 2018, including American Airlines, Travix, Carlson Wagonlit Travel or American Express Global Business Travel. The NDC-X program, which we unveiled in February, brings together all of Amadeus' NDC activities – as an IT provider and an aggregator – under one roof, so that all relevant travel content from any source (EDIFACT, NDC, proprietary APIs and other aggregated content) can be distributed via any user interface or device.

— In March, we signed an agreement with Air France KLM enabling distribution through a Private Channel. Amadeus travel seller customers which enact a Private Channel agreement with Air France-KLM will be able to book Air France KLM content through Amadeus without a surcharge, which started to be levied from April 2018.

— Our merchandising solutions continued to gather interest from our customers. A total of 18 airlines signed up for Amadeus Airline Ancillary Services for the indirect channel and 16 airlines signed for Amadeus Fare Families in 2018. As of December 31, 2018, 151 airlines had Amadeus Airline Ancillary Services (from which 128 had already implemented it) and 81 had Amadeus Fare Families (of which 69 had already implemented the solution).

IT SOLUTIONS

Corporations

- In November, we announced that Bosch will implement Amadeus cytric Travel, the Amadeus corporate self-booking tool. Bosch will also implement Amadeus' Mobile platform. Thanks to these solutions, Bosch will be able to offer its corporate travelers a seamless process from planning and booking their trip to submitting travel expenses. Bosch employees will additionally benefit from on-trip support, such as assistance with directions, securing reliable ground transportation or making restaurant reservations.

Airline IT

- At the close of December, 214 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 204 had implemented them.

- During the year, several airlines including S7 Airlines, Bangkok Airways, Philippine Airlines (PAL), Peruvian Airlines and Cyprus Airways signed up for the full Altéa suite, including the reservation, inventory, ticketing and departure control modules. The Altéa suite will help these airlines to enhance customer experience by delivering more consistent and personalized customer service, develop new revenue streams, and improve operational efficiency. KC International Airlines, a new Cambodian carrier and Volaris Costa Rica contracted and implemented New Skies. Hawaiian Airlines, the Honolulu-based airline, selected Amadeus Altéa Departure Control Flight Management.

- In August, Easyjet contracted Amadeus SkySYM by Optym to improve the reliability of its flight schedules. SkySYM simulates airline schedules in the planning stage to improve schedule reliability and ensure smooth operations on the actual day of the flight.

- In October, Southwest Airlines signed up for the full Amadeus Sky Suite by Optym with a 10-year agreement. The suite of five industry-first solutions gives Southwest Airlines the most comprehensive and advanced technology for all its network planning, simulation, forecasting and optimization needs.

- During the year we announced that Singapore Airlines and Avianca had both implemented Amadeus Altéa NDC.

- We also collaborated with Lufthansa on its new biometric boarding solution using facial recognition. This innovative pilot, enabled through a collaboration between Amadeus, U.S. Customs and Border Protection (CBP), Los Angeles World Airports Authority (LAWA), and Vision Box, is available since March, for Lufthansa flights at Los Angeles International Airport (LAX). The airline intends to expand the pilot program to additional U.S. gateways and other passenger touchpoints.

- Additionally, during 2018, a total of 8 airlines had contracted Amadeus Revenue Management, including Finnair; 7 airlines had contracted Amadeus Anytime Merchandising including Singapore Airlines; 5 for Passenger Recovery and 7 for Customer Experience Management, including Garuda Indonesia. Also, Malaysia Airlines contracted for Amadeus Revenue Accounting.

Hospitality

- During the year, we continued to progress in the roll-out of the Guest Reservation System with InterContinental Hotels Group, which has been completed successfully in the fourth quarter. InterContinental Hotels Group 's more than 5,600 properties across 15 brands and more than 100 countries are now live. Going forward, there will be future updates to the platform bringing enhanced features and functionality, including attribute-based selling.

- In August, we announced an agreement to acquire TravelClick for €1,336.2 million. TravelClick provides innovative cloud-based solutions, including an independent and mid-sized hotel Central Reservation System (CRS) and Guest Management Solution (GMS), as well as business intelligence and media solutions. The addition of TravelClick's solutions to the Amadeus portfolio will create a hospitality leader providing a broad range of innovative technology to hotels and chains of all sizes across the globe. In October, following the regulatory approvals, Amadeus announced it had completed the acquisition.

- In November, we announced that NH Group had joined TravelClick's Demand360 program which gives hoteliers unique access to forward-looking demand data and allows hoteliers to develop optimal strategies for maximizing revenue. Working with TravelClick's Demand360 provides hotels with an understanding of the booking trends in their local market, while giving them the ability to know what actions to take to drive performance and ensure that they are getting their fair share of bookings through the right segment and channel.

Airport IT

- ASA Cape Verde Airports, a customer of Amadeus' Airport Common Use Service (ACUS), contracted ACUS Mobile.

- We also saw increasing interest from customers in Amadeus Extended Airline System Environment (EASE) and we signed contracts with airports such as Killeen-Fort Hood Regional Airport, JFK Airport, Los Angeles International Airport, Bozeman Yellowstone International Airport BZN and Charleston County Aviation Authority.

Payments

- In April, we launched a new solution to facilitate payments of bookings made through airlines' call centers. Rather than having to discuss payment details over the phone, with Amadeus Agent Pay airline agents send their customers a link, via SMS or email, to a secure webpage, so that the traveler can then complete the payment from their smartphone, tablet or PC. Meanwhile, the ticket is kept on hold, and issued automatically once the payment is complete. Finnair is using it not only for its call center but also for its chat-based customer service agents.

Rail

- Swiss Federal Railways (SBB) contracted Amadeus to design and power its new intelligent and flexible booking solution, which will be used across all of SBB's sales channels –online, at stations and third parties-.

— In September, we expanded our distribution agreement with SNCF, the French national railway. Thanks to this agreement, travel agencies beyond Europe will have access to SNCF rail content for the first time.

Other announcements

1. In the last quarter of the year, Standard & Poor's and Moody's confirmed their rating s and outlook. Moody's a 'Baa2' long-term rating for Amadeus, with a stable outlook, and Standard & Poor's its 'BBB' long-term and 'A-2'short-term ratings, with a positive outlook.

2. Over the past few months, we have announced several changes to our Executive Committee:

    - Wolfgang Krips, former Senior Vice President of Technology Platform Engineering at Amadeus (TPE), has been appointed Senior VP Strategy, an appointment driven by the increasing technological profile of Amadeus.
    - Dietmar Fauser has been appointed Senior Vice President of TPE, taking over from Mr. Krips. Mr. Fauser, who has been with Amadeus since 1998, was until recently Vice President of Core Platforms and Middleware (CPM) and played a significant role in recent years in building the TPE organization.
    - Francisco Perez-Lozao, now Senior Vice President Hospitality, will focus exclusively and lead the Hospitality business, recently strengthened by the TravelClick acquisition.
    - The other new business units will be led by Stefan Roper, appointed Senior Vice President of Strategic Growth Businesses. Mr. Roper brings over 20 years' international experience across the technology industry, both in innovative fast-growth environments and with major tech players.

2. ECONOMIC RESULTS

2.1 Results of operations

2.1.1 Operating revenue

Trade revenue for the year ended December 31, 2018 was €4,515.5 million, while for the same twelve-month period ended December 31, 2017 was €4,303.5 million , which represents an increase of 4.9%. The Company's revenue comes mainly from the distribution and IT solutions areas.

Revenue from the Distribution area was €3,272.5 million for the year ended December 31, 2018 which represents a 72.5% of the total trade revenue. The amount of this kind of revenue registered in the same twelve-month period ended December 31, 2017 amounted to €3,123.9 million, with an increase of 4.8%.

Revenue from the IT Solutions area was €1,243.0 million for the year ended December 31, 2018 which represents a 27.5% of the total trade revenue. The amount of this kind of revenue registered in the same twelve-month period ended December 31, 2017 amounted to €1,179.6 million, with an increase of 5.4%.

The total air travel agency bookings net of cancellations registered in the year ended December 31, 2018 was 580.2 versus 568.4 million bookings registered the same twelve-month period ended December 31, 2017, with an increase of 2.1%.

2.1.2 Operating expenses

Operating expenses for the year ended December 31, 2018 amounted to €4,250.6 million, while for the same twelve-month period ended December 31, 2017 were €3,968.6 million, which represents an increase of 7.1%.

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, 2018 the distribution fees amounted to €832.5 million, whereas for the same period ended December 31, 2017 were €901.1 million.

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

- Data processing fees, which amounted to €561.8 million for the year ended December 31, 2018, registering an increase of 29.0% in comparison to the same twelve-month period ended December 31, 2017, when these costs amounted to €435.4 million.

- Personnel expenses (salaries and social costs), that for the year ended December 31, 2018 amounted to €116.5 million, whereas for the same twelve-month period ended December 31, 2017 amounted to €110.5 million, registering an increase of 5.4%.

- Amortization expenses, which passed from €269.0 million for the year ended December 31, 2017 to €279.5 million for the year ended December 31, 2018, registering an increase of 3.9%.

- 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, 2018 amounted to €98.6 million whereas for the same twelve-month period ended December 31, 2017 were €65.9 million, registering an increase of 49.7%.

2.1.3 Operating profits and net results

Operating profit increased from €420.7 million for the twelve-month period ended December 31, 2017, to €430.7 million for the same period ended December 31, 2018, registering an increase of 2.4%.

Finally, during financial year ended December 31, 2018 the Company has registered a net profit after taxes amounting to €608.4 million, whereas for same twelve-month period ended December 31, 2017, the net profit after taxes amounted to €596.1 million.

2.2 Headcount

From a year-end perspective, the Amadeus staff and Board of Directors members as at December 31, 2018 amounted to 1,005 FTEs, whereas for 2017 amounted to 1,039 FTEs. The average FTEs during 2018 amounted to 976, while for 2017 amounted to 982, registering a decrease of 0.6%.

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 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 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 natural hedges and 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, 2018, there is USD denominated debt with Group companies, this debt has not been designated as hedge instrument.

- 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 Singapore Dollars (SGD). For these exposures, a natural hedge strategy is not possible. In order to hedge a portion of the aforementioned short 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. At December 31, 2018 and 2017, approximately 71.2% and 77.8%, respectively, of the Company's borrowings were at fixed interest rate. Given the high proportion of fixed rate debt as of December 2018 and 2017, no interest rate hedges were hedging the outstanding debt as of these dates.

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

During 2018 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 three new Eurobonds with a total notional of €1,500 million and maturities 2022, 2023 and 2026. This new debt increases both total amount of outstanding debt and the average time to maturity of the Company' debt. The fair value of the instruments is sensitive to the changes of the level of interest rates.

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 achievement of certain performance conditions. The Company will use treasury shares to cover this remuneration schemes.

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.

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.

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 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.

The Company 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.

Additionally, the Company has access to a 'Revolving Credit Facility'. This facility has a notional of €1,000 million and can be used to cover working capital needs and general corporate purposes.

At December 31, 2018, this facility for a total amount of €1,000 million were fully unused.

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', with 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 environment

Given that Amadeus operates transaction-based business models, our operating results are highly linked to travel volumes (mainly bookings made by travel agencies connected to the Amadeus Distribution system, or passengers boarded by airlines using our IT solutions) at a global scale. Amadeus' businesses and operations are largely dependent on the worldwide travel and tourism industry, which is sensitive to general economic conditions and trends.

In January 2019, the IMF updated its World Economic Outlook, reporting that the growth of the global economy is expected to decelerate in 2019, growing at 3.5%, vs. 3.7% in 2018.

1. Growth in the advanced economies is projected to slowdown (2.0% in 2019 vs. 2.3% in 2018) mainly driven by slowdowns expected in the United States (2.5% in 2019, vs. 2.9% in 2019) and the Euro Zone (1.6% in 2019 vs. 1.8% in 2018).
2. Growth in the emerging markets and developing economies are also expected to decelerate (4.5% in 2019 vs. 4.6% in 2018) reflecting contractions in Argentina and Turkey, as well as the impact of trade actions on China and other Asian economies.

IATA believe that the slowdown in economic growth coupled with rising fuel costs will lead to a deceleration in air traffic growth, which is expected to expand by 6.0% 1 in 2019 (vs. 6.5% in 2018). All regions are expected to perform positively: Africa (5.0%), Asia-Pacific (7.5%), Middle-East (5.5%), Latin America (6.0%), North America (4.5%) and Europe (5.5%).

[1] IATA Airline Industry Economic Performance-December 2018

Amadeus strategic priorities and expected business evolution in 2018

Amadeus is a leading technology provider for the travel industry. Amadeus has built commercial relationships with players across the industry, including airlines, travel agencies, hotels and airports, among others, and across the globe (with presence in more than 190 countries). Amadeus has invested consistently over the years to have a unique technology offering. Having market leading and cutting-edge technology allows us to serve our customers better, to customize more efficiently and to continue innovating.

In distribution, we see growth coming from adding travel providers and travel agencies to our network, as well as from expanding the content offering distributed through Amadeus. In airline IT, future growth will be driven by (i) implementing new customers to our current solutions, (ii) increasing the penetration of our solutions within our current customer base, and (iii) expanding our portfolio of solutions to address customer needs. Additionally, we expect growth to come from our new businesses, including hospitality, airport IT, payments, rail and travel intelligence, as we progress in each of them, and as we materialize the synergies between the different verticals.

In Distribution, we see growth coming from adding travel providers and travel agencies to our network, as well as from expanding the content offering distributed through Amadeus. In Airline IT, future growth will be driven by (i) implementing new customers to our current solutions, (ii) increasing the penetration of our solutions within our current customer base, and (iii) expanding our portfolio of solutions to address customer needs.

Additionally, we expect growth to come from our new businesses, including Hospitality, Airport IT, Payments and Rail, as we progress in each of them.

In 2019, we expect to continue evolving positively. In Distribution, we expect to maintain our leadership position, supported by our sustained investment in R&D and focus on innovation, global footprint, local market understanding and industry expertise.

In Airline IT, our PSS business will continue to expand as we implement our upcoming, contracted migrations, while also benefiting from the full-year impact of the 2018 customer implementations. This is despite the full-year negative impact from LATAM Airlines Brasil (formerly TAM Airlines), which de-migrated in 2018. Beyond the PSS business, we continue to invest on enhancing and expanding our solutions portfolio in order to sustain our upselling activity, with particular focus on the areas of merchandising, personalization, revenue optimization, digitalization, and disruption management.

In Hospitality IT, we have now fully implemented the first version of the Guest Reservation System with InterContinental Hotels Group. In 2018, we also completed the acquisition of TravelClick, which provides innovative cloud-based solutions, including an independent and mid-size hotel Central Reservation System and Guest Management Solution, as well as business intelligence and media solutions. During 2019, we will continue the process of integrating TravelClick’s solutions to the Amadeus portfolio, while also continuing to invest in further product development, creating a hospitality leader that provides a broad range of innovative technology to hotels and chains of all sizes across the globe.

Investing in technology is a key pillar to our success. In 2019, Amadeus will continue to invest in R&D to support long term growth through new customer implementations, product evolution, portfolio expansion (including non-air IT diversification) and cross-area technological projects. We will continue investing for our NDC vision, which is to develop an integrated solution that can be widely adopted by both travel agencies and airlines to deliver sustainable results on a scale that matters. Also, we will progress on our shift to next-generation technologies and cloud services, as well as the application of new technologies, such as artificial intelligence and machine learning.

Amadeus has a proven track record of operating a solid and resilient business model that results in strong cash generation, allowing for sustained investment in R&D and innovation, as well as for shareholder remuneration, while maintaining a flexible capital structure. Ordinary dividends paid have grown consistently every year since our IPO, at an average annual rate of 23% and we have complemented this with share repurchases.

5. 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 Company 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 centers, including 3 regional centers and the central development sites in Nice and Bangalore.

During the year ended December 31, 2018, Amadeus expensed €323.4 million for R&D activities and capitalized €573.0 million (before deducting any incentives), which compares to €299.0 million and €464.0 million, respectively, in 2017.

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

On December 14, 2017, the Board of Directors of the Company agreed on a Share buy-back programme for the purchase of ordinary shares of the Company subject to a capped maximum amount of aggregate total consideration of €1,000 million and a maximum of 25,000,000 shares, representing 5.69% of the share capital of the Company. The programme was structured in a first non-cancellable tranche amounting €500 million, and a second tranche amounting €500 million, cancellable under Company judgement.

During the year 2018, the Company has acquired 7,554,070 shares under the aforementioned Share Buy-back programme, by a total amount of €500 million (including transaction fees amounting to €2.8 million), which was included in the 'Other current financial liabilities' caption as of December 31, 2018. The Share Buy-back programme was terminated on December 6, 2018.

On October 11, 2018, the Board of Directors of the Company agreed the cancelation of the aforementioned second tranche of the Share Buy-back programme.

During 2018, 896 shares have been exchanged, so, there still remain 75,750 shares pending to be exchanged by the former minority shareholders of the Absorbed Company.

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 three years 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, 2017, to cover the remuneration schemes consisting in the delivery of shares to employees and/or managers, and also the other Group companies remuneration programs. During 2018, the Company delivered 408,137 shares to cover the remuneration schemes aforementioned.

7. SUBSEQUENT EVENTS

As of the date of issuance of the annual accounts no significant subsequent events have occurred after the reporting period which might affect the Company.

8. NON-FINANCIAL AND DIVERSITY INFORMATION

The non-financial and diversity information is included in the Consolidated Directors' Report, which is part of the consolidated annual accounts of Amadeus Group, in accordance with the Spanish Capital Companies Act. The aforementioned report is submitted to the Commercial Registry of Madrid.

9. 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.

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

Clara Furse
David Webster
Francesco Loredan
Nicolas Huss
Peter Kuerpick
Pierre-Henri Gourgeon
Pilar García Ceballos-Zúñiga
Stephan Gemkow

SECRETARY (non-Director)

Tomás López Fernebrand

VICE-SECRETARY (non-Director)

Jacinto Esclapés Díaz

Madrid, February 27, 2019

Amadeus IT Group, S.A. and Subsidiaries

Auditors' Report, Consolidated Annual Accounts and Directors' Report for the year ended December 31, 2018

Amadeus IT Group, S.A. and Subsidiaries

Auditors' Report for the year ended December 31, 2018

Amadeus IT Group, S.A. and Subsidiaries

Auditor's Report, Consolidated Annual Accounts and Directors' Report for the year end December 31, 2018

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

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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 AUDITOR'S REPORT ON CONSOLIDATED ANNUAL ACCOUNTS

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

Report on the Consolidated Annual Accounts

Opinion

We have audited the consolidated annual accounts of Amadeus IT Group, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, 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.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2018, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated annual accounts in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of annual accounts and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Accuracy and completeness of transactional revenue

Description

Most of the Group's revenue relates to the recognition of travel bookings and transactional sales of IT solutions and depends on complex IT systems. The Group has processes and controls, many of them automated, to ensure that the billions of annual transactions are processed and recorded appropriately.

In this regard, we identified a significant risk relating to the possibility that transactional revenue figures could be misstated due to data processing errors. In particular, we considered the risk that a relevant system may not be configured properly, in such a way that fees and the related revenue are calculated incorrectly; the risk of data loss in transferring the output from the operational systems to the financial reporting systems; and the risk that unauthorized changes may be made to the relevant systems, which may result in the misstatement of revenue figures.

Therefore, we considered this risk to be a key audit matter in our audit of the consolidated annual accounts for 2018.

Procedures applied in the audit

Our audit procedures to address this matter included, among others, testing the operating effectiveness of the relevant controls related to access to applications and data, and changes and developments in relevant programs and systems, in order to mitigate the risk of unauthorized changes being made to the systems, for which purpose we involved our internal IT experts.

Additionally, we verified the operating effectiveness of the controls on the relevant applications and checked that the systems were properly configured.

We also performed tests on system interfaces, including those between the billing systems and the accounting systems.

We also verified the operating effectiveness of the controls relating to the proper configuration of, and changes to, the customer master data file, which are designed to ensure that prices are allocated correctly to each customer in the system based on the terms of the signed contracts.

Also, for a sample of transactions, we extracted data from the systems and checked that the price allocation process is performed in accordance with the defined billing rules. In addition, we performed substantive analytical tests on the revenue recognized.

Furthermore, we reviewed whether the revenue recognition accounting policy established by the Group for its main categories of contracts, described in Note 4.2.13, is in accordance with IFRS 15, Revenue from Contracts with Customers, by analyzing a sample of contracts and the process for recognizing them for accounting purposes.

Lastly, we evaluated the adequacy of the disclosures in relation to revenue detailed in Notes 4.2.13 and 6 to the accompanying consolidated annual accounts.

Capitalization and measurement of internally generated Technology and Content

Description

The intangible assets recognized as Technology and Content are a combination of software and travel content that makes it possible to process bookings and make travel information available to users through the Amadeus System, and also include the developments in the technological solutions marketed by the Group.

As indicated in Note 8 to the consolidated annual accounts, the development costs capitalized in the year ended 31 December 2018 amounted to EUR 559 million. The carrying amount of Technology and Content amounted to EUR 2,711 million at 31 December 2018.

Capitalization of assets of this kind requires management judgement in order to evaluate whether software development expenditure incurred qualifies for recognition as an asset in accordance with IAS 38, Intangible Assets and with the Group's accounting policies. The Group distinguishes between research expenditure, which is recognized in the statement of comprehensive income as incurred, and development expenditure, which is capitalized by the Group provided that the technical and commercial feasibility of the asset has been established, the related costs can be measured reliably and it can reasonably be expected that the costs will be recovered in the future.

Whenever there are indications of impairment, and at least once a year for projects that are not ready for use, the Group tests internally generated intangible assets for impairment, considering the possible technological obsolescence of these assets and any changes in the factors which permitted their initial capitalization.

Due to the high volume of expenditure capitalized and the assumptions that have to be made by Group management, the capitalization and measurement of internally generated Technology and Content were considered to constitute a key audit matter in the year.

Procedures applied in the audit

Our audit procedures included the performance of operating effectiveness tests on the relevant controls established by management in relation to the capitalization and measurement of Technology and Content.

Also, we performed tests of details on a sample of projects capitalized in the year and obtained evidence such as technical information and the business plans relating to the selected projects in order to verify whether the expenditure capitalized qualifies as development expenditure. We analyzed this evidence and evaluated whether it reflects the usefulness of the asset for the Group and the Group's intention to complete the capitalized projects. Also, we checked the reasonableness of the business plans provided by assessing the existence of a market and whether the selected projects are expected to generate economic benefits in the future. In addition, we checked whether a selection of costs are capitalizable and whether the amounts were capitalized correctly, verifying evidence such as invoices from suppliers and incurred staff costs, among others.

We also evaluated the main assumptions and the methodology used by the Group to test the internally generated assets for impairment.

Lastly, we assessed the adequacy of the disclosures included by the Group in this connection in the accompanying consolidated annual accounts (see Notes 4.2.8 and 8).

Acquisition of the TravelClick Group performed in the year

Description

As described in Note 15 to the consolidated annual accounts, in 2018 the Group acquired the TravelClick Group for a total amount of EUR 1,336 million, which resulted in the recognition of intangible assets and goodwill amounting to EUR 682 million and EUR 829 million, respectively.

Given the special nature of the business acquired and of the intangible assets related to its technology, brand and contractual relationships with customers, the identification and measurement of the fair value of the assets acquired required Group management to make significant judgements and, accordingly, we identified this matter to be a key matter in our audit.

In accordance with IFRS 3, Business Combinations, the Group has one year from the date of acquisition to adjust the values of the recognised assets and liabilities if additional information that might affect those values is obtained.

Procedures applied in the audit

Group management engaged an external specialist to assist it the process of identifying and measuring the fair value of the assets and liabilities acquired. In this connection, we assessed the professional competence and objectivity of that specialist and performed audit procedures on the findings and conclusions of the specialist's work.

Our audit procedures included, among others, involving our internal valuation specialists to assess the methodology and key assumptions used in determining the fair value of the intangible assets acquired.

Our analyses to review this valuation included comparing the methodology used with best industry practices and with previous acquisitions made by the Group, taking into account the reasonableness of the main hypotheses and assumptions used to identify the various intangible assets and their valuation, including the associated revenue projections and the useful life of the intangible assets.

Lastly, we evaluated whether the disclosures included in Note 15 to the accompanying consolidated financial statements in connection with this matter are in conformity with the requirements of the applicable accounting regulations.

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2018, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated directors' report. Our responsibility relating to the information contained in the consolidated directors' report is defined in the audit regulations in force, which establish two distinct levels thereof:

a) A specific level that applies to the consolidated non-financial information statement, as well as to certain information included in the Annual Corporate Governance Report (ACGR), as defined in Article 35.2.b) of Spanish Audit Law 22/2015, which consists solely of checking that the aforementioned information has been provided in the consolidated directors' report, or, as the case may be, that the consolidated directors' report contains the corresponding reference to the separate report on non-financial information as provided for in the applicable legislation and, if this is not the case, reporting this fact.

b) A general level applicable to the other information included in the consolidated directors' report, which consists of evaluating and reporting on whether the aforementioned information is consistent with the consolidated annual accounts, based on the knowledge of the Group obtained in the audit of those consolidated annual accounts and excluding any information other than that obtained as evidence during the audit, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we have checked that the information described in section a) above is provided in the consolidated director's report and that the other information in the consolidated directors' report is consistent with that contained in the consolidated annual accounts for 2018 and its content and presentation are in conformity with the applicable regulations.

Responsibilities of the Directors and Audit Committee of the Parent for the Consolidated Annual Accounts

The Parent's directors are responsible for preparing the accompanying consolidated annual accounts so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with EU-IFRSs and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, 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.

In preparing the consolidated annual accounts, the Parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit committee is responsible for overseeing the process involved in the preparation and presentation of the consolidated annual accounts.

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

A further description of our responsibilities for the audit of the consolidated annual accounts is included in Appendix 1 to this auditor's report. This description, which is on page 7, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

Additional Report to the Parent's Audit Committee

The opinion expressed in this report is consistent with the content of our additional report to the Parent's audit committee dated 27 February 2019.

Engagement Period

The Annual General Meeting held on 21 June 2018 appointed us as the Group's auditors for a period of one year from the year ended 31 December 2017, i.e. for 2018.

Previously, we were designated pursuant to a resolution of the General Meeting for the period of one year and have been auditing the consolidated annual accounts uninterruptedly since 2005 and, therefore, since the year ended 31 December 2010, the year in which the Parent became a Public Interest Entity.

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

José Luis Daroca Vázquez
Registered in ROAC under no. 22.275

27 February 2019

Appendix 1 to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the consolidated annual accounts.

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.

- Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent's audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit committee with a statement that we have complied with relevant ethical requirements, including those regarding independence, and we have communicated with it to report on all matters that may reasonably be thought to jeopardize our independence, and where applicable, on the related safeguards.

From the matters communicated with the Parent's audit committee, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Amadeus IT Group, S.A. and Subsidiaries

Consolidated Annual Accounts for the year ended December 31, 2018

Consolidated statement of financial position (millions of euros)

ASSETS	Note	December 31, 2018	December 31, 2017 Restated
Goodwill	7	3,598.0	2,714.2
Patents, trademarks, licenses and others		338.3	334.5
Technology and content		2,710.7	2,311.5
Contractual relationships		1,044.8	558.3
Intangible assets	8	4,093.8	3,204.3
Land and buildings		71.3	147.9
Data processing hardware and software		253.6	238.0
Other property, plant and equipment		108.3	93.9
Property, plant and equipment	9	433.2	479.8
Right of use assets	10	351.2	-
Investments accounted for using the equity method	11	14.3	17.5
Other non-current financial assets	12	108.8	91.1
Non-current derivative financial assets	12 and 21	1.5	8.7
Deferred tax assets	22	19.9	22.7
Other non-current assets	14	138.3	116.0
Total non-current assets		**8,759.0**	**6,654.3**
Trade account receivables	12	498.2	325.9
Income tax receivables	22	43.5	78.9
Other current financial assets	12	10.0	12.6
Current derivative financial assets	12 and 21	7.5	17.7
Other current assets	14	249.3	206.4
Cash and cash equivalents	12 and 25	562.6	579.5
Total current assets		**1,371.1**	**1,221.0**
TOTAL ASSETS		**10,130.1**	**7,875.3**

Consolidated statement of financial position (millions of euros)

EQUITY AND LIABILITIES	Note	December 31, 2018	December 31, 2017 Restated
Share Capital		4.4	4.4
Additional paid-in capital		634.4	624.1
Retained earnings and reserves		2,153.7	1,655.7
Treasury shares		(511.3)	(517.1)
Profit for the year attributable to owners of the parent		1,002.4	1,002.7
Unrealized gains / (losses) reserve		(107.9)	(141.5)
Equity attributable to owners of the parent		3,157.7	2,628.3
Non-controlling interests		16.0	13.0
Equity	**16**	**3,191.7**	**2,641.3**
Non-current provisions	18	29.5	29.4
Non-current debt	12 and 17	2,898.1	1,755.1
Non-current derivative financial liabilities	12 and 21	14.5	1.1
Other non-current financial liabilities	12	15.3	15.3
Deferred tax liabilities	22	759.0	625.6
Non-current contract liabilities	13	271.3	299.1
Other non-current liabilities	14	257.6	224.9
Total non-current liabilities		**4,245.3**	**2,950.5**
Current provisions	18	10.5	12.3
Current debt	12 and 17	986.9	396.1
Other current financial liabilities	12	8.5	506.8
Dividend payable	3, 12 and 16	219.6	210.1
Current derivative financial liabilities	12 and 21	19.3	7.2
Trade accounts payables	12	846.2	694.1
Income taxes payables	22	41.7	16.9
Current contract liabilities	13	221.5	117.8
Other current liabilities	14	338.9	322.2
Total current liabilities		**2,693.1**	**2,283.5**
TOTAL EQUITY AND LIABILITIES		**10,130.1**	**7,875.3**

See the accompanying notes to the consolidated annual accounts

Consolidated statement of comprehensive income (millions of euros)

Continuing operations	Note	December 31, 2018	December 31, 2017 Restated
Revenue	6 and 13	4,935.7	4,637.2
Cost of revenue		(1,206.9)	(1,090.2)
Personnel and related expenses		(1,382.1)	(1,334.2)
Depreciation and amortization		(635.5)	(556.5)
Other operating expenses		(318.4)	(338.3)
Operating income	6	1,392.8	1,318.0
Financial income		2.0	1.3
Interest expense	24	(37.9)	(32.9)
Other financial expenses	24	(8.8)	(9.6)
Exchange gains / (losses)		(9.5)	(14.1)
Financial expense, net		(54.2)	(55.3)
Other income / (expense)		(2.3)	(0.6)
Profit before income taxes		1,336.3	1,262.1
Income tax expense	22	(336.8)	(261.8)
Profit after taxes		999.5	1,000.3
Share in profit of associates and joint ventures accounted for using the equity method	11	3.0	4.2
PROFIT FOR THE YEAR		**1,002.5**	**1,004.5**
Attributable to owners of the parent		1,002.4	1,002.7
Attributable to non-controlling interests		0.1	1.8
Earnings per share basic and diluted [in Euros]	23	2.33	2.29
Items that will not be reclassified to profit or loss:			
Actuarial gains / (losses)		3.4	(2.6)
Items that will be reclassified to profit or loss when specific conditions are met:			
Cash flow hedges		(29.3)	26.8
Changes in the fair value of equity investments at fair value through other comprehensive income		0.6	-
Exchange differences on translation of foreign operations		58.9	(184.2)
Other comprehensive income /(expense) for the year, net of tax		33.6	(160.0)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,036.1**	**844.5**
Attributable to owners of the parent		1,036.0	842.7
Attributable to non-controlling interests		0.1	1.8

See the accompanying notes to the consolidated annual accounts

Consolidated statement of changes in equity (millions of euros)

	Note	Share capital	Additional paid-in capital	Retained earnings and reserves	Treasury shares	Profit for the year attributable to owners of the parent	Unrealized gains / (losses) reserves	Non-controlling interests	Total
Balance at December 31, 2016		**4.4**	**616.5**	**1,294.5**	**(23.6)**	**825.5**	**18.5**	**25.7**	**2,761.5**
Adjustment from adoption of IFRS 9, net of tax		-	-	(3.9)	-	-	-	-	(3.9)
Balance at December 31, 2017 Restated		**4.4**	**616.5**	**1,290.6**	**(23.6)**	**825.5**	**18.5**	**25.7**	**2,757.6**
Comprehensive income for the year		-	-	-	-	1,002.9	(156.4)	1.8	848.3
Adjustment from adoption of IFRS 9, net of tax		-	-	-	-	(0.2)	(3.6)	-	(3.8)
Complementary dividend		-	-	(236.3)	-	-	-	-	(236.3)
Interim dividend payable	16	-	-	(210.1)	-	-	-	-	(210.1)
Share Buy-back Program	16	-	-	-	(500.0)	-	-	-	(500.0)
Treasury shares acquisition	16 and 20	-	-	-	(7.7)	-	-	-	(7.7)
Treasury shares disposal	16 and 20	-	(11.5)	0.4	14.2	-	-	-	3.1
Recognition of share-based payment	20	-	19.0	-	-	-	-	-	19.0
Transfer to retained earnings		-	-	825.5	-	(825.5)	-	-	-
De-recognition of non-controlling interests	16	-	-	(14.5)	-	-	-	(14.5)	(29.0)
Other changes in equity		-	0.1	0.1	-	-	-	-	0.2
Balance at December 31, 2017 Restated		**4.4**	**624.1**	**1,655.7**	**(517.1)**	**1,002.7**	**(141.5)**	**13.0**	**2,641.3**

See the accompanying notes to the consolidated annual accounts

Consolidated statement of changes in equity (millions of euros)

	Note	Share capital	Additional paid-in capital	Retained earnings and reserves	Treasury shares	Profit for the year attributable to owners of the parent	Unrealized gains / (losses) reserves	Non-controlling interests	Total
Balance at December 31, 2017 as previously reported		**4.4**	**624.1**	**1,659.6**	**(517.1)**	**1,002.9**	**(137.9)**	**13.0**	**2,649.0**
Adjustment from adoption of IFRS 9, net of tax		-	-	(3.9)	-	(0.2)	(3.6)	-	(7.7)
Balance at January 1, 2018 Restated		**4.4**	**624.1**	**1,655.7**	**(517.1)**	**1,002.7**	**(141.5)**	**13.0**	**2,641.3**
Total Comprehensive income for the year		-	-	-	-	1,002.4	33.6	0.1	1,036.1
Complementary dividend	16	-	-	(284.5)	-	-	-	-	(284.5)
Interim dividend payable	16	-	-	(219.6)	-	-	-	-	(219.6)
Treasury shares acquisition	16 and 20	-	-	-	(8.8)	-	-	-	(8.8)
Treasury shares disposal	16 and 20	-	(10.7)	0.6	14.6	-	-	-	4.5
Recognition of share-based payment	20	-	21.2	-	-	-	-	-	21.2
De-recognition of non-controlling interests	16	-	-	(1.2)	-	-	-	(1.0)	(2.2)
Additional non-controlling interests arising on the acquisition of a subsidiary	16	-	-	-	-	-	-	4.1	4.1
Transfer to retained earnings		-	-	1,002.7	-	(1,002.7)	-	-	-
Other changes in equity		-	(0.2)	-	-	-	-	(0.2)	(0.4)
Balance at December 31, 2018		**4.4**	**634.4**	**2,153.7**	**(511.3)**	**1,002.4**	**(107.9)**	**16.0**	**3,191.7**

See the accompanying notes to the consolidated annual accounts

Consolidated statement of cash flows (millions of euros)

	Note	December 31, 2018	December 31, 2017 Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income		1,392.8	1,318.0
Adjustments for:			
Depreciation and amortization	8, 9 and 10	635.5	556.5
Depreciation and amortization included in capitalization	6	(14.8)	(14.6)
Operating income adjusted before changes in working capital and taxes paid		2,013.5	1,859.9
Trade accounts receivable		(112.5)	21.3
Other current assets		(73.5)	22.6
Trade accounts payable		123.9	38.6
Other current liabilities		155.2	3.0
Other non-current liabilities		(92.4)	(25.0)
Cash provided from operating activities		2,014.2	1,920.4
Taxes paid		(287.6)	(363.4)
Net cash generated by operating activities		**1,726.6**	**1,557.0**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(108.5)	(116.4)
Payments for intangible assets		(609.7)	(495.7)
Net cash outflow on acquisition of subsidiaries	15	(1,312.9)	(2.5)
Interest received		2.5	0.6
Payments to acquire financial assets		(20.6)	(55.8)
Loans to third parties		-	(0.4)
Cash proceeds collected from derivative agreements		12.0	2.6
Cash proceeds paid for derivative agreements		(47.7)	(8.3)
Proceeds on sale of financial assets		1.3	3.8
Dividends received		4.3	3.0
Proceeds obtained from disposal of non-current assets		1.0	1.6
Net cash used in investing activities		**(2,078.3)**	**(667.5)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments to acquire non-controlling interests in subsidiaries		(2.2)	(28.9)
Proceeds from borrowings		2,418.4	1,782.6
Repayments of borrowings		(965.0)	(2,026.9)
Interest paid		(23.5)	(22.9)
Dividends paid to owners of the parent		(494.3)	(411.3)
Payments to acquire treasury shares	16	(508.8)	(7.7)
Cash paid for derivative agreements		-	(2.7)
Payments of lease liabilities and others		(91.2)	(33.6)
Net cash generated / (used) by financing activities		**333.4**	**(751.4)**
Effect of exchange rate changes on cash and cash equivalents		1.0	(8.6)
Net increase / (decrease) in cash and cash equivalents		**(17.3)**	**129.5**
Cash and cash equivalents net at the beginning of year	25	579.1	449.6
Cash and cash equivalents net at the end of year	25	561.8	579.1

See the accompanying notes to the consolidated annual accounts

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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.

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 (corporate.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]. The Company's shares are also part of the Euro Stoxx 50 since September 2018.

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, 2018, 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 27, 2019. The Directors expect that these consolidated annual accounts will be approved at the General Shareholders' Meeting without modification. The annual accounts for the year 2017 were approved at the General Shareholders' Meeting held on June 21, 2018.

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, 2018 and 2017, 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, 9 and 10)
- Amortisation period for non-current non-financial assets (note 4)
- Lease terms (options to extend or to terminate) (note 4)
- Provisions (note 18)
- Pension and post-retirement benefits (note 14)
- Income tax liabilities (note 4 and 22)
- Timing of revenue recognition (note 4 and 13)
- Expected credit losses (note 4 and 12)
- Share-based payments (note 20)
- Business combinations (note 15)

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, 2018 and 2017, comparative information in the notes when it is relevant to understand the consolidated annual accounts for the current year.

The Group applies IFRS 15 Revenue from contracts with customers and IFRS 9 Financial instruments that require restatement of previously reported financial statements, and additionally the Group has early adopted IFRS 16 Leases as at January 1, 2018, but without restatement requirements due to the transition method applied (as detailed note 4).

Except where indicated otherwise, the figures of the consolidated annual accounts are expressed in millions 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 interests as of December 31, 2018 and 2017, as well as the consolidation method applied in each case. The changes in the consolidation scope are the following:

- On January 1, 2018, Amadeus Revenue Integrity Inc. has been merged into Amadeus North America Inc. Both entities were previously fully owned by Amadeus.
- On March 8, 2018, the fully owned subsidiary Traveltainment UK, Ltd. has been liquidated.
- On March 22, 2018, the Group has acquired additional 70.12% shares of Amadeus Travel IMS, S.L. (formerly Hiberus Travel IO Solutions, S.L.) (“Hiberus”). After this share acquisition, the Group owns 95% of the shares of

Notes (millions of euros)

the entity and controls the company, so the Group is fully consolidating the entity since that date. Before that date, in May 2015, the Group had previously acquired a 24.88% interest in that entity and it was accounted for using the equity method.

- On October 4, 2018, after receiving the necessary regulatory approval, the Group has acquired, through its subsidiary Amadeus Americas Inc. the 100% ownership of Project Dwight Ultimate Parent Corporation and its group of companies ("TravelClick"). The Group controls TravelClick and fully consolidates this group of entities since that date.
- On October 24, 2018, after receiving the necessary regulatory approval, the Group has acquired, through its subsidiary Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal the 70% ownership of Argo IT Tecnología, S.A., and its group of entities ("Argo IT"). The Group controls Argo IT and fully consolidates this group of entities since that date.
- On November 2018, with retroactive effective date as at January 1, 2018, Gestour, S.A.S. has been merged into Amadeus France, S.A. Both entities were previously fully owned by Amadeus.
- On November 2018, the fully owned subsidiary CRS Amadeus America, S.A. has been liquidated.
- On February 23, 2017, the Group established a fully owned entity named PT Amadeus Technology Indonesia (99% owned through Amadeus IT Group, S.A. and 1% through Amadeus Asia Ltd), which is fully consolidated.
- Since January 1, 2017, the Group acquired control over Amadeus Yemen Limited and therefore started fully consolidating this entity.

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 €1.175 per share carrying dividend rights, against 2018 profit for the year. Based on the above, the proposed appropriation of the results for the year ended December 31, 2018, is as follows:

	Euros
Amount for appropriation:	
Net profit for the year	608,449,596.02
	608,449,596.02
Appropriation to:	
Other reserves	92,833,151.47
Dividends	515,616,444.55
	608,449,596.02

On December 13, 2018, the Board of Directors of the Company has agreed to distribute an interim dividend of €0.51 per existing share with dividend rights against profit for the year 2018. The dividend has been paid in full on January 17, 2019, and therefore the complementary dividend to achieve the proposed final gross dividend amounts to €0.665 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
Net Income after tax from January 1, through October 31, 2018	**413.7**
Mandatory appropriation to reserves	-
Distributable income	**413.7**
Cash and cash equivalents at October 31, 2018	**462.0**
Net cash generated until December 2018	(270.3)
Unused credit facilities	1,009.0
Net cash forecasted from January 2019 until December 2019	(598.4)
Net cash surplus at December 31, 2019	**602.3**
Proposed interim dividend (maximum amount)	(223.8)
Net cash surplus after interim dividend distribution	**378.5**

4 ACCOUNTING POLICIES

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

4.1.1 New and revised standards, interpretations and amendments adopted by the European Union (EU) effective and applicable for the year ended December 31, 2018

— Annual improvements to IFRS Standards 2014-2016 Cycle: Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 28 Investments in Associates and Joint Ventures

These amendments introduce minor changes to these two standards impacting first time adopters in the case of IFRS 1 and venture capital organizations for IAS 28.

— Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions

The amendment clarifies the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity settled. It also clarifies that when an employer is obliged to withhold an amount for the employee’s tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity settled without the net settlement feature.

— Amendments to IAS 40: Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Group has no Investment Properties, so it is not impacted by these amendments.

- Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

  The amended standard gives all companies that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued.

- IFRIC 22: Foreign Currency Transactions and Advance Consideration

  The interpretation clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income when an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognizes the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). This is the current treatment applied by the Group.

The Group has adopted these amendments on January 1, 2018 and they had no impact on the consolidated annual accounts of the Group.

The Group also applies, for the first time new standards: IFRS 15 Revenue from contracts with customers and IFRS 9 Financial instruments that require restatement of previously reported financial statements (see caption 4.2.13 and 4.2.17 respectively). Additionally, the Group has early adopted IFRS 16 Leases as at January 1, 2018, but without restatement requirements due to the transition method applied (as detailed 4.2.10).

The effect of the restatement due to the adoption of IFRS 15 and 9 is disclosed below:

Notes (millions of euros)

Impact for the application of IFRS 15 and IFRS 9 on the consolidated statement of financial position (increase/(decrease)) as at December 31, 2017

	December 31, 2017 As reported	Reclassifications IFRS 15	Adjustments IFRS 9	December 31, 2017 Restated
ASSETS				
Deferred tax assets	20.4	-	2.3	22.7
Total non-current assets	**6,652.0**	**-**	**2.3**	**6,654.3**
Trade account receivables	335.9	-	(10.0)	325.9
Total current assets	**1,231.0**	**-**	**(10.0)**	**1,221.0**
TOTAL ASSETS	**7,883.0**	**-**	**(7.7)**	**7,875.3**
EQUITY AND LIABILITIES				
Retained earnings and reserves	1,659.6	-	(3.9)	1,655.7
Profit for the year attributable to owners of the parent	1,002.9	-	(0.2)	1,002.7
Unrealized gains / (losses) reserve	(137.9)	-	(3.6)	(141.5)
Equity attributable to owners of the parent	2,636.0	-	(7.7)	2,628.3
Equity	**2,649.0**	**-**	**(7.7)**	**2,641.3**
Deferred revenue non-current	299.1	(299.1)	-	-
Non-current contract liabilities	-	299.1	-	299.1
Total non-current liabilities	**2,950.5**	**-**	**-**	**2,950.5**
Deferred revenue current	117.8	(117.8)	-	-
Current contract liabilities	-	117.8	-	117.8
Total current liabilities	**2,283.5**	**-**	**-**	**2,283.5**
TOTAL EQUITY AND LIABILITIES	**7,883.0**	**-**	**(7.7)**	**7,875.3**

Notes (millions of euros)

Impact for the application of IFRS 15 and IFRS 9 on the consolidated statement of comprehensive income (increase/(decrease)) for the year ended December 31, 2017

Continuing operations	December 31, 2017 As reported	Reclassifications IFRS 15	Adjustments IFRS 9	December 31, 2017 Restated
Revenue	4,852.7	(215.5)	-	4,637.2
Cost of revenue	(1,291.0)	200.8	-	(1,090.2)
Personnel and related expenses	(1,337.6)	3.4	-	(1,334.2)
Other operating expenses	(344.4)	11.3	(5.2)	(338.3)
Operating income	**1,323.2**	**-**	**(5.2)**	**1,318.0**
Exchange gains / (losses)	(18.9)	-	4.8	(14.1)
Financial expense, net	**(60.1)**	**-**	**4.8**	**(55.3)**
Profit before income taxes	**1,262.5**	**-**	**(0.4)**	**1,262.1**
Income tax expense	(262.0)	-	0.2	(261.8)
Profit after taxes	**1,000.5**	**-**	**(0.2)**	**1,000.3**
PROFIT FOR THE YEAR	**1,004.7**	**-**	**(0.2)**	**1,004.5**
Attributable to owners of the parent	1,002.9	-	(0.2)	1,002.7
Attributable to non-controlling interests	1.8	-	-	1.8
Other comprehensive Income /(expense) for the year, net of tax	(156.4)	-	(3.6)	(160.0)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**848.3**	-	**(3.8)**	**844.5**
Attributable to owners of the parent	846.5	-	(3.8)	842.7
Attributable to non-controlling interests	1.8	-	-	1.8

There is neither material impact on the statement of cash flows nor on basic and diluted Earnings per share.

4.1.2 Amendments and interpretations adopted by the European Union (EU) not yet effective for the year ended December 31, 2018

— IFRIC 23: Uncertainty over Income Tax Treatments

This interpretation is effective for annual periods beginning on or after January 1, 2019. It explains how to recognize, and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Group does not expect significant impacts form adoption of this interpretation.

Notes (millions of euros)

— Amendments to IFRS 9: Prepayment Features with Negative Compensation

These amendments are effective for annual periods beginning on or after January 1, 2019. The narrow scope amendment enable entities to measure certain prepayable financial assets with negative compensation at amortized cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. To qualify for amortized cost measurement, the negative compensation must be "reasonable compensation for early termination of the contract" and the asset must be held within a held to collect business model. The Group does not expect significant impacts form adoption of these amendments.

— Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures

These amendments are effective for annual periods beginning on or after January 1, 2019. They clarify that IFRS 9 is applicable to investments in long-term Interests in associates and joint ventures but only to which the equity method is not applied. For investments applying the equity method IAS 28 will still be applicable. The Group does not expect significant impacts from adoption of these amendments.

4.1.3 Standards, amendments and interpretations not yet adopted by the European Union (EU) and not yet effective for the year ended December 31, 2018

Standards	Proposed effective date
IFRS 17 Insurance Contracts	January 1, 2021

Amendments and interpretations	Proposed effective date
Annual Improvements to IFRS Standards 2015-2017 Cycle	January 1, 2019
Amendments to IAS 19: Plan Amendment, Curtailment or Settlement	January 1, 2019
Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020
Amendment to IFRS 3 Business Combinations	January 1, 2020
Amendments to IAS 1 and IAS 8: Definition of Material	January 1, 2020

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 may result in more extensive disclosure on the consolidated annual accounts.

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 the Company and all its subsidiaries within the scope of consolidation. 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.

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.

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 the 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 following their respective local general agreed accounting principles being converted into IFRS as adopted by the EU for consolidation purposes.

4.2.2 Foreign currency transactions

Foreign currency transactions are converted 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 Argentina is compliant with the definition of Hyperinflationary Economy stated in IAS 29 Financial Reporting in Hyperinflationary Economies. The Group maintains presence in Venezuela through its subsidiary Sistemas de Reservaciones CRS de Venezuela, C.A. and in Argentina through Amadeus Argentina, S.A. and Amadeus America, S.A., being its remaining balances as of December 31, 2018, and 2017, and the volume of transactions during the years 2018 and 2017 not material. The rest of subsidiaries’ 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 and are prepared using 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 consolidated statement of comprehensive income and in the "Unrealized gains / (losses) reserve" in the consolidated statement of financial position. 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. The Group considers as key management personnel all the members of its Executive Committee as well as the Internal Audit Director.

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 recognized 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 recognized in profit or loss for the year.

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

Negative goodwill is not recognized 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 recognized in profit or loss.

The Group operates certain corporate assets, corresponding mainly to property plant and equipment and right of use assets, 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 contractual 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 4.2.16).
- 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 they are 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 expense under "Other operating expenses" caption 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.

Notes (millions of euros)

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 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	27 - 50
Data processing hardware and software	2 - 7
Other property, plant and equipment	2 - 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 licenses 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 centers (e.g. 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

The Group has early adopted IFRS 16 Leases as at January 1, 2018. Therefore lease accounting follows different standards in 2017 and 2018.

In 2017 leases have been accounted following IAS 17. Under IAS 17, leases where the Group assumes substantially all the risks and rewards of ownership were classified as finance leases. The assets were 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 was recognised for such amount. Each lease payment was allocated between the liability and interest expense based on a constant rate of interest on the outstanding principal. The capitalized leased assets were depreciated by applying the straight-line method over the useful life. Operating lease payments were charged to the consolidated statement of comprehensive income within the "Other operating expenses" caption as incurred over the term of the lease.

For 2018, following IFRS 16 there is a single on-balance sheet lease accounting model for all leases.

A lease is a contract that conveys the right to use an asset for a period of time in exchange for consideration.

In the contracts where the Group is a lessee, we recognize a right of use asset representing our right to use the underlying asset and a lease liability representing our obligation to make lease payments during the lease term.

The lease term of the different contracts has been determined as the non-cancellable period of each of the leases considering the options to extend when we are reasonably certain to exercise that options and the options to terminate if we are reasonably certain not to exercise that options.

The right of use asset is initially measured at cost and subsequently valued at cost less accumulated depreciation and impairment losses; and adjusted for any remeasurement of the lease liability resulting from a lease modification or reassessment.

The right of use asset is amortized on a straight-line basis over the shortest of the lease term or the useful life of the underlying asset. If Amadeus obtains ownership of the underlying asset by the end of the lease term depreciation will be based on the useful life of the asset.

Lease liabilities are measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. When that rate cannot be readily determined, the Group uses the incremental borrowing rate applicable to each different lease. Subsequently the lease liability is measured using the effective interest method and increased to reflect interest on the lease liability and reduced for payments made. They are also remeasured for lease modifications or reassessments.

As a practical expedient, the Group has elected, by certain classes of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components within the contract as a single lease component.

For transition purposes the Group has decided to apply the modified retrospective approach. Following this method the Group has not restated any prior year comparative figures. We have chosen to measure the initial right of use asset at an amount equal to the lease liability as at January 1, 2018 for all our lease contracts except for those that were previously classified as finance leases applying IAS 17 that have been measured at its carrying amount as of first time adoption. We have used the following practical expedients at initial application:

- we have decided not to reassess whether a contract is or contains a lease at the date of initial application
- we have relied on our assessment of whether leases are onerous applying IAS 37 Provisions, contingent liabilities and contingent assets immediately before the date of initial application as an alternative to performing an impairment review for all our lease contract

The most significant impact of the application of the new standard for the Group has been the recognition of new assets (within the “Right of use assets” caption in the consolidated financial statement of financial position) and lease liabilities for its operating leases of building rentals.

The weighted average incremental borrowing rate applied to lease liabilities at the date of initial application was 1.8%.

The reconciliation between operating lease commitments disclosed in the consolidated annual accounts of the Group as at December 31, 2017, and the lease liabilities recognized at January 1, 2018, in the consolidated statement of financial position at that date is the following:

	Millions of euros
Operating lease commitments disclosed at 2017 consolidated annual accounts	227.7
Discounted using the Group's weighted average incremental borrowing rate of 1.8%	211.4
Adjustments as a result of a different treatment of extension and termination options	42.5
Lease liabilities recognized as at January 1, 2018	**253.9**

As for our previous finance leases, the accounting of the finances leases remains unchanged as compared to IAS 17 but the Group has reclassified the carrying amount of finance leases to the new "Right of use assets" caption (see note 10) as of January 1, 2018.

4.2.11 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 recognized as a liability or an asset in the consolidated statement of financial position. However, excess assets are recognized 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 recognized immediately through other comprehensive income in order for the net pension asset or liability recognized 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 is included.

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.

4.2.12 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.

4.2.13 Revenue from contracts with customers

The core principle of IFRS 15 is that an entity will recognize revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring promised goods or services to a customer. Revenue is recognized by applying a five step model to the contracts with customers. The standard also specifies the accounting for costs to fulfil a contract and for incremental costs of obtaining a contract.

The Group has adopted the standard on January 1, 2018, retrospectively to each prior reporting period presented in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, using the following practical expedient on transition for completed contracts: the Group did not restate contracts that: (i) begin and end within the same annual reporting period or (ii) are completed contracts at the beginning of the earliest period presented.

In addition to the transition practical expedient used, the Group has also adopted the practical expedient that allows to recognize revenue in the amount to which the Group has the right to invoice when we have a right to consideration from a customer in an amount that corresponds directly with the value of our performance completed to date and therefore we don’t have to disclose information about our remaining performance obligations.

In the Distribution business, the Group has identified as a single performance obligation with travel providers the stand ready obligation to provide air bookings and other related services that are closely related to the booking process through our GDS Platform. The distinct services provided are substantially the same and are transferred to clients over time, complying with the IFRS 15 definition of a series. The platform is available every day to the customer and the usage determines both the price based on bookings made and the revenue. The value to the customer of Amadeus’ performance completed to date coincides with the right to consideration from the customer. There are no differences neither on the timing nor on the amount of revenue recognition for this type of revenues as compared to the previous standard.

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 Amadeus Commercial Organizations –ACOs which are not subsidiaries of the Group) are also cancelled.

Accordingly, revenues are recorded net of the refund liability 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. The refund liability 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.

The measurement of the refund liability is updated at the end of each reporting period for changes in expectations about the amount of the cancellations and associated refunds.

Revenue from non-air bookings, mainly related to hotels and car rental, is recognized when the bookings are used by the final customer and revenue recognition follows the same pattern as described for GDS customers. There are no differences neither on the timing nor on the amount of revenue recognition for this type of revenues compared to the previous standard.

Another component of the Distribution business 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. Some of these customers are granted with incentives. The consideration payable to travel agents for certain distribution revenues from the provision of IT services to them is accounted for as a reduction of the transaction price in accordance with IFRS 15. Under the previous guidance such payments were recorded as expenses as incurred. Consequently, the Group has restated the 2017 profit and loss statement and reduced revenues and operating costs by €204.2 million as at December 31, 2017.

The IT Solutions business relates to air and non-air technology solutions that automate business processes.

The air IT solutions revenues derive mainly from the use of our Altéa suite and New Skies. We have identified a single performance obligation consisting on a stand ready obligation to provide technology services through our IT systems. This single performance obligation also meets the series definition as per the new standard as explained above. Usually, customers are charged a non-refundable upfront fee that is recognized as revenue over the contract term starting as of cutover date, and a variable fee based on a fee per transaction made that is recognized as revenue as the customer obtains value from the performance completed to date. There are no differences neither on the timing nor on the amount of revenue recognition for this type of revenues compared to the previous standard.

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. These contracts include multiple performance obligations and the transaction price is allocated based on the relative stand-alone selling price of each of the performance obligations identified. There are no material differences between the vendor specific objective evidence that we used to allocate the transaction price with the prior standard and the new allocation methodology based on stand-alone selling prices". Licensing revenue is recognized upon delivery to the customer if we are granting a right to use the license or over the contract term if the license provides with a right to access. Services revenue consist of installation, training and consulting services, and is recognized 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 recognized over the subscription or the agreement term. The Group has not identified differences neither in the timing nor on the amount of revenue recognition for this type of contracts compared to the previous standard.

As already disclosed, we typically satisfy our performance obligations in line with the usage of our platforms, software and technology solutions made by our customers that coincides with normal billing terms. Upfront fees that are recognized as revenues over the contract duration and any other amounts billed before we satisfy our performance obligation are recorded as contract liabilities. These contract liabilities were previously recorded as deferred revenue.

When we satisfy our performance obligation before payment is due by the customer we present the contract as a contract asset, excluding any amounts presented as receivables. We assess contract assets for impairment in accordance with IFRS 9 on the same basis as trade receivables.

The new standard has included five criteria that have to be fulfilled by all contracts with customers before starting to recognize revenues. In Amadeus we have identified some cases where not all the criteria were met at contract inception and consequently we have reduced revenues by €11.3 million for the year ended December 31, 2017. The net impact in the restated income statement as of December 31, 2017, was nil since we have also reduced the impairment of the associated receivables recorded under other operating expenses in the consolidated statement of comprehensive income by €11.3 million.

4.2.14 Provisions

Provisions are recognized 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 recognized 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.

4.2.15 Employee share-based payments

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

- Equity settled share-based payments: compensation expense for services received and the corresponding increase in equity are recognized 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 recognized 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 recognized 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 recognized 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 recognized in the consolidated statement of comprehensive income for the year within the "Personnel and related expenses" caption.

4.2.16 Research and development

Research expenditure (mainly related to research in connection with the evaluation and adoption of new technology) is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognized 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 recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Development costs that have been capitalized are amortized 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 year ended December 31, 2018, amounted to €323.4 million (€299.0 million, 2017). The development costs that have been capitalized for the year ended December 31, 2018, amounted to €573.0 million (€464.0 million, 2017).

4.2.17 Financial instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 Financial instruments from January 1, 2018, resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements.

The new accounting policy for financial instruments from January 1, 2018, is the following:

A) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

a) at fair value (either through Other Comprehensive Income -FVOCI, or through profit or loss -FVPL), and

b) at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The assessment of the Group's business models was made as of the date of initial application, January 1, 2018, and then applied retrospectively to those financial assets that were not derecognized before January 1, 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, the Group has made an irrevocable election at the time of initial recognition to account for all the equity investment at FVOCI.

The following table reconciles the original measurement categories under IAS 39 and the new ones under IFRS 9 for each class of Group's financial assets as at January 1, 2018:

	Original classification under IAS 39	New classification under IFRS 9
Non-current financial assets		
Other non-current financial assets	Available for sale	FVOCI
Other non-current financial assets	Loans and receivables	Amortized cost
Current financial assets		
Trade accounts receivable	Loans and receivables	Amortized cost
Other current financial assets	Loans and receivables	Amortized cost
Current derivative financial assets (non hedge)	FVPL	FVPL
Cash and cash equivalents	Loans and receivables	Amortized cost

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

i. Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

— Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized within "Other income/ (expense)" caption.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within "Other income/ (expense)" caption in the period in which it arises.

ii. Equity instruments

The Group subsequently measures all equity investments at fair value. The Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Dividends from such investments continue to be recognized in profit or loss within "Other income/ (expense)" caption when the Group's right to receive payments is established.

Impairment

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39.

IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

For trade receivables and contract assets, as long as they do not contain a significant financing component, the Group applies the simplified approach, which requires to recognise a loss allowance based on lifetime ECLs at each reporting date. Nevertheless, as these assets are due in 12 months or less, the 12-month ECLs are the same as the lifetime ECLs.

The related expected increase of the bad debt provision is limited at Amadeus due to 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 Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group has retrospectively applied the new impairment model and accounting for prior periods and amounts have been restated. The impact of this change has resulted in a decrease of "Trade account receivables" of €10.0 million as at December 31, 2017, an increase in "Other operating expenses" of €5.2 million as at December 31, 2017, and a decrease in "Retained earnings and reserves" of €3.9 million, net of the tax effect as at December 31, 2017.

B) Financial liabilities

The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39.

C) Hedge accounting

The Group has elected to adopt the new general hedge accounting model in IFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

The Group uses derivative financial instruments to hedge certain currency and interest rate. 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 foreign currency derivatives in place as at December 31, 2017, qualified as cash flow hedges under IFRS 9. The group's risk management strategies and hedge documentation are aligned with the requirements of IFRS 9 and these relationships are therefore treated as continuing hedges.

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. The portion considered ineffective is recognized directly in the consolidated statement of comprehensive income within the "Financial expense, net" caption.

For some foreign currency forwards, the Group separates the spot component of the forward contract and designates as the hedging instrument only the change in the value of the spot element of the forward contract. The spot component is determined with reference to the relevant spot market exchange rates. Regarding the hedge accounting of these forwards, under IAS 39, the change in fair value of the forward element was immediately recognized in profit or loss. However, under IFRS 9 the forward element is separately accumulated as a separate component of equity. In the case of the Group's hedging relationships, forward element recorded in equity, within the "Unrealised gains / losses reserve" caption, is reclassified to profit or loss in the same period during which the hedged expected cash flows affect profit or loss.

The treatment for currency options is quite similar, the Group separates the intrinsic value and the time value of option contracts and designates as the hedging instrument only the change in intrinsic value of the option. Under IAS 39, the change in the time value of the forward exchange contracts was immediately recognized in profit or loss. However, under IFRS 9 the changes in the time value are separately accumulated as a separate component of equity. In the case of the Group, the time value recorded in equity is reclassified to profit or loss in the same period during which the hedged expected cash flow affect profit or loss.

Changes to hedge accounting policies have been applied prospectively except for the cost of hedging approach for some foreign currency forwards and for currency options, which has been applied retrospectively to hedging relationships that existed on or were designated after January 1, 2017. The impact of this change has resulted in a restatement resulting an increase in Exchange gains / (losses) of €4.8 million as at December 31, 2017, and a decrease in Unrealised gains / (losses) of €3.6 million, net of the tax effect as at December 31, 2017.

In some circumstances the Group also uses non derivative financial liabilities denominated in foreign currency to hedge the cash flow currency risk of its 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 “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 “Financial expense, net” caption.

No hedge accounting relationship

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.

4.2.18 Income taxes

Current income tax is recognized 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 recognized 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.

4.2.19 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 program, 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”.

4.2.20 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.

4.2.21 Business combinations

The acquisition method is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill (see note 4.2.6).

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

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 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, 2018, there was 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

Notes (millions of euros)

Rupees (INR), Australian Dollars (AUD) and Singapore Dollars (SGD). 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 are expected to effectively take place. In the case of Amadeus 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[1]
- 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[2].
- 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:

December 31, 2018			December 31, 2017		
2019 CFaR	2020 CFaR	2021 CFaR	2018 CFaR	2019 CFaR	2020 CFaR
(10.3)	(38.1)	(90.0)	(5.6)	(24.4)	(53.9)

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 2017. On one side, the higher US Dollar exposure as a consequence of the

[1] 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.

[2] 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.

Notes (millions of euros)

increased underlying exposures. Additionally, foreign exchange implicit volatilities outstanding at the end of 2018 were higher than the ones used to make the calculation in the previous year.

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; and (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 2018 approximately 77% (86%, 2017) of the debt contracted by the Group was fixed rate debt. No interest rate hedges were hedging this debt as of December 2018 and December 2017.

The sensitivity of fair value of Amadeus debt to a 0.1% (10 bps) parallel shift of the interest rate curve as of December 31, 2018 and 2017, is set forth in the table below:

	December 31, 2018		December 31, 2017	
	+10 bps	-10 bps	+10 bps	-10 bps
EUR denominated debt	10.5	(10.5)	4.2	(4.7)
EUR accounting hedges	-	-	-	-
Total	**10.5**	**(10.5)**	**4.2**	**(4.7)**

In 2018 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 basically due to the issuance of three new Eurobonds with a total notional of €1,500 million and maturities in 2022, 2023 and 2026. This new debt increases both the total amount of outstanding debt and the average time to maturity of the Amadeus' debt. 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 is 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 €10.5 million at December 31, 2018 (€4.2 million, 2017). 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, 2018 and 2017.

5.3 Own shares price evolution risk

As of December 31, 2018, 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 (SMP).

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 1,565,000 shares and a minimum of 296,000 shares, approximately. It is Amadeus intention to make use of its 8,214,289 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.

The Group 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 the Group's 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 2018 is described in the note 17 "Current and non-current debt".

In addition to other smaller treasury lines agreed with several banks, the Group has access to a Revolving Credit facility as detailed in note 17. The facility has a notional of €1,000.0 million and can be used to cover working capital needs and general corporate purposes. As of December 31, 2018, this facility was fully unused and thus €1,000.0 million can be used to cover the liquidity needs of the Group (as of December 31, 2017, there wasn't any used amount either).

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, 2018, €330.0 million of this program were in use (€300.0 million, 2017).

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.

Notes (millions of euros)

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, 2018 and 2017, is set forth in the table below:

	December 31, 2018	December 31, 2017
Total non-current debt	2,898.1	1,755.1
Total current debt	986.9	396.1
Total debt	**3,885.0**	**2,151.2**
(-) Cash and cash equivalents	(562.6)	(579.5)
Total net financial debt (non-GAAP)	**3,322.4**	**1,571.7**

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). Both agencies keep a credit rating of the debt as "Investment Grade". 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 month of January.

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

Notes (millions of euros)

- IT Solutions, where we offer a portfolio of technology solutions (primarily Altéa PSS and New Skies) 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, 2017, except for the following:

- Since January 1, 2018, building and facilities expense is recognized within net indirect costs in full (previously these costs were partly allocated to Distribution and IT Solutions). Given the geographic expansion of our businesses and our customer focus, buildings and facilities are often shared by teams from all of our businesses, making segment allocation rules increasingly complex. We believe this reallocation results in a cost structure of the operating segments that provides a more accurate reflection of our segment profitability levels. As a result of this cost reallocation, the Distribution and IT Solutions contributions have increased, as well as net indirect costs.
- For comparison purposes, 2017 figures shown in this note have been restated for the adoption of this cost reallocation. Consequently, as shown in the next tables, in 2017 both the Distribution contribution and the IT Solutions contribution have increased by €49.2 million and €42.7 million, respectively, and net indirect costs have increased by €91.9 million.

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 activities and taxes 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 to the consolidated statement of comprehensive income as of December 31, 2018, and 2017, are set forth in the table below:

	December 31, 2018			December 31, 2017 Restated		
	Distribution	IT Solutions	Total	Distribution	IT Solutions	Total
Revenue	3,004.3	1,931.4	4,935.7	2,922.1	1,715.1	4,637.2
Contribution	1,380.7	1,327.1	2,707.8	1,350.1	1,219.7	2,569.8

Notes (millions of euros)

The main reconciling items correspond to:

	December 31, 2018	December 31, 2017 Restated
Revenue	4,935.7	4,637.2
Contribution	2,707.8	2,569.8
Net indirect cost [(1)]	(694.3)	(709.9)
Depreciation and amortization [(2)]	(620.7)	(541.9)
Operating income	**1,392.8**	**1,318.0**

(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 adjustment of capitalization of certain depreciation and amortization costs in the amount of €14.8 million for the period ended December 31, 2018 (€14.6 million, 2017).

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):

	December 31, 2018	December 31, 2017 Restated
Western Europe [(1)]	1,839.6	1,747.4
Asia & Pacific	1,094.4	907.3
USA & Canada	721.1	821.6
Middle East and Africa	599.2	529.7
Central, Eastern and Southern Europe	368.5	318.4
Latin America	312.9	312.8
Revenue	**4,935.7**	**4,637.2**

(1) Includes Spain revenue by an amount of €185.7 million for the period ended December 31, 2018 (€153.7 million, 2017).

Notes (millions of euros)

Non-current assets by geographic area for the year ended December 31, 2018 and 2017, are set forth in the table below:

December 31, 2018	Europe				Other		PPA Assets	Total
	Spain	France	Germany	Other	USA & Canada	Rest of the world		
Intangible Assets	409.6	1,697.5	116.3	13.3	1,291.0	35.7	530.4	4,093.8
PP&E	6.7	63.0	281.6	17.2	38.1	26.6	-	433.2
Right of use assets	48.8	91.1	72.4	44.8	54.2	39.9	-	351.2
Investments in Associates	-	-	-	-	-	14.3	-	14.3
Total	**465.1**	**1,851.6**	**470.3**	**75.3**	**1,383.3**	**116.5**	**530.4**	**4,892.5**

December 31, 2017 Restated	Europe				Other		PPA Assets	Total
	Spain	France	Germany	Other	USA & Canada	Rest of the world		
Intangible Assets	244.6	1,594.3	100.1	8.2	615.0	37.4	604.7	3,204.3
PP&E	11.9	99.7	310.9	8.3	23.6	25.4	-	479.8
Investments in Associates	2.6	-	-	-	-	14.9	-	17.5
Total	**259.1**	**1,694.0**	**411.0**	**16.5**	**638.6**	**77.7**	**604.7**	**3,701.6**

The PPA Assets caption mainly corresponds to the carrying value of the assets identified during the Purchase Price Allocation exercise (PPA) performed as a result of the business combination (Leverage Buy-Out) between Amadeus Group and the Company in July 2005.

7 GOODWILL

The reconciliation of the carrying amount of goodwill for the years ended as of December 31, 2018 and 2017, is set forth in the table below:

	December 31, 2018	December 31, 2017
Carrying amount at the beginning of the year	**2,714.2**	**2,793.3**
Additions due to acquisitions of subsidiaries (note 15)	593.5	-
Transfers (note 15)	251.3	-
Exchange rate adjustments	39.0	(79.1)
Carrying amount at the end of the year	**3,598.0**	**2,714.2**

The "Additions due to acquisitions of subsidiaries" caption for the year ended December 31, 2018, relates to the goodwill arisen from the acquisitions of TravelClick, Argo IT and Hiberus as detailed in note 15.

Notes (millions of euros)

The "Transfers" for the year ended December 31, 2018, related to the completion of the purchase price allocation exercise for the business combination of TravelClick and Hiberus as detailed in note 15.

The "Exchange rate adjustments" caption for the year ended December 31, 2018 and 2017, mainly relates to the US Dollar – Euro 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:

	December 31, 2018	December 31, 2017
Distribution	2,008.7	1,992.5
IT Solutions	1,589.3	721.7
Carrying amount	**3,598.0**	**2,714.2**

The variation in the carrying amount of goodwill by segment between 2018 and 2017 is mainly due to the goodwill arisen from the acquisition of TravelClick (IT Solutions), and Argo IT and Hiberus (Distribution).

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. No different conclusions would have reached if pre-tax discount rates would have been used.
- The present value is obtained, using specific discount rates that take into account the appropriate risk adjustment factors.

Notes (millions of euros)

Regarding the 2018 Impairment Test exercise, the forecasts considered have been based on the Group's 2019-2021 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 2022-2023. 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:

	December 31, 2018	December 31, 2017
	2019-2023 period	2018-2022 period
Base case	5.29% - 8.32%	4.07% - 9.21%
Optimistic case	6.29% - 9.32%	5.07% - 10.21%
Pessimistic case	4.29% - 7.32%	3.07% - 8.21%

Management believes that any reasonable deterioration of the key assumptions considered, which are the basis 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 2017), and with a post-tax discount rate of 7.6% (7.5%, 2017) (9.9% pre-tax for 2018 and 2017), with different scenarios that range 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 2017), and with a post-tax discount rate of 7.6% (7.5%, 2017) (9.9% pre-tax for 2018 and 2017), with different scenarios that range from 6.5% to 9.5%, in line with market consensus and not resulting in any case of impairment.

Notes (millions of euros)

8 INTANGIBLE ASSETS

The reconciliation of the carrying amounts for the years ended December 31, 2018 and 2017, 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
Carrying amount at December 31, 2016	**327.9**	**2,232.8**	**649.6**	**3,210.3**
Additions	21.8	-	41.4	63.2
Additions of Software internally developed	-	451.4	-	451.4
Retirements and disposals	-	-	(0.3)	(0.3)
Impairment losses charged to profit or loss	-	(31.5)	(0.8)	(32.3)
Amortization charge	(13.6)	(311.2)	(72.0)	(396.8)
Exchange rate adjustments	(1.6)	(30.0)	(59.6)	(91.2)
Carrying amount at December 31, 2017	**334.5**	**2,311.5**	**558.3**	**3,204.3**
Additions	13.0	-	53.7	66.7
Additions of Software internally developed	-	559.0	-	559.0
Retirements and disposals	(0.3)	-	(1.2)	(1.5)
Transfers	(16.0)	140.4	265.1	389.5
Additions due to acquisition of subsidiaries	22.3	49.0	227.0	298.3
Impairment losses charged to profit or loss	-	(9.2)	(0.3)	(9.5)
Amortization charge	(15.7)	(349.7)	(80.6)	(446.0)
Exchange rate adjustments	0.5	9.7	22.8	33.0
Carrying amount at December 31, 2018	**338.3**	**2,710.7**	**1,044.8**	**4,093.8**

The carrying amount of intangible assets with indefinite useful life amounts to €293.2 million as of December 31, 2018, (€293.2 million, 2017) and it is classified under the "Patents, trademarks, licenses and others" caption and it relates mainly 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; and
- There is certain stability within the 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 (same amounts for the year 2017). The value for both segments was calculated following the present value of the royalty savings in each of them. 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.

Significant additions during the years ended as of December 31, 2018 and 2017, 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 recognized 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 €14.0 million for the year ended December 31, 2018, (€12.6 million, 2017). The total amount of government grants received from the French Tax Authorities is €19.7 million for the year ended December 31, 2018, (€18.8 million, 2017). The portion of the government grant that is not attributable to the capitalized 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 recognized impairment losses of intangible assets by an amount of €9.5 million for the year ended December 31, 2018, (€32.3 million, 2017). During 2018 and 2017 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. From the total impairment expense for the year ended December 31, 2018, €9.2 million (€13.5 million, 2017) corresponds to the IT Solutions operating segment and €0.3 million (€18.8 million, 2017) to the Distribution operating segment.

The transfers to the "Patents, trademarks, licenses and others", "Technology and Content" and "Contractual Relationships" captions for the year ended December 31, 2018, relate to completion of the purchase price allocation exercise for the business combination with TravelClick and Hiberus.

In the year ended December 31, 2018, the additions due to acquisitions mainly relate to the assets of TravelClick, Argo IT and Hiberus, as detailed in note 15.

Notes (millions of euros)

9 PROPERTY, PLANT AND EQUIPMENT

The reconciliation of the carrying amounts for the years ended December 31, 2018 and 2017, 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
Carrying amount at December 31, 2016	**151.8**	**216.8**	**91.1**	**459.7**
Additions	0.7	128.0	26.0	154.7
Retirements and disposals	-	(0.5)	(0.6)	(1.1)
Depreciation charge	(4.6)	(103.0)	(19.8)	(127.4)
Exchange rate adjustments	-	(3.3)	(2.8)	(6.1)
Carrying amount as of December 31, 2017	**147.9**	**238.0**	**93.9**	**479.8**
Reclassification to right of use assets (note 10)	(74.3)	(23.0)	(3.7)	(101.0)
Carrying amount at January 1, 2018	**73.6**	**215.0**	**90.2**	**378.8**
Additions	0.7	126.0	36.5	163.2
Additions due to acquisitions of subsidiaries	-	10.2	1.8	12.0
Retirements and disposals	-	(1.7)	(1.1)	(2.8)
Transfers	(0.3)	0.9	0.2	0.8
Depreciation charge	(2.7)	(97.2)	(18.9)	(118.8)
Exchange rate adjustments	-	0.4	(0.4)	-
Carrying amount as of December 31, 2018	**71.3**	**253.6**	**108.3**	**433.2**

Additions to the “Data processing hardware & software” caption for the year ended December 31, 2018, mainly relate to the data processing hardware and software acquired for the data processing center in Erding (Germany) amounting to €93.0 million (€89.1 million, 2017).

The “Other property, plant and equipment” caption includes building installations, furniture and fittings, and miscellaneous. The additions related to this caption as of December 2017 and 2018, are related to the renewals that some companies of the Group are doing of furniture and building installations.

During the year ended December 31, 2018, the additions due to acquisitions of subsidiaries mainly relate to assets of TravelClick, Argo IT and Hiberus, as detailed in note 15.

Retirements during the year ended December 31, 2018, include write-offs by a gross amount of €46.5 million (€159.8 million, 2017). 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 recognized in the carrying amount of property, plant and equipment for the year ended December 31, 2018, is €6.3 million (€3.6 million, 2017).

Notes (millions of euros)

10 LEASES

The reconciliation of the carrying amounts for the years ended December 31, 2018, of the items included under right of use assets is set forth in the table below:

	Land & buildings	Data processing hardware & software	Data centres	Other property, plant and equipment	Total
Carrying amount at December 31, 2017	-	-	-	-	-
Reclassification from finance leases of property, plant and equipment	74.3	23.0	-	3.7	101.0
Operating leases (First application IFRS 16)	250.5	-	3.4	-	253.9
Carrying amount at January 1, 2018	**324.8**	**23.0**	**3.4**	**3.7**	**354.9**
Additions	39.6	15.4	-	0.2	55.2
Additions due to acquisitions of subsidiaries	3.7	-	-	-	3.7
Depreciation charge	(46.6)	(12.7)	(0.8)	(1.1)	(61.2)
Transfers	-	(0.8)	-	-	(0.8)
Exchange rate adjustments	(0.5)	-	(0.1)	-	(0.6)
Carrying amount as of December 31, 2018	**321.0**	**24.9**	**2.5**	**2.8**	**351.2**

Additions to the Land & buildings caption for the year ended December 31, 2018, mainly relate to the new contracts signed for office buildings in France and USA.

During the year ended December 31, 2018, the additions due to acquisitions mainly relate to the assets of TravelClick as detailed in note 15.

Lease liabilities are detailed in note 17. As at December 31, 2018, there are commitments for leases for an amount of 32.8 million euros. These commitments refer to the leasing of offices which the Group will begin to use during the year 2020, when we will record the right of use asset and the corresponding lease liability.

The total cash outflow for leases for the year ended December 31, 2018 amounts to €58.1 million.

Notes (millions of euros)

11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The reconciliation of the carrying amount for the years ended December 31, 2018 and 2017, of the items included under the caption investments accounted for using the equity method is set forth in the table below:

	Investments accounted for using the equity method
Carrying amount at December 31, 2016	**17.9**
Share in profit of associates and joint ventures accounted for using the equity method	4.2
Distribution of dividends	(2.8)
Exchange rate adjustments	(1.8)
Carrying amount at December 31, 2017	**17.5**
Share in profit of associates and joint ventures accounted for using the equity method	3.0
Distribution of dividends	(4.5)
Changes in scope of consolidation	(2.6)
Exchange rate adjustments	0.9
Carrying amount at December 31, 2018	**14.3**

The entities consolidated by the Group under the equity method are not quoted in any organized stock market.

The "Share in profit of associates and joint ventures accounted for using the equity method" caption for the year ended December 31, 2018 and 2017 is presented net of taxes at the respective shareholder level.

The "Changes in scope of consolidation" for the year ended December 31, 2018, corresponds to the acquisition of control in Hiberus in March 2018 (see note 2).

The financial information of the Group's associates and joint ventures is set forth in the table below:

	December 31, 2018	December 31, 2017
Total assets	94.3	101.9
Total liabilities	77.7	69.4
Net assets	16.6	32.5
Investments accounted for using the equity method	**14.3**	**17.5**
Total revenue	143.9	128.0
Profit for the year	7.8	10.4
Share in profit of associates and joint ventures accounted for using the equity method	**3.0**	**4.2**

Notes (millions of euros)

12 FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUE MEASUREMENTS

The Group's classification of financial assets and liabilities as of December 31, 2018, is set forth in the table below:

	Note	Amortized cost	FVOCI	Hedging derivatives	FVPL	Total
Other non-current financial assets		97.8	11.0	-	-	108.8
Non-current derivative Financial assets	21	-	-	1.5	-	1.5
Total non-current financial assets		**97.8**	**11.0**	**1.5**	**-**	**110.3**
Trade accounts receivable		498.2	-	-	-	498.2
Other current financial assets		10.0	-	-	-	10.0
Current derivative financial assets	21	-	-	4.6	2.9	7.5
Cash and cash equivalents	25	562.6	-	-	-	562.6
Total current financial assets		**1,070.8**	**-**	**4.6**	**2.9**	**1,078.3**
Non-current debt	17 and 25	2,898.1	-	-	-	2,898.1
Non-current derivative financial liabilities	21 and 25	-	-	14.5	-	14.5
Other non-current financial liabilities		-	-	-	15.3	15.3
Total non-current financial liabilities		**2,898.1**	**-**	**14.5**	**15.3**	**2,927.9**
Current debt	17 and 25	986.9	-	-	-	986.9
Other current financial liabilities		8.5	-	-	-	8.5
Dividend payable	3 and 16	219.6	-	-	-	219.6
Current derivative financial liabilities	21 and 25	-	-	19.0	0.3	19.3
Trade accounts payable		846.2	-	-	-	846.2
Total current financial liabilities		**2,061.2**	**-**	**19.0**	**0.3**	**2,080.5**

Notes (millions of euros)

The Group's classification of financial assets and liabilities as of December 31, 2017, restated, is set forth in the table below:

	Note	Amortized cost	FVOCI	Hedging derivatives	FVPL	Total
Other non-current financial assets		82.9	8.2		-	91.1
Non-current derivative financial assets	21	-	-	8.7	-	8.7
Total non-current financial assets		**82.9**	**8.2**	**8.7**	**-**	**99.8**
Trade accounts receivable		325.9	-	-	-	325.9
Other current financial assets		12.6	-	-	-	12.6
Current derivative financial assets	21	-	-	17.7	-	17.7
Cash and cash equivalents	25	579.5	-	-	-	579.5
Total current financial assets		**918.0**	**-**	**17.7**	**-**	**935.7**
Non-current debt	17 and 25	1,755.1	-	-	-	1,755.1
Non-current derivative financial liabilities	21 and 25	-	-	1.1	-	1.1
Other non-current financial liabilities		-	-	-	15.3	15.3
Total non-current financial liabilities		**1,755.1**	**-**	**1.1**	**15.3**	**1,771.5**
Current debt	17 and 25	396.1	-	-	-	396.1
Other current financial liabilities		506.8	-	-	-	506.8
Dividend payable	3 and 16	210.1	-	-	-	210.1
Current derivative financial liabilities	21 and 25	-	-	7.2	-	7.2
Trade accounts payable		694.1	-	-	-	694.1
Total current financial liabilities		**1,807.1**	**-**	**7.2**	**-**	**1,814.3**

"Other current financial liabilities" included the outstanding amount of the Share buy-back agreement as disclosed in note 16 by an amount of €500.0 million as at December 31, 2017. The program is already finished as at December 31, 2018, and there is no outstanding liability.

Notes (millions of euros)

12.1 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.

		December 31, 2018		December 31, 2017	
	Note	Level 2	Level 3	Level 2	Level 3
Foreign currency forward		1.5	-	8.7	-
Non-current derivative financial assets	21	**1.5**	**-**	**8.7**	**-**
Foreign currency forward		4.6	-	17.6	-
Foreign currency forward and options held for trading		2.9	-	0.1	-
Current derivative financial assets	21	**7.5**	**-**	**17.7**	**-**
Interest rate swaps		-	-	-	-
Foreign currency forward		14.5	-	1.1	-
Non-current derivative financial liabilities	21	**14.5**	**-**	**1.1**	**-**
Foreign currency forward		19.0	-	7.2	-
Foreign currency forward and options held for trading		0.3	-	-	-
Current derivative financial liabilities	21	**19.3**	**-**	**7.2**	**-**
Contingent consideration at fair value	15	**-**	**15.3**	**-**	**15.3**

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 does not hold IRS as of December 31, 2018 (neither in 2017).

The Group recognizes 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, 2018 and 2017.

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.

Notes (millions of euros)

The fair value categorized as level 3 for the year ended December 31, 2018 and 2017, arose mainly from the consideration transferred in the acquisition of Itesso BV (now Amadeus Hospitality Netherlands BV). This fair value measurement is considered as recurring fair value measurement.

The main unobservable input for Amadeus Hospitality Netherlands BV) 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.

	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

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, 2018, and 2017, except for the following financial liabilities:

	December 31, 2018			December 31, 2017		
	Carrying amount	Fair Value	% of face value	Carrying amount	Fair Value	% of face value
Bonds	3,000.0	3,003.4	100.1%	1,500.0	1,525.8	101.72%
European Investment Bank	190.6	199.5	104.7%	254.1	268.2	105.55%

The fair value measurement of the bonds and the European Investment Bank unsecured senior loan are categorized within the level 1 and level 2 in the fair value hierarchy, respectively.

Notes (millions of euros)

12.2 Doubtful debt provision, factoring and cancellation reserve

The Group's doubtful debt provision as of December 31, 2018, amounted to €92.2 million (€80.3 million, 2017). The doubtful debt provision is presented as a reduction of the "Trade account receivables" caption. The movement in the doubtful debt provision is set forth in the table below:

	December 31, 2018	December 31, 2017 Restated
Carrying amount at the beginning of the year	**80.3**	**72.3**
Impact IFRS 9	-	10.0
Additional amounts through income and expense	23.4	38.6
Write-off amounts	(7.3)	(10.9)
Unused reversed amounts through income and expense	(8.3)	(27.3)
Translation changes	0.5	(2.4)
Carrying amount at the end of the year	**88.6**	**80.3**

Trade receivables of the Group include amounts which were past their due date at 2018 and 2017 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, 2018 and 2017, is set forth in the table below:

	December 31, 2018	December 31, 2017 Restated
Up to 3 months	176.8	87.1
From 3 to 6 months	22.7	15.1
From 6 to 12 months	20.1	11.2
Over 12 months	13.4	0.9
Carrying amount at the end of the year	**232.0**	**114.3**

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 main variation between 2018 and 2017 corresponds to the TravelClick acquisition.

The Group has agreements with financial institutions to carry out non-recourse factoring transactions over a part of the accounts receivable resulting from its business. As of December 31, 2018, the Group has transferred €20.0 million to financial institution under these agreements (€35.0 million, 2017). The average interest rates for these transactions were 0.62% for the year ended December 31, 2018 (0.68%, 2017).

The Group recorded a provision against accounts receivable for estimated cancellations of airline bookings for the year ended December 31, 2018, of €41.8 million (€36.9 million, 2017) respectively; consequently the Group has reserved for the related reduction in accounts payable for distribution fees €19.4 million (€16.9 million, 2017).

12.3 Trade payables Directive

Pursuant to the Spanish legislation in force, the disclosures related to the Directive on trade payables as of December 31, 2018 and 2017 for the Spanish subsidiaries is set forth in the table below:

	December 31, 2018	December 31, 2017
	Days	Days
Average payment term to trade payables	23	32
Ratio of operations paid	23	32
Ratio of outstanding payments	27	33
	Millions of euros	Millions of euros
Total payments	1,380.6	1,238.8
Total outstanding payments	140.0	76.3

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.

The trade payables considered as accounts payable eligible to be disclosed in the consolidated financial statements are 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 consolidated statement of financial position.

13 REVENUE

13.1 Disaggregation of revenue from contracts with customers

All the revenues booked by the Group under Revenue caption come from contracts with customers. The Group derives revenue from the rendering of services over time in the markets and segments is disclosed in note 6.

13.2 Contract assets

Contract assets amounting €25.3 million as at December 31, 2018 (€13.8 million, 2017) are included within the caption “Trade account receivables” in the consolidated statement of financial position.

Notes (millions of euros)

13.3 Contract liabilities

The breakdown of the contract liabilities for the years ended December 31, 2018 and 2017, is set forth in the table below:

	Non-current contract liabilities	Current contract liabilities	Total
Carrying amount at December 31, 2016	**325.8**	**138.5**	**464.3**
Additions	54.9	189.1	244.0
Revenue recognized through income statement	(0.7)	(281.2)	(281.9)
Transfers	(78.9)	78.9	-
Translation changes	(2.0)	(7.5)	(9.5)
Carrying amount at December 31, 2017	**299.1**	**117.8**	**416.9**
Additions	53.8	237.0	290.8
Additions due to acquisitions	-	72.2	72.2
Revenue recognized through income statement	(0.9)	(287.4)	(288.3)
Transfers	(78.0)	78.0	-
Other	(3.0)	-	(3.0)
Translation changes	0.3	3.9	4.2
Carrying amount at December 31, 2018	**271.3**	**221.5**	**492.8**

Contract liabilities include 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. The Group receives cash from customers mainly in relation to implementation services of our Altéa IT solution. The costs incurred on the implementation resulted in capitalized software assets which are controlled by the Group but that will be used by that customer to access our platform. The Group recognizes 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 date).

The "Additions due to acquisitions" caption for the year ended December 31, 2018, is mainly due to the acquisition of Travelclick in relation to the amounts invoiced to our customers in advance of the revenue recognition.

Notes (millions of euros)

14 OTHER ASSETS AND LIABILITIES

14.1 Other assets and liabilities

The breakdown of other assets as of December 31, 2018 and 2017, is set forth in the table below:

	December 31, 2018	December 31, 2017
Taxes receivable – non income tax (note 22)	114.3	94.7
Other	24.0	21.3
Other non-current assets	**138.3**	**116.0**
Prepaid expenses	94.2	85.4
Taxes receivable – non income tax (note 22)	54.5	44.4
Advance payments to travel agencies	97.5	74.2
Other	3.1	2.4
Other current assets	**249.3**	**206.4**
Total other assets	**387.6**	**322.4**

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 €7.9 million (10.6 million, 2017) and, paid by the Group as prepayments to vendors according to the terms of its agreements. Also these prepaid expenses include €26.6 million (28.1 million, 2017), mainly related to prepayments for maintenance contracts, mostly for hardware and software.

The "Taxes receivable – non income tax" caption includes VAT receivables and other tax receivables (as detailed in note 22).

The Group presents in the "Advance payments to travel agencies" caption mainly payments made in advance for which services have not been received yet.

Notes (millions of euros)

The breakdown of other liabilities as of December 31, 2018 and 2017, is set forth in the table below:

	December 31, 2018	December 31, 2017
Defined benefit plan liabilities	81.6	79.6
Other non-current liabilities	176.0	145.3
Total other non-current liabilities	**257.6**	**224.9**
Taxes payable – non income tax (note 22)	30.9	25.2
Other public institutions payable	59.3	57.8
Employee related accrual and others	248.7	239.2
Total other current liabilities	**338.9**	**322.2**
Total other liabilities	**596.5**	**547.1**

The caption "Other non-current liabilities" mainly comprises liabilities recorded by the Group for certain risks arising for disputes.

The "Taxes payable - non income tax" caption includes VAT payables and other tax payables (as detailed in note 22).

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 24).

14.2 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, 2018 and 2017, are set forth in the table below:

	December 31, 2018	December 31, 2017
Present value of Funded Defined Benefit Obligation	95.0	96.0
Fair value of plan assets	(69.7)	(68.5)
Funded Status	**25.3**	**27.5**
Present value of Unfunded Defined Benefit Obligation	56.3	52.1
Net liability in the consolidated statement of financial position	**81.6**	**79.6**

Notes (millions of euros)

The Group recognizes in equity all actuarial gains and losses in the period in which they occur. As a result in 2018, actuarial gains of € 2.7 million (pre-tax €3.5 million) were recognized directly through the consolidated statement of comprehensive income. In 2017 actuarial gains of €3.5 million (pre-tax €4.5 million) offset by an amount of €6.1 million losses due to changes in tax rates were recognized directly through the consolidated statement of comprehensive income. See details in note 16.

The defined benefit plan amounts recognized in the consolidated statement of comprehensive income at December 31, 2018 and 2017, are set forth in the table below:

	December 31, 2018	December 31, 2017
Service cost	7.6	5.6
Net interest on the net defined benefit liability (note 24)	1.9	2.1
Immediate recognition of loss arising during the year	(0.2)	(0.3)
Administration expenses	0.5	0.9
Total charge recognized in profit or loss	**9.8**	**8.3**
(Gain) / loss due to demographic assumptions	(0.2)	(2.1)
(Gain) / loss due to financial assumptions	(8.6)	3.8
(Gain) / loss due to experience	1.4	(0.1)
Assets (gain) / loss on plan assets	3.9	(6.1)
Total re-measurements recognized in other comprehensive income	**(3.5)**	**(4.5)**
Total	**6.3**	**3.8**

As of December 31, 2018 and 2017, balances and movements of the items included under defined benefit plan liability are set forth in the table below:

	December 31, 2018	December 31, 2017
Carrying amount at the beginning of the year	**79.6**	**86.9**
Employer contributions	(5.4)	(8.0)
Total charge recognized in profit and loss	9.8	8.3
Total re-measurements recognized in other comprehensive income	(3.5)	(4.5)
Exchange rate (gain) / loss	1.1	(3.7)
Other events recognized in other comprehensive income	-	0.6
Carrying amount at the end of the year	**81.6**	**79.6**

Notes (millions of euros)

The reconciliation of the present value of the defined benefit obligation is set forth in the table below:

	December 31, 2018	December 31, 2017
Defined benefit obligation at beginning of the year	148.1	164.7
Net current service cost	7.6	5.5
Interest cost	4.1	4.6
Net benefit paid	(3.9)	(8.0)
Actual taxes paid	0.5	0.9
(Gain) / loss due to demographic assumptions	(0.2)	(2.0)
(Gain) / loss due to financial assumptions	(8.9)	3.8
(Gain) / loss due to experience	1.4	(0.3)
(Gain) / loss due to exchange rate changes	2.4	(10.3)
Acquisition / Divestiture	0.2	-
Liabilities extinguished on settlements	-	(11.5)
Other restructuring events	-	0.7
Defined benefit obligation at end of the year	151.3	148.1

The reconciliation of the fair value of plan assets is set forth in the table below:

	December 31, 2018	December 31, 2017
Fair value of plan assets at beginning of the year	68.5	77.8
Employer contributions	5.4	8.0
Interest income on plan assets	2.2	2.5
Net benefits paid	(3.9)	(8.0)
Actuarial gain / (loss) on plan assets	(3.8)	6.1
Gain / (loss) due to exchange rate changes	1.3	(6.3)
Assets distributed on settlements	-	(11.7)
Other restructuring events	-	0.1
Fair value of plan assets at end of the year	69.7	68.5

The best estimate of contributions expected to be paid into the defined benefit plan in the next annual financial year is €4.7 million.

Notes (millions of euros)

As of December 31, 2018, 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	United Kingdom	U.S.A.	India	Philippines	Navitaire Philippines	Taiwan
Cash and cash equivalents	-	-	-	-	-	8%	8%	-
Equity Securities	-	-	25%	40%	-	9%	53%	54%
Debt Securities	-	-	36%	44%	-	83%	38%	23%
Real Estate	-	-	-	6%	-	-	-	-
Asset held by insurance company	100%	100%	-	-	-	-	-	-
Other	-	-	39%	10%	100%	-	1%	23%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

As of December 31, 2017, 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	United Kingdom	U.S.A.	India	Philippines	Navitaire Philippines	Taiwan
Cash and cash equivalents	-	-	-	-	-	7%	8%	-
Equity Securities	-	-	25%	39%	-	11%	58%	51%
Debt Securities	-	-	36%	44%	100%	82%	34%	28%
Real Estate	-	-	-	6%	-	-	-	-
Asset held by insurance company	100%	100%	-	-	-	-	-	-
Other	-	-	39%	11%	-	-	-	21%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

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. labor 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 legislation evolution.

The principal actuarial assumptions applied in the preparation of the consolidated statement of financial position are set forth in the table below:

	December 31, 2018	December 31, 2017
Use to determine the defined benefit obligation at end of the year and profit and loss charge for new financial year:		
Discount rate	3.20%	2.78%
Underlying consumer price inflation	2.09%	2.11%
Rate of future compensation increases	3.25%	3.22%
Rate of pension increases	2.07%	2.21%
Use to determine profit and loss charge for the current financial year:		
Discount rate	2.78%	3.01%
Underlying consumer price inflation	2.11%	2.11%
Rate of future compensation increases	3.16%	3.19%
Rate of pension increases	2.21%	1.93%

The above summary is a weighted average based on the defined benefit obligation of each country.

The sensitivity of the overall pension plan liability to changes in the weighted principal assumptions is:

	Millions of euros	
	Increase 25bps	Decrease 25bps
Discount rate for Obligations	(5.8)	5.9
Salary rate	3.0	(2.9)

The expense for defined contribution plans amounted to €52.5 million for the years ended December 31, 2018 (€49.6 million, 2017).

15 BUSINESS COMBINATIONS

The main impacts of business combinations in the consolidated statement of financial position as of December 31, 2018, are set forth in the table below:

	December 31, 2018
Cash paid	1,355.3
Non-controlling interests	4.1
Recognized amounts of identifiable assets acquired and liabilities assumed	(765.8)
Net excess purchase price from currents transactions (note 7)	**593.6**
Allocation of fair value of net assets acquired (note 7)	251.3
Net additions to Goodwill at acquisition date	**844.9**

The reconciliation between the cash paid for current acquisitions and the net cash invested in subsidiaries as of December 31, 2018, is set forth in the table below:

Notes (millions of euros)

	December 31, 2018
Cash paid for current transactions	1,354.5
Cash paid on deferred consideration from prior period	(2.0)
Cash acquired as a result of current acquisition	(39.6)
Net cash invested in subsidiaries	**1,312.9**

The total acquisition-related costs for the year ended December 31, 2018, are recognized as an expense under the "Other operating expenses", "Personnel and related expenses" and "Interest expense" captions of the consolidated statement of comprehensive income and are part of cash flows from operating activities in the consolidated statement of cash flows. The disclosure is as follows:

	December 31, 2018	
	TravelClick	Argo IT & Hiberus
Acquisition-related costs (pre-tax)	19.5	0.4
Financing-related costs (pre-tax)	4.1	-

In 2017 no business combinations were carried out by the Group.

In relation to prior period's transactions, in October 2017, the Group paid €2.5 million as part of the contingent consideration of the Amadeus Hospitality Netherlands BV (formerly named Itesso BV) and its group of companies acquired on July 31, 2015. As of December 31, 2018, and December 31, 2017, the outstanding amount of the contingent consideration at fair value is €15.0 million.

The amount of Revenue and Profit / (loss) net of taxes 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, 2018, is set forth in the table below:

	TravelClick	Argo IT & Hiberus
Revenue	78.5	4.9
Profit / (loss) net of taxes	(0.8)	(0.4)

If the business combinations had been consolidated as of January 1, 2018, the pro-forma Group's consolidated statement of comprehensive income for the reporting period would show additional Revenue and Profit / (loss) net of taxes for the period as set forth in the table below:

	Amadeus Pro-forma	TravelClick	Argo IT & Hiberus
Revenue	5,183.5	241.8	6.0
Profit / (loss) net of taxes	1,003.1	0.1	0.4

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, share-based payments vested prior to acquisition and other homogenization adjustments, and any related tax effects, but adjusting for interest expense for the debt levels of the Group after the business combinations.

Notes (millions of euros)

During the year ended December 31, 2018, the main business combinations have been the following:

15.1 TravelClick

On October 4, 2018, after receiving all the necessary regulatory approvals, indirectly through its subsidiary Amadeus Americas Inc., the Group has acquired 100% of the voting rights of Project Dwight Ultimate Parent Corporation and its group of companies ("TravelClick"). Since that date, the Group is fully consolidating TravelClick. It is based in New York City (USA), it has 1,100 employees worldwide and is a leading provider of technology to the hotel industry. TravelClick operates in 176 countries, partners with over 25,000 customers around the globe, from independent properties to chain hotels, management companies and other travel businesses. Its business lines are Reservations, Business Intelligence, Media, Guest Management and Web & Video.

As of December 31, 2018, the purchase accounting for the business combination of TravelClick was performed. The table below sets forth the assets acquired and the liabilities assumed recognized at the acquisition date. The Group may adjust the fair values until the end of the measurement period if there is any additional information. The Group does not expect that the goodwill will be deductible for income tax purposes.

The provisional fair values of identifiable assets acquired and the liabilities assumed are the following:

	TravelClick		
	Carrying amounts at acquisition date	Fair Value adjustments to purchase value	Fair value of net assets acquired
Goodwill	553.9	(553.9)	-
Intangible assets	295.7	386.2	681.9
Property, plant and equipment	11.8	-	11.8
Right of use assets	3.7	-	3.7
Other non-current assets	0.7	-	0.7
Total non-current assets	**865.8**	**(167.7)**	**698.1**
Trade account receivables	61.8	-	61.8
Income tax receivables	0.2	-	0.2
Other current assets	10.9	-	10.9
Cash and cash equivalents	38.6	-	38.6
Total current assets	**111.5**	**-**	**111.5**
Non-current debt	1.7	-	1.7
Deferred tax liabilities	63.7	97.3	161.0
Other non-current liabilities	0.7	-	0.7
Total non-current liabilities	**66.1**	**97.3**	**163.4**
Current debt	2.0	-	2.0
Trade and other payables	37.8	-	37.8
Current contract liabilities	79.6	(15.9)	63.7
Other current liabilities	30.5	4.7	35.2
Total current liabilities	**149.9**	**(11.2)**	**138.7**
Net identifiable assets acquired	**761.3**	**(253.8)**	**507.5**
Consideration transferred	1,336.2		1,336.2
Goodwill resulting from the acquisition	**574.9**		**828.7**

The intangible assets identified in the acquisition of TravelClick were customer relationships, technology and tradename. The impact of the adjustments in the “Current contract liabilities” caption resulted in not recognizing revenues that were booked at stand-alone entity level as at December 31, 2018, amounting to €8.2 million. The remaining balance amounting to €7.7 million will impact as less revenue in 2019. This is a one-off adjustment and it is not related to a deterioration of TravelClick operational performance.

Residual goodwill is associated with the future cash flows attributable to as yet undeveloped intangible assets such as future technology, future customer relationships, future tradename, Amadeus specific synergies and the assembled workforce.

The fair value of trade receivables acquired were estimated as set forth in the table below:

	Millions of euros
Gross carrying amount	65.4
Allowance for doubtful accounts	(3.6)
Fair value of receivables	**61.8**

15.2 Hiberus

On March 22, 2018, the Group has acquired additional 70.12% shares of Amadeus Travel IMS, S.L. (formerly Hiberus Travel IO Solutions, S.L.). Hiberus is a leading provider of inventory management systems and packaging capabilities for tour operators, travel agencies and event management companies.

A gain of €0.1 million has been recorded under Other income / (expense) as a result of remeasuring to fair value the equity interest in the acquire held before the business combination. After this share acquisition, the Group owns 95% of the voting shares of the entity and controls the entity and therefore it is fully consolidated since that date. The total consideration transferred amounts to €10.5 million and as a result of the business combination an excess purchase price of €6.8 million had initially been recognized under the Goodwill caption.

As of December 31, 2018, the purchase accounting for the business combination of Hiberus was completed. The main identified intangible assets were the technology and the contractual client relationship, the resulting goodwill amounts to €4.2 million.

15.3 Argo IT

On October 24, 2018, after receiving all the necessary regulatory approvals, the Group has acquired, indirectly through its subsidiary Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal, the 70% ownership of Argo IT Tecnológicas S.A., and its group of companies. With this acquisition, the Group controls the entity and therefore it is fully consolidated since that date. The total consideration transferred amounts to €8.5 million and as a result of the business combination an excess purchase price of €12.0 million has been recognized under the caption Goodwill.

The amount provided corresponds to the initial accounting for the acquisition of Argo IT, which as of December 31, 2018, is still provisional. The Group will determine the fair value at the acquisition date of identifiable assets acquired and the liabilities assumed, as well as any other necessary adjustment to the provisional amounts, over the measurement period as information is obtained.

Notes (millions of euros)

16 EQUITY

16.1 Share Capital

As of December 31, 2018 and 2017, the Company's share capital amounts to €4.4 million, 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.

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]. The Company's shares are also part of the Euro Stoxx 50 since September 2018.

As of December 31, 2018 and 2017, the Company's shares were held as set forth in the table below:

Shareholder	December 31, 2018		December 31, 2017	
	Shares	%	Shares	%
Free float (1)	430,179,933	98.03%	437,296,273	99.65%
Treasury shares (2)	8,214,289	1.87%	1,069,252	0.24%
Board of Directors (3)	428,284	0.10%	456,981	0.11%
Total	**438,822,506**	**100 %**	**438,822,506**	**100 %**

(1) Includes shareholders with significant equity stake on December 31, 2018 and 2017, reported to the National Commission of the Stock Exchange Market (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.

16.2 Additional paid-in capital

The changes in the balance of the "Additional paid in capital" caption include the recognition of the share-based payments considered as equity-settled. The fair value of the amounts received during year ended December 31, 2018, as consideration for the equity instruments granted, amounts to €21.2 million (€19.0 million, 2017) offset by the settlement of the Performance Share Plan, Restricted Share Plan and Share Match Plan cycles by €10.7 million (€11.5 million, 2017).

16.3 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.

16.4 Dividends

On June 21, 2018, the General Shareholders' Meeting agreed to distribute a gross dividend of €1.135 per ordinary share, out of which an interim dividend of €0.48 per share was paid in full on January 31, 2018, for a total amount of €210.1 million. The total dividend amounts to €494.3 million.

Additionally, on December 13, 2018, the Company's Board of Directors proposed a fixed dividend distribution of 2018 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, an interim dividend distribution has been approved against 2018 profit of the year, amounting to €0.51 per share with dividend rights, payable on January 17, 2019, for a total amount of €219.6 million.

The Parent Company is able to distribute dividends whenever the amount of the reserves is greater than the net book value of the development costs registered in the consolidated statement of financial position.

16.5 Treasury Shares

The reconciliation of the carrying amounts for the years ended December 31, 2018 and 2017, of the treasury shares is set forth in the table below:

	Treasury Shares	Millions of euros
Carrying amount at December 31, 2016	1,521,273	23.6
Acquisitions	147,562	7.7
Retirements	(599,583)	(14.2)
Share buy-back program	-	500.0
Carrying amount at December 31, 2017	1,069,252	517.1
Acquisitions	7,674,365	8.8
Retirements	(529,328)	(14.6)
Carrying amount at December 31, 2018	8,214,289	511.3

On December 14, 2017, the Board of Directors of the Company agreed a Share buy-back program for the purchase of ordinary shares of the Company subject to a capped maximum amount of aggregate total consideration of €1,000 million and a maximum of 25,000,000 shares, representing 5.69% of the share capital of the Company.

The execution of the programme was structured in a first non-cancellable tranche amounting €500 million, during 15 months (from January 1, 2018, to March 31, 2019) with a minimum purchase period of 9 months; and a second tranche amounting €500 million, during 12 months (from April 1, 2019 to March 31, 2020) cancellable under Company judgement if circumstances required it. On October 11, 2018, the Board of Directors agreed to cancel the second tranche.

The purpose of the acquisition of shares under that program basis is to reduce the share capital of the Company, after the agreement of the General Shareholders' Meeting.

On December 6, 2018, the maximum investment has been reached, a total amount of 7,554,070 shares has been acquired under this program by a total amount of €500.0 million (including transaction fees amounting to €2.8 million), and therefore the program has been terminated.

The rest of the shares, 120,295 shares (147,562 shares, 2017) have been acquired by the Group for the settlements of the Performance Share Plan (PSP), Share Match Plan (SMP) and Restricted Share Plan (RSP).

During the year 2018, the Group has settled employee share-based plans and therefore transferred 528,432 shares (594,755 shares, 2017) to employees, and has delivered 896 shares (4,583 shares, 2017) to the former Amadeus IT Group, S.A. minority shareholders in relation to the exchange ratio established in the Merger Plan between Amadeus IT Group, S.A. and Amadeus IT Holding, S.A. occurred in 2016.

The historical cost for treasury shares retired (primarily for the settlement of the PSP, RSP and SMP, as detailed in note 20), is deducted from the "Additional paid-in capital" caption of the consolidated statement of financial position.

Notes (millions of euros)

16.6 Unrealised gains / (losses) reserve

The reconciliation of the carrying amount for the years ended as of December 31, 2018 and 2017, of components of the unrealized gains/(losses) reserve are set forth in the table below:

	Cash-flow hedges		Actuarial gains and losses	Changes in the fair value of equity investment at FVOCI	Exchange differences on translation of foreign operations	Total
	Exchange rates hedges	Interest rate swaps				
Balance at December 31, 2016	**(9.1)**	**(12.8)**	**(30.8)**	**-**	**71.2**	**18.5**
Changes in fair value	50.4	3.0	4.5	-	(184.2)	(126.3)
Tax effect of changes in fair value	(12.5)	(0.7)	(1.0)	-	-	(14.2)
Transfers to income and expense	(16.8)	3.9	-	-	-	(12.9)
Tax effect of transfers to income and expense	4.2	(1.1)	-	-	-	3.1
Changes in tax rate	-	-	(6.1)	-	-	(6.1)
Balance at December 31, 2017	**16.2**	**(7.7)**	**(33.4)**	**-**	**(113.0)**	**(137.9)**
Adjustment from adoption of IFRS 9, net of tax	(3.6)	-	-	-	-	(3.6)
Restated balance at January 1, 2018	12.6	(7.7)	(33.4)	-	(113.0)	(141.5)
Changes in fair value	(45.6)	-	3.5	0.8	58.9	17.6
Tax effect of changes in fair value	11.4	-	(0.8)	(0.2)	-	10.4
Transfer to consolidated statement of financial position	(1.1)	-	0.9	-	-	(0.2)
Tax effect of transfer to consolidated statement of financial position	0.3	-	(0.2)	-	-	0.1
Transfers to income and expense	3.7	3.8	-	-	-	7.5
Tax effect of transfers to income and expense	(0.9)	(0.9)	-	-	-	(1.8)
Balance at December 31, 2018	**(19.6)**	**(4.8)**	**(30.0)**	**0.6**	**(54.1)**	**(107.9)**

The "Cash-flow hedges" corresponds mainly to 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, as detailed in note 21.

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 14.

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.

16.7 Non-controlling interests

During the years 2018 and 2017, the Group acquired indirectly through its subsidiary Amadeus Corporate Business AG, additional 1.13% shares of i:FAO AG and its group of companies ("i:FAO") (18.17%, 2017). The Group derecognized the non-controlling interest at fair value, amounting to €2.1 million (€29.0 million, 2017). As of December 31, 2018, the Group owns 90.02% of the shares of the entity (88.89%, 2017).

In relating to Argo IT and Hiberus acquisitions (note 2), the carrying amount of the non-controlling interests at fair value amounts to €3.6 million and 0.5 million, respectively.

On January 21, 2018, the Group acquired the remaining 49.00% participation in NMC d.o.o. Skopje ("Amadeus Macedonia"). Hence the Group holds 100.00% of the equity share in this company. The carrying amount of the non-controlling interest on the date of the acquisition was €0.1 million. The Group derecognized the non-controlling interests corresponding to this investment.

As of December 31, 2018, the "Profit/loss of the year attributable to minority interest" amounts to €0.1 million (€1.8 million of profit, in 2017) mainly from i:FAO.

Notes (millions of euros)

17 CURRENT AND NON-CURRENT DEBT

The breakdown of carrying amounts of debt with financial institutions as of December 31, 2018 and 2017, is set forth in the table below:

	December 31, 2018	December 31, 2017
Bonds	2,500.0	1,500.0
Deferred financing fees on Bonds	(12.2)	(7.5)
European Investment Bank (EIB)	125.6	189.1
Deferred financing fees on European Investment Bank	-	(0.1)
Deferred financing fees on Revolving loan facility	(2.4)	(2.6)
Other debt with financial institutions	1.1	-
Lease liabilities	286.0	76.2
Total non-current debt	**2,898.1**	**1,755.1**
Bonds	500.0	-
European Investment Bank (EIB)	65.0	65.0
European Commercial Paper(ECP)	330.0	300.0
Other deferred financing fees	(0.3)	(0.1)
Accrued interest	5.5	2.1
Other debt with financial institutions	22.9	13.2
Lease liabilities	63.8	15.9
Total current debt	**986.9**	**396.1**
Total debt	**3,885.0**	**2,151.2**

As of December 31, 2018, approximately 77% (86% in December 31, 2017) of the Groups' outstanding debt is at fixed rate of interest. The reduction in the ratio of debt at fixed rate compared to previous year, mostly relates the issuance in September 2018 of a Floating Rate Eurobond maturing in March 2022.

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, and (ii) the ratio of EBITDA to Net Interest Payable. As of December 31, 2018 and 2017, the Group is compliant with the financial covenants.

Notes (millions of euros)

17.1 Bonds

The movement in the Group issuances for the years ended December 31, 2018 and 2017, is set forth in the table below:

	December 31, 2018		December 31, 2017	
	Current	Non-current	Current	Non-current
Carrying amount at the beginning of the year	-	1,500.0	400.0	1,000.0
New issues	-	1,500.0	-	500.0
Transfers	500.0	(500.0)	-	-
Repayments	-	-	(400.0)	-
Carrying amount at the end of the year	500.0	2,500.0	-	1,500.0

On September 18, 2018, Amadeus IT Group, S.A. has carried out an issuance of three Eurobonds for a total value of €1,500.0 million under the program "Euro Medium Term Note Program" admitted to trading on the Luxembourg Stock Exchange. The three bonds amount to €500.0 million each one. Two of them have been carried out at fixed interest rate, one of those with a maturity of five years (September 2023), an annual coupon of 0.875%, and an issue price of 99.898% of its nominal value and; the other with a maturity of eight years (September 2026), an annual coupon of 1.500%, and an issue price of 99.761% of its nominal value. The third bond issuance has been carried at floating interest rate, with a maturity of three years and a half (March 2022), a quarterly interest payment of Euribor + 0.450%, and an issue price of 100.0% of its nominal value. The purpose of these proceeds is to partially acquire TravelClick (see note 15) and for other general corporate purpose needs.

On December 1, 2017, the Group repaid the bond under the denominated "Senior Fixed Rate Instruments" issued on December 2, 2014, through its subsidiary Amadeus Finance B.V. amounting to €400.0 million.

On May 12, 2017, Amadeus Capital Markets, S.A. Sociedad Unipersonal, carried out an issuance of a bond under the denominated "Senior Fixed Rate Instruments" for a value of €500.0 million admitted to trading on the Luxembourg Stock Exchange. The issuance has a maturity of two years (May 2019), no annual coupon, and an issue price of 99.932% of its nominal value. This bond is used to repay existing financial indebtedness of the Group (European Commercial Paper). As of December 31, 2018, is classified under current debt.

On September 29, 2016, Amadeus Capital Markets, S.A., Sociedad Unipersonal, 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. The purpose of this facility was to repay existing financial indebtedness of the Group.

On November 10, 2015, the Group, through its subsidiary Amadeus Capital Markets, S.A. Sociedad Unipersonal, 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.

17.2 European Investment Bank (EIB)

On April 29, 2013, the European Investment Bank granted to the Group an unsecured senior loan (EIB loan 2013) 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 (EIB loan 2012) 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.

During 2018, the Group has repaid €65.0 million of the European Investment Banks loans, €35.0 million of the EIB loan 2012 (€25.0 million from the tranche A and €10.0 million from the tranche B) and €30.0 million of the EIB loan 2013. During 2017, the Group repaid €50.0 million of the EIB loan 2012 (€25.0 million from the tranche A and €10.0 million from the tranche B) and €15.0 million of the EIB loan 2013. The carrying amount as of December 31, 2018, of the EIB loan 2012 amounts to €87.5 million and of the EIB 2013 to €105.0 million (€122.5 million and €135.0 million as of December 31, 2017, respectively).

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 (EIB loan 2012) and to €3.8 million (EIB loan 2013), has been accounted for as a government grant under "Contract liabilities 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.

17.3 Revolving Loan Facility

On August 8, 2018, the Group entered into a €1,000.0 million Revolving Credit Facility which secured the acquisition of TravelClick. It was never disposed and, on September 18, 2018, the Group has cancelled this facility and replaced it by the abovementioned three new Eurobonds. The Group has paid and recognized through the consolidated statement of comprehensive income transaction costs by an amount of €0.5 million.

On April 27, 2018, the Group has entered into a €1,000.0 million Revolving Credit Facility. This facility has a maturity of five years that could be extended for two additional years. The Group has paid to banks in relation to this new Revolving Credit Facility transaction costs ("Deferred financing fees") by an amount of €2.7 million. As of December 31, 2018, the Group has not disposed of this facility.

At the same date, the Group has cancelled the Facility A of the Revolving Credit Facility signed on March 5, 2015 amounting to €500.0 million and the Revolving Credit Facility signed on April 26, 2016 amounting to €500.0 million. The corresponding deferred financing fees of the cancelled Revolving Credit Facilities have been fully recognized through the consolidated statement of comprehensive income by an amount of €2.5 million.

17.4 Euro-Commercial Paper programme (ECP)

The Group, through its subsidiary Amadeus Finance B.V. and guaranteed by Amadeus IT Group, S.A., established a program for the issuance of short term commercial paper (Euro-Commercial Paper program -ECP), currently for a maximum of €750.0 million. This program is guaranteed by Amadeus IT Group, S.A. The notes issued under the program 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.

Notes (millions of euros)

During the year 2018, the Group has issued Euro Commercial Paper (ECP) net of interests by a total amount of €930.0 million. The total commercial paper repaid during the year amounts to €900.0 million.

17.5 Lease liabilities

As disclosed in note 4, starting January 1, 2018, the Group has adopted IFRS 16. Consequently, the finance lease liabilities included in the former caption "Obligations under finance leases" are now classified in the caption "Lease liabilities". In this new caption, the Group also includes the liabilities coming from operating leases (see note 10) since January 1, 2018.

17.6 Maturity analysis

The Group's debt payable by maturity as of December 31, 2018, is set in the table below:

		Maturity					
		Current	Non-current				
	December 31, 2018	2019	2020	2021	2022	2023 and beyond	Total non-current
Bonds	3,000.0	500.0	500.0	500.0	500.0	1,000.0	2,500.0
EIB	192.5	65.0	65.0	47.5	15.0	-	127.5
ECP	330.0	330.0	-	-	-	-	-
Accrued interests	5.5	5.5	-	-	-	-	-
Other debt with financial institutions	23.9	22.8	1.1	-	-	-	1.1
Leases	349.8	63.8	52.0	40.9	35.1	158.0	286.0
Total Debt payable	3,901.7	987.1	618.1	588.4	550.1	1,158.0	2,914.6
Non-current Deferred financing fees	(14.6)						
Current Deferred financing fees	(0.3)						
Remaining fair value adjustment on EIB loan	(1.9)						
Total Debt	**3,885.0**						

Notes (millions of euros)

The Group's debt payable by maturity and currency as of December 31, 2017, is set in the table below:

		Maturity					
		Current	Non-current				
	December 31, 2017	2018	2019	2020	2021	2022 and beyond	Total non-current
Bonds	1,500.0	-	500.0	500.0	500.0	-	1,500.0
EIB	257.5	65.0	65.0	65.0	47.5	15.0	192.5
ECP	300.0	300.0	-	-	-	-	-
Accrued interests	2.1	2.1	-	-	-	-	-
Other debt with financial institutions	13.2	13.2	-	-	-	-	-
Leases	92.1	15.9	13.3	8.3	4.3	50.3	76.2
Total Debt payable	2,164.9	396.2	578.3	573.3	551.8	65.3	1,768.7
Non-current Deferred financing fees	(10.2)						
Current Deferred financing fees	(0.1)						
Remaining fair value adjustment on EIB loan	(3.4)						
Total Debt	2,151.2						

18 PROVISIONS

The reconciliation of the carrying amounts for the years ended December 31, 2018 and 2017, 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
Carrying amount at December 31, 2016	0.8	24.9	2.6	28.3
Additional amounts through income and expense	0.3	3.9	0.1	4.3
Payments	(0.1)	(1.3)	(0.1)	(1.5)
Unused reversed amounts	-	(0.3)	(0.1)	(0.4)
Translation changes	0.1	(1.3)	(0.1)	(1.3)
Carrying amount at December 31, 2017	1.1	25.9	2.4	29.4
Additional amounts through income and expense	0.7	0.3	3.2	4.2
Additions due to acquisitions	-	0.7	-	0.7
Payments	(0.6)	(0.1)	(0.1)	(0.8)
Unused reversed amounts	-	(2.7)	(0.2)	(2.9)
Transfers	-	-	(0.1)	(0.1)
Translation changes	(0.1)	(0.9)	-	(1.0)
Carrying amount at December 31, 2018	1.1	23.2	5.2	29.5

The obligations covered by "Claims and litigations" caption 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 "Other provisions" caption is mainly related to the restoration obligations of office buildings 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 reconciliation of the carrying amounts for the years ended December 31, 2018 and 2017, of "Current provisions" caption is set in the table below:

	Millions of euros
Carrying amount at December 31, 2016	**16.6**
Additional amounts through income statement	1.7
Payments	(2.3)
Unused reversed amounts	(2.8)
Transfers	(0.9)
Carrying amount at December 31, 2017	**12.3**
Additional amounts through income statement	0.2
Additions due to acquisitions	0.3
Payments	(0.4)
Unused reversed amounts	(1.9)
Carrying amount at December 31, 2018	**10.5**

Within "Current provisions" caption, it is included a provision amounted to €6.8 million (€6.8 million, 2017), for amounts which could become payable to a bank, in accordance with a comfort letter, in connection with loans granted by this bank to Qivive GmbH, an associate company.

19 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.

19.1 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.

19.2 Shareholders and significant influence

As of December 31, 2018 and 2017, there are neither shareholders nor significant influence considered related parties.

19.3 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 salaries (in cash and in kind), yearly and/or multi-annual bonus, subject to the objectives fulfilment , share-based plans and any other type of compensation following the remuneration policy approved by the General Shareholders' Meeting held on June 25, 2015 for a period of three years.

At the meetings held on June 21, 2018, and June 15, 2017, the Ordinary General Shareholders' Meeting agreed a fixed remuneration for said functions, in cash or in kind, for the period January to December 2018 and January to December 2017, with a limit of €1,426 thousand and €1,426 thousand as well respectively, 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 thousands of euros) received by the members of the Board of Directors in 2018 and 2017 is set forth in the table below:

		Year 2018		Year 2017	
Board Members		Payment in cash	Payment in kind	Payment in cash	Payment in kind
José Antonio Tazón García	President	303	2	303	2
Guillermo de la Dehesa Romero	Vice-Chairman	158	-	152	-
Luis Maroto Camino	Executive Director	35	-	35	-
Roland Busch	Director	53	-	113	-
Clara Furse	Director	145	-	136	-
Pilar García	Director	102	-	4	-
Stephan Gemkow	Director	48	-	-	-
Pierre–Henri Gourgeon	Director	113	-	113	-
Nicolas Huss	Director	91	-	49	-
Peter Kuerpick	Director	59	-	-	-
Francesco Loredan	Director	113	-	120	-
Stuart Anderson McAlpine	Director	-	-	86	-
Marc Verspyck	Director	53	-	113	-
David Webster	Director	149	-	158	-
Total		1,422	2	1,382	2

Notes (millions of euros)

At December 31, 2018 and 2017, investment held by the members of the Board of Directors in the share capital of the Company is set forth in the table below:

	December 31, 2018	December 31, 2017
Name	Shares	Shares
José Antonio Tazón García	255,000	255,000
Luis Maroto Camino	172,883	201,480
David Webster	1	1
Pierre–Henri Gourgeon	400	400
Roland Busch	-	100

At December 31, 2018, 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 has reported to the Board of Directors any direct or indirect conflict situation with the interest of the Company.

During the year ended December 31, 2018, 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, and share based payments amounted to €1,688 thousand (€2,018 thousand, 2017), €46 thousand (€104 thousand, 2017), €183 thousand (€176 thousand, 2017) and €3,084 thousand (€2,728 thousand, 2017) respectively.

19.4 Key Management Compensation

During the year ended December 31, 2018, 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 €5,883 thousand (€8,921 thousand, 2017), €466 thousand (€510 thousand, 2017), €646 thousand (€600 thousand, 2017) and €6,436 thousand (€7,061 thousand, 2017) respectively.

Key management personnel include an average and as at December 31, 2018, of 11 members (14 members average and as at December 31, 2017).

The reconciliation of the number of shares held by the Group Management at December 31, 2018 and 2017, is set forth in the table below:

	Shares
December 31, 2016	**285,799**
Additions	147,471
Disposals	(45,990)
December 31, 2017	**387,280**
Additions	51,750
Disposals	(52,589)
December 31, 2018	**386,441**

19.5 Other related parties

Other related parties are linked to the transactions between the Group and its associates and joint-ventures.

The Group's transactions and balances with the related parties (in thousands of euros) that are described in sections 19.1 to 19.4 above as of December 31, 2018, is set forth in the tables below:

	December 31, 2018			
Consolidated statement of comprehensive income	Shareholders and significant influence	Board members and key management	Other related parties	Total
Cost of revenue and other operating expenses	-	-	110,123	110,123
Personnel and related expenses	-	19,882		19,882
Total expenses	**-**	**19,882**	**110,123**	**130,005**
Share in profit of associates and joint ventures accounted for using the equity method	-	-	4,537	4,537
Revenue	-	-	28,823	28,823
Total income	**-**	**-**	**33,360**	**33,360**

	December 31, 2018			
Consolidated statement of financial position	Shareholders and significant influence	Board members and key management	Other related parties	Total
Dividends Receivable - Other current financial assets	-	-	473	473
Trade accounts receivable	-	-	13,188	13,188
Interim dividend payable (1)	-	416	-	416
Trade accounts payable	-	-	46,977	46,977

(1) During the year 2018 the dividends paid to Board members and key management amounted to €913 thousand.

The Group's transactions and balances with the related parties (in thousands of euros) that are described in sections 19.1 to 19.4 above as of December 31, 2017, are set forth in the tables below:

Notes (millions of euros)

Consolidated statement of comprehensive income	December 31, 2017			
	Shareholders and significant influence	Board members and key management	Other related parties	Total
Cost of revenue and other operating expenses	-	-	104,606	104,606
Personnel and related expenses	-	23,502		23,502
Total expenses	**-**	**23,502**	**104,606**	**128,108**
Share in profit of associates and joint ventures accounted for using the equity method	-	-	2,829	2,829
Revenue	-	-	20,043	20,043
Total income	**-**	**-**	**22,872**	**22,872**

Consolidated statement of financial position	December 31, 2017			
	Shareholders and significant influence	Board members and key management	Other related parties	Total
Dividends Receivable - Other current financial assets	-	-	85	85
Trade accounts receivable	-	-	8,174	8,174
Interim dividend payable (1)	-	405	-	405
Trade accounts payable	-	-	25,992	25,992

(1) During the year 2017 the dividends paid to Board members and key management amounted to €767 thousand.

Notes (millions of euros)

20 SHARE-BASED PAYMENTS

The Group has the following reward schemes in place for management and employees:

20.1 Performance Share Plan (PSP)

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; PSP 2018 includes an additional performance objective related to pre-tax adjusted free cash flow (OCF) 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, 2018 and 2017, 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 €16.0 million (€14.5 million, 2017).

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 an estimation of expected performance for the tranche 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 2015	PSP 2016	PSP 2017	PSP 2018
Total shares allotted at grant date (1)	244,307	277,785	259,200	173,930
Fair value of those instruments at grant date (€)	34.74	37.73	49.49	64.03
Dividend yield	1.41%	1.59%	1.47%	1.24%
Expected volatility	20.06%	22.37%	21.23%	19.06%
Risk free interest rate	0.56%	-	-	-

(1) This number of shares could increase up to double if the Group's performance in all performance objectives is extraordinary.

During the year 2018, the PSP 2015 was settled after the vesting date, implying that the Group transferred to the eligible employees 403,358 shares, due to the achievement of the performance objectives (200%), at a weighted average price of €74.41 per share, and implying an impact of €(7.5) 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 16).

During the year 2017, the PSP 2014 was settled after the vesting date, implying that the Group transferred to the eligible employees 501,969 shares, due to the achievement of the performance objectives (187%), at a weighted average price of €53.56 per share, and implying an impact of €(9.2) 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 16).

Notes (millions of euros)

The detail of the changes in the Group's PSP for the years 2018 and 2017, is set forth in the table below:

	December 31, 2018				
	PSP 2015	PSP 2016	PSP 2017	PSP 2018	Total (1)
Number of shares allotted at beginning of the year	205,622	249,247	247,295	-	702,164
Shares allotted during the period	-	-	-	173,930	173,930
Forfeiture during the period	(3,726)	(15,108)	(16,260)	(4,468)	(39,562)
Settlement of plan at vesting date	(201,896)	-	-	-	(201,896)
Number of shares allotted at end of the year	-	234,139	231,035	169,462	634,636

	December 31, 2017				
	PSP 2014	PSP 2015	PSP 2016	PSP 2017	Total (1)
Number of shares allotted at beginning of the year	273,242	226,270	275,783	-	775,295
Shares allotted during the period	-	-	-	259,200	259,200
Forfeiture during the period	(2,809)	(20,648)	(26,536)	(11,905)	(61,898)
Settlement of plan at vesting date	(270,433)	-	-	-	(270,433)
Number of shares allotted at end of the year	-	205,622	249,247	247,295	702,164

(1) This number of shares could increase up to double if the Group's performance in all performance objectives is extraordinary.

20.2 Restricted Share Plan (RSP)

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, 2018 and 2017, as consideration for the equity instruments granted (amounting to 69,300 in 2018 and 59,567 in 2017 Restricted Share Units awarded), is presented in the consolidated statement of comprehensive income under the "Personnel and related expenses" caption by an amount of €0.9 million (€0.5 million, 2017).

During the year 2018, certain RSP awards were settled at vesting date, implying that the Group transferred to the eligible employees 30,931 shares, at a weighted average price of €69.06 per share, and implying an impact of €(0.3) 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 16).

During the year 2017, certain RSP awards were settled at vesting date, implying that the Group transferred to the eligible employees 12,649 shares, at a weighted average price of €53.84 per share, and implying an impact of €(0.2) 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 16).

20.3 Share Match Plan (SMP)

The Share Match Plan (SMP) 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 an Amadeus participating company 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 they hold their Purchased Shares for a year after the purchase period has ended.

These plans are considered as equity-settled under IFRS 2. The fair value of services received during the year ended as of December 31, 2018 and 2017, as consideration for the equity instruments granted, amounting to 227,054 shares and 258,081 shares, respectively, is presented in the consolidated statement of comprehensive income under the "Personnel and related expenses" caption by an amount of €4.3 million as of December 31, 2018 € 4.0 million, 2017).

During the year 2018, the Share Match Plan 2016 has been settled according to the terms of the plan, implying that the Group transferred to the participants 96,944 shares, at a weighted average price of €74.39 per share, and implying an impact of €(2.9) 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 16).

During the year 2017, the Share Match Plan 2015 has been settled according to the terms of the plan, implying that the Group transferred to the participants 80,137 shares, at a weighted average price of €54.04 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 16).

21 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.

IFRS 9 sets up the criteria that must be satisfied for hedge accounting. Although all the derivatives the Group enters 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 are still expected to be an effectively offset of the fair value or cash flows being hedged.

Notes (millions of euros)

Generally the ideal hypothetical derivative method is used to evaluate the expected effectiveness of a hedge relationship in which the hedging instrument is a derivative. The ideal hypothetical derivative method compares the expected change in fair value of the actual derivative designated as the hedging instrument and the expected 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 risk when non derivative instruments or some types of derivatives are used as hedging instrument, as it is explained in the documentation of the hedge relationship, the dual spot method is used. This means that the Group compares the expected spot-to-spot movement of the hedged item with the expected spot-to-spot movement of the hedging instrument in order to evaluate the expected hedge effectiveness of the hedge relationship.

As of December 31, 2018 and 2017, the fair values of assets and liabilities of derivative financial instruments are set forth in the table below:

	December 31, 2018				December 31, 2017			
	Assets		Liabilities		Assets		Liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Foreign currency forward	4.6	1.5	19.0	14.5	17.6	8.7	5.8	1.1
Foreign currency option	-	-	-	-	-	-	1.4	-
Total derivative financial instruments designated as hedge	**4.6**	**1.5**	**19.0**	**14.5**	**17.6**	**8.7**	**7.2**	**1.1**
Foreign currency forward	2.9	-	0.3	-	0.1	-	-	-
Foreign currency option	-	-	-	-	-	-	-	-
Total derivative instruments held for trading	**2.9**	**-**	**0.3**	**-**	**0.1**	**-**	**-**	**-**
Total	**7.5**	**1.5**	**19.3**	**14.5**	**17.7**	**8.7**	**7.2**	**1.1**

Notes (millions of euros)

As of December 31, 2018 and 2017, the maturity of the notional amount of the Group's derivative financial assets and liabilities is set forth in the table below:

	December 31, 2018				December 31, 2017			
	2019	2020	2021 and beyond	Total	2018	2019	2020 and beyond	Total
Foreign currency forward	1,158.3	315.4	69.6	1,543.3	475.7	236.1	32.1	743.9
Foreign currency option	-	-	-	-	-	21.0	-	21.0
Cash flow hedges of exchange rates	1,158.3	315.4	69.6	1,543.3	475.7	257.1	32.1	764.9
Total derivative financial instruments designated as hedge	**1,158.3**	**315.4**	**69.6**	**1,543.3**	**475.7**	**257.1**	**32.1**	**764.9**
Foreign currency forward	13.5	-	-	13.5	9.8	-	-	9.8
Foreign currency option	-	-	-	-	-	-	-	-
Total derivative instruments held for trading	**13.5**	**-**	**-**	**13.5**	**9.8**	**-**	**-**	**9.8**
Total	**1,171.8**	**315.4**	**69.6**	**1,556.8**	**485.5**	**257.1**	**32.1**	**774.7**

21.1 Cash flow hedges of interest rates

During the year ended 2018, the Group did not sign any new interest rate swaps (IRS) contracts, 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 6, 2017 the Group cancelled an IRS contract and discontinued the pre-hedging relationship for a notional amount of €500.0 million with an impact in interest expense of €2.7 million. The pre-tax impact of the IRS in OCI was transferred in 2017 to the consolidated statement of comprehensive income by an amount of €3.0 million.

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 other comprehensive income of €16.1 million 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 2018 amounted to €3.8 million (€3.9 million, 2017).

21.2 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 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.

Regarding currency derivatives held, for the year ended December 31, 2018, a gain of €45.6 million (€34.2 million net of taxes) has been charged to other comprehensive income. A loss of €50.4 million (€37.9 million net of taxes) was charged to other comprehensive income for the year ended December 31, 2017.

The FX contract agreements signed by the Group in 2018 to hedge the total amount of TravelClick, Inc. acquisition against the US dollar – Euro exchange rate fluctuation generated a gain of €1.1 million (€0.8 million net of taxes) when the acquisition was finally completed on October 4, 2018. Those gains were booked against the hedged item, which was the investment in TravelClick.

22 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.

At the year-end 2018, the Company remains open to tax audit 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 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.

In December 2016, a claim has been filed with the National Appellate Court, related to the tax assessments signed under protest for the Corporate Income Tax of the years from 2005 to 2007 and from 2008 to 2010. During 2017 the Company has submitted a writ of conclusions. The National Appellate Court rejected the appeal by decision in September 2018 and in October 2018, the Company, filed an extraordinary appeal (Recurso de Casación) before the Supreme Court only with respect to the non-tax deductibility of financial interest (years 2007-2010), which is still pending of admission.

In 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. In January 2017, a resolution from the TEAC was received, rejecting the allegations submitted by the Company before it. In February 2017, the Company initiated an appeal before to the National Appellate Court. In September, after the disclosure of the file, a statement of claim has been registered to the National Appellate Court, and in November 2017 the statement of conclusions. The resolution is still pending at year end.

The Company has voluntarily deposited the amount required by the Tax Authorities, accounted under the caption “Other non-current financial assets” (note 14), until the resolution of this litigation and has registered the appropriate liability in order to minimize its exposure in the event the final ruling from the Court does not result in its favour. Therefore, and in any case, the resolution of this matter should not have any significant impact on the Company’s financial situation.

Since 1999, the Company has been engaged in disputes with the Indian tax authorities in relation to an allegation that the distribution activities in that country qualify as a permanent establishment in India. On this basis, the Indian tax authorities claim that a portion of the revenue generated in respect of bookings made by travel agencies located in India should be subject to Indian tax. There are a number of proceedings underway relating to the tax years between 1995 and 2015 at different procedural stages (ranging from initial inspection to appeal) before the Indian administrative authorities and before the Supreme Court. The resolution from the Delhi High Court dated on January 2010 concerning tax years from 1995 to 1998 concludes on the existence of permanent establishment, but without income liable to tax in India. This resolution was also extended to the fiscal years from 1998 to 2006 (both inclusive). These decisions are under dispute before the Supreme Court. The Company has been advised that there is no provision under Indian law for sanctions to be imposed as a result of the ongoing proceedings.

Notes (millions of euros)

Additionally, since 2006, the Indian tax authorities are of the opinion that the IT service agreement executed between the Company and an airline (both non-resident) may give rise to royalty payments and fees for technical services in India. As a result of this interpretation, a new tax claim is under dispute.

The Company has registered the appropriate provisions in order to minimise its exposure in the event the final ruling from the Court does not result in its favour.

The Group has paid corporate income tax surcharge in France related to dividend distributions in 2013, 2015 and 2016 as provided under article 235 ter ZCA of the Code Général des Impôts (French Tax Code).

The Group initiated the refund claims in relation to such surcharge paid for the aforementioned years.

On February 26, 2015, the European Commission initiated infringement proceedings against France with respect to this corporate income tax surcharge, as it could be in breach of the Parent-Subsidiary Directive as well as against the freedom of establishment guaranteed by the Treaty of the Functioning of the European Union.

In July 2017, the French Constitutional Court declared that the surcharge is contrary to the Constitution. Following the decision from the Constitutional Court in 2018, the Company received the refund of the surcharge 3% on dividends and the delay interest associated.

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., Sociedad Unipersonal
- Amadeus Capital Markets, S.A., Sociedad Unipersonal
- Amadeus Content Sourcing, S.A., Sociedad Unipersonal

The income tax expense for the years ended on December 31, 2018 and 2017, is set forth in the table below:

	December 31, 2018	December 31, 2017 Restated
Current	358.0	327.9
Deferred	(21.2)	(66.1)
Total Income taxes	**336.8**	**261.8**

The reconciliation between the statutory income tax rate in Spain and the effective income tax rate applicable to the Group as of December 31, 2018 and 2017, is set forth in the table below:

Notes (millions of euros)

	December 31, 2018	December 31, 2017 Restated
	%	%
Statutory income tax rate in Spain	25.0	25.0
Effect of different tax rates	1.6	3.9
Tax Credits	(1.2)	(1.4)
Other permanent differences	-	(5.9)
Subtotal	25.4	21.6
Purchase price allocation impact	(0.2)	(0.9)
Effective income tax rate	**25.2**	**20.7**

As of December 31, 2018 and 2017 the main difference between the statutory income tax rate in Spain and the effective income tax rate is mainly explained by the effect of different tax rates within the Group. In 2018 the rates are closer to the Spanish rate due to reductions in nominal rates in France and USA.

The detail of tax receivables and payables as of December 31, 2018 and 2017, is set forth in the table below:

	December 31, 2018	December 31, 2017
Tax receivable current and non-current		
Income tax receivable	43.5	78.9
VAT (note 14)	65.6	54.7
Others taxes receivable (note 14)	103.2	84.4
Total	**212.3**	**218.0**
Tax payable current and non-current		
Income tax payable	41.7	16.9
VAT (note 14)	7.7	4.4
Other taxes payable (note 14)	23.2	20.8
Total	**72.6**	**42.1**

Notes (millions of euros)

The Group's deferred tax balances as of December 31, 2018, are set forth in the table below:

Assets	December 31, 2017 Restated	Net charged to income statement	Charged to equity	Additions due to Acquisitions	Transfers	Translation changes	December 31, 2018
Unused tax losses	4.4	(0.7)	-	-	-	-	3.7
Unused investment tax credits	2.2	-	-	-	-	-	2.2
Finance leases	0.3	-	-	-	-	-	0.3
Net cancellation reserve	5.9	-	-	-	-	-	5.9
Depreciation and amortization	(0.2)	(2.1)	-	-	(0.6)	1.1	(1.8)
Bad debt provision	7.3	0.3	-	-	0.1	-	7.7
Hedge accounting	3.4	-	7.5	-	-	-	10.9
Employees benefits	29.9	5.3	(0.8)	-	0.3	(0.7)	34.0
Dividends tax credits	0.8	-	-	-	-	-	0.8
Tax audit	10.6	-	-	-	-	-	10.6
Offsetting obligations	2.4	-	-	-	-	-	2.4
Other	7.8	1.1	(0.1)	0.4	0.1	-	9.3
	74.8	3.9	6.6	0.4	(0.1)	0.4	86.0
Netting	(52.1)	-	-		(14.0)	-	(66.1)
Total	**22.7**	**3.9**	**6.6**	**0.4**	**(14.1)**	**0.4**	**19.9**

Liabilities	December 31, 2017	Net charged to income statement	Charged to equity	Additions due to Acquisitions	Transfers	Translation changes	December 31, 2018
Unrealized gains - foreign currency and financial instruments	(2.1)	(0.4)	-	0.3	-	(1.0)	(3.2)
Provision for decline in value of investments	10.5	-	-	-	-	-	10.5
Depreciation and amortization	359.5	5.6	-	67.1	-	2.4	434.6
Capitalization of Software Internally Developed	11.1	7.8	-	4.7	-	0.5	24.1
Purchase Price Allocation	289.8	(29.2)	-	-	98.1	0.1	358.8
Hedge accounting	9.1	-	0.1	-	-	-	9.2
Leases	2.8	(0.2)	-	-	-	-	2.6
Other	(3.0)	(0.9)	-	(8.4)	-	0.8	(11.5)
	677.7	(17.3)	0.1	63.7	98.1	2.8	825.1
Netting	(52.1)	-	-	-	(14.0)	-	(66.1)
Total	**625.6**	**(17.3)**	**0.1**	**63.7**	**84.1**	**2.8**	**759.0**

Notes (millions of euros)

The Group's deferred tax balances as of December 31, 2017, are set forth in the table below:

Assets	December 31, 2016	Net charged to income statement	Charged to equity	Transfers	Translation changes	December 31, 2017 Restated
Unused tax losses	2.2	2.3	-	-	(0.1)	4.4
Unused investment tax credits	2.2	-	-	-	-	2.2
Finance leases	0.3	-	-	-	-	0.3
Net cancellation reserve	5.9	-	-	-	-	5.9
Depreciation and amortization	0.2	(0.7)	-	-	0.3	(0.2)
Bad debt provision	6.2	1.3	-	-	(0.2)	7.3
Hedge accounting	7.5	-	(4.1)	-	-	3.4
Employees benefits	38.9	(0.8)	(7.1)	-	(1.1)	29.9
Dividends tax credits	0.8	-	-	-	-	0.8
Tax audit	10.6	-	-	-	-	10.6
Offsetting obligations	2.0	0.4	-	-	-	2.4
Other	14.8	(3.9)	-	-	(3.1)	7.8
	91.6	(1.4)	(11.2)	-	(4.2)	74.8
Netting	(70.0)	-	-	17.9	-	(52.1)
Total	**21.6**	**(1.4)**	**(11.2)**	**17.9**	**(4.2)**	**22.7**

Liabilities	December 31, 2016	Net charged to income statement	Charged to equity	Transfers	Translation changes	December 31, 2017
Unrealized gains - foreign currency and financial instruments	(2.0)	1.0	-	-	(1.1)	(2.1)
Provision for decline in value of investments	10.5	-	-	-	-	10.5
Depreciation and amortization	418.3	(50.5)	-	-	(8.3)	359.5
Capitalization of Software Internally Developed	10.6	1.6	-	-	(1.1)	11.1
Purchase Price Allocation	312.3	(21.9)	-	-	(0.6)	289.8
Hedge accounting	3.0	-	6.1	-	-	9.1
Leases	3.1	(0.3)	-	-	-	2.8
Other	(5.8)	2.6	-	-	0.2	(3.0)
	750.0	(67.5)	6.1	-	(10.9)	677.7
Netting	(70.0)	-	-	17.9	-	(52.1)
Total	**680.0**	**(67.5)**	**6.1**	**17.9**	**(10.9)**	**625.6**

The expiration date of unused tax losses and credits 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, 2018 and 2017, is set forth in the table below:

Year(s) of expiration	December 31, 2018	December 31, 2017
From 1 to 5 years	0.3	1.1
More than 5 years	1.0	-
Unlimited	18.2	19.2
Total	**19.5**	**20.3**

23 EARNINGS PER SHARE

The reconciliation of the weighted average number of shares and diluted weighted average number of outstanding shares as of December 31, 2018 and 2017 is set forth in the table below:

	December 31, 2018		December 31, 2017	
	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	438,822,506
Treasury shares	(8,214,289)	(8,454,980)	(1,069,252)	(1,673,921)
Total shares outstanding	**430,608,217**	**430,367,526**	**437,753,254**	**437,148,585**

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, 2017, the Group included in the weighted average number of ordinary shares all the shares that would be potentially acquired by means of the Share buy-back program (see note 16) as if they were acquired at the inception of agreement. This calculation is consistent with the presentation of the forward contract in the consolidated statement of financial position.

The calculation of basic and diluted earnings per share (rounded to two digits) for the year ended December 31, 2018 and 2017 is set forth in the table below:

Basic and diluted earnings per share			
December 31, 2018		December 31, 2017 Restated	
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)
1,002.4	2.33	1,002.7	2.29

Notes (millions of euros)

24 ADDITIONAL INFORMATION

24.1 Commitments

The Group guarantees as of December 31, 2018, and December 31, 2017, are set forth in the table below:

	December 31, 2018	December 31, 2017
Other Guarantees and bank guarantees	28.8	23.7
Guarantees over Office buildings and equipment	10.4	11.8
Bank guarantees on commercial contracts	1.3	5.0
Total	**40.5**	**40.5**

As of December 31, 2018, the Group has short-term commitments to acquire property, plant and equipment for €15.2 million (€10.3 million, 2017).

24.2 Interest expense and other financial expenses

The "Interest expense" as of December 31, 2018 and 2017, mainly corresponds to the borrowings detailed in note 17. The breakdown is set forth in the table below:

	December 31, 2018	December 31, 2017
Bonds	12.4	11.0
European Investment Bank	7.3	9.2
Revolving Loan Facility	-	0.1
European Commercial Paper	(1.2)	(0.5)
Interest from derivative instruments	3.7	3.9
Other debt with financial institutions	0.1	0.3
Lease liabilities	6.8	1.9
Subtotal	29.1	25.9
Deferred financing fees	7.1	4.7
Bank commissions, fees and other expenses	1.7	2.3
Interest expense	**37.9**	**32.9**

As disclosed in note 4, starting January 1, 2018, the Group has adopted IFRS 16. Consequently, the finance lease expenses included in the former caption "Obligations under finance leases" are now classified in the caption "Lease liabilities". In this new caption, the Group includes both the expenses coming from operating leases and finance leases.

Notes (millions of euros)

The breakdown of “Other financial expenses” as of December 31, 2018 and 2017 is set forth in the table below:

	December 31, 2018	December 31, 2017
Net interest on the Net Defined Benefit liability (note 13)	1.9	2.1
Interest expense on Tax	5.8	2.8
Cancellation from derivative instruments	-	2.7
Others	1.1	2.0
Other financial expenses	**8.8**	**9.6**

24.3 Employee distribution

The employee distribution by category and gender for the year ended December 31, 2018 and 2017, is set forth in the table below:

	December 31, 2018			December 31, 2017		
	Female	Male	Total	Female	Male	Total
CEO/Senior Vice-president/Vice-president	3	23	**26**	4	26	**30**
Group Directors	32	131	**163**	29	135	**164**
Manageos discapacitadsos rs	1,173	2,438	**3,611**	1,131	2,331	**3,462**
Disabled managers	20	27	**47**	13	22	**35**
Staff	4,727	7,062	**11,789**	4,505	6,594	**11,099**
Disabled Staff	58	81	**139**	53	74	**127**
TravelClick employees	635	510	**1,145**	-	-	-
TOTAL	**6,648**	**10,272**	**16,920**	**5,735**	**9,182**	**14,917**

The average employee distribution by category and gender for the year ended December 31, 2018 and 2017, is set forth in the table below:

	December 31, 2018			December 31, 2017		
	Female	Male	Total	Female	Male	Total
CEO/Senior Vice-president/Vice-president	4	24	**28**	4	28	**32**
Group Directors	31	135	**166**	27	135	**162**
Managers	1,164	2,414	**3,578**	1,108	2,287	**3,395**
Disabled managers	18	25	**43**	13	22	**35**
Staff	4,645	6,878	**11,523**	4,399	6,483	**10,882**
Disabled Staff	56	79	**135**	53	74	**127**
TravelClick employees	159	128	**287**	-	-	-
TOTAL	**6,077**	**9,683**	**15,760**	**5,604**	**9,029**	**14,633**

The Group is currently homogenizing the categories of TravelClick employees to match the distribution for the rest of the Group.

24.4 Auditing services

The fees for annual accounts auditing services and other services (in thousands of euros) rendered by the auditor's firm Deloitte, S.L. and other firms related thereto, for the years ended December 31, 2018 and 2017, are set forth in the table below:

	December 31, 2018		December 31, 2017	
	Company	Group	Company	Group
Auditing	701	2,538	802	2,517
Other assurance services	205	362	583	674
Tax advice	257	665	195	1,012
Other services	210	559	176	187
Total	**1,373**	**4,124**	**1,756**	**4,390**

25 ADDITIONAL CONSOLIDATED STATEMENT OF CASH FLOWS RELATED DISCLOSURE

For the purposes of the consolidated statement of cash flows, 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, 2018 and 2017, is set forth in the table below:

	December 31, 2018	December 31, 2017
Cash on hand and balances with banks	549.0	524.5
Short-term investments	13.6	55.0
Cash and cash equivalents	562.6	579.5
Bank overdrafts	(0.8)	(0.4)
Cash and cash equivalents net	**561.8**	**579.1**

As of December 31, 2018 and 2017, the Group maintained short-term money market investments with an average yield rate nil, in both years for EUR investments; and 2.11% and 0.43%, respectively, for US Dollars investments. Additionally, Australian Dollars investments as of December 31, 2018, had an average yield rate of 1.52% (1.65%, 2017).

These investments are readily convertible to a certain amount of cash and do not have an appreciable risk of change in value.

Notes (millions of euros)

The table below details changes in the Group's financial liabilities arising from financing activities, including both cash and non-cash changes during the year ended December 31, 2018:

	December 31, 2017 Restated	Cash Flows from financing activities	Non-cash changes				Other changes	December 31, 2018
			Transfers	Leases and others (note 17)	Fair value adjust-ments (note 21)	Accrued interest		
Non-current debt	1,755.1	1,489.1	(584.4)	229.2	-	-	9.1	2,898.1
Non-current derivative financial liabilities	1.1	-	-	-	13.4	-	-	14.5
Current debt	396.1	(150.4)	584.4	124.1	-	25.3	7.4	986.9
Current derivative financial liabilities	7.2	-	-	-	12.1	-	-	19.3
Total	**2,159.5**	**1,338.7**	**-**	**353.3**	**25.5**	**25.3**	**16.5**	**3,918.8**

26 SUBSEQUENT EVENTS

As of the date of issuance of the annual accounts no significant subsequent events have occurred after the reporting period which might affect the Company and that should be included in these notes to the annual accounts.

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Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2018 (%) (1) (2)	Investment December 31, 2017 (%) (1) (2)
Amadeus Airport IT Americas, Inc. (3)	5950 Hazeltine National Drive, Suite 210. Orlando, Florida. 32822.	U.S.A.	Software development	100%	100%
Amadeus Airport IT GmbH	Berghamer Str. 6 85435, Erding-Aufhasen.	Germany	Software development	100%	100%
Amadeus Albania sh.p.k.	Bulevardi Deshmoret e Kombit, Tirana.	Albania	Distribution	100%	100%
Amadeus América S.A. (4)	Ingeniero Enrique Butty 240 4th floor. Caba CP 1001.	Argentina	Regional support	100%	100%
Amadeus Americas, Inc.	3470 NW 82nd Avenue Suite 1000 Miami, Florida 33122.	U.S.A.	Regional support	100%	100%
Amadeus Argentina S.A.	Ingeniero Enrique Butty 240 4th floor. Caba CP 1001.	Argentina	Distribution	95.50%	95.50%
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%	100%
Amadeus Austria Marketing GmbH	Dresdnerstrasse 91/C1/4, 1200 Wien.	Austria	Distribution	100%	100%
Amadeus Benelux N.V.	Medialaan, 30. Vilvoorde 1800.	Belgium	Distribution	100%	100%
Amadeus Bilgi Teknolojisi Hizmetleri A.Ş	İstanbul Havalımanı Serbest Bölgesi Plaza Ofis No: 1401 Kat: 14 34830 Yesilköy, İstanbul.	Turkey	Software development	100%	100%
Amadeus Bolivia S.R.L..	Equipetrol North. J Street. Building “Rolea Center” 1st floor. Suites E&D. Santa Cruz.	Bolivia	Distribution	100%	100%
Amadeus Bosna d.o.o. za marketing Sarajevo	Midhat Karic Mitke 1, 71000 Sarajevo	Bosnia and Herzegovina	Distribution	100%	100%
Amadeus Brasil Ltda.	Rua das Olimpiadas 205 – 5 andar, Sao Paulo 04551-000.	Brazil	Distribution	83.51%	83.51%
Amadeus Bulgaria EOOD	1, Bulgaria Square, 16th Floor. Triaditza Region. 1463 Sofia.	Bulgaria	Distribution	55.01%	55.01%
Amadeus Capital Markets, S.A., Sociedad Unipersonal	Salvador de Madariaga, 1. 28027 Madrid	Spain	Financial activities	100%	100%
Amadeus Central and West Africa S.A.	7, Avenue Nogues 08 BPV 228 Abidjan 01	Ivory Coast	Distribution	100%	100%
Amadeus Content Sourcing, S.A., Sociedad Unipersonal	Salvador de Madariaga 1, 28027, Madrid	Spain	Intermediation	100%	100%
Amadeus Corporate Business, AG	Berghamer Straße 6, 85435 Erding-Aufthausen	Germany	Holding of shares	100%	100%
Amadeus Customer Center Americas S.A.	Oficentro La Virgen II. Torre Prisma, Piso 5, Pavas, San José.	Costa Rica	Regional support	100%	100%

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Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2018 (%) (1) (2)	Investment December 31, 2017 (%) (1) (2)
Amadeus Czech Republic and Slovakia s.r.o.	Meteor Centre Office Park. Sokolovská 100 / 94 Praha 8 – Karlin 186 00.	Czech Republic	Distribution	100%	100%
Amadeus Data Processing GmbH (5)	Berghamer Strasse 6. D-85435. Erding. Munich.	Germany	Data processing	100%	100%
Amadeus Denmark A/S (6)	Oldenburg Allé 3, 1.tv. DK-2630 Taastrup.	Denmark	Distribution	100%	100%
Amadeus Eesti AS	Tuukri 19. 10152 Tallinn.	Estonia	Distribution	100%	100%
Amadeus Finance B.V.	De Entrée 99 1101 HE Amsterdam.	The Netherlands	Financial activities	100%	100%
Amadeus France S.A. (7)	Le Seine Saint Germain Bâtiment C, 2-8 Ave. Du Bas-Meudon. F-92445 Issy-Les-Moulineaux Cedex.	France	Distribution	100%	100%
Amadeus GDS LLP	48 Auezov Str,m 4th floor, 050008, Almaty.	Kazakhstan	Distribution	100%	100%
Amadeus GDS (Malaysia) Sdn. Bhd.	Suite 1005, 10th Floor. Wisma Hamzah-kwong Hing. nº 1 Leboh Ampang. Kuala Lumpur 50100.	Malaysia	Distribution	100%	100%
Amadeus GDS Singapore Pte. Ltd.	1 Wallich Street 27-00 Guoco Tower Singapore 078881	Singapore	Distribution	100%	100%
Amadeus Germany GmbH	Zentrale Finanzen SiemensstaBe 1, 61352. Bad Homburg.	Germany	Distribution	100%	100%
Amadeus Global Ecuador S.A.	República del Salvador N35- 126 and Portugal, Zanté Building; 2nd floor Suite 206, Quito.	Ecuador	Distribution	100%	100%
Amadeus Global Operations Americas Inc. (3)	Corporate creations, Network Inc, 3411 Silverside Road #104 Rodney building, Wilmington, Delaware 19810. New Castle County.	U.S.A.	Data processing	100%	100%
Amadeus Global Travel Distribution Ltd.	P.O. Box 6680-00100 14,Riverside off Riverside Drive Grosvenor suite 4A, 4th Floor, Nairobi.	Kenya	Distribution	100%	100%
Amadeus Global Travel Israel Ltd.	14 Ben Yehuda St. 61264 Tel Aviv.	Israel	Distribution	100%	100%
Amadeus GTD (Malta) Limited	Birkirkara Road. San Gwann. SGN 08.	Malta	Distribution	100%	100%
Amadeus GTD Southern Africa Pty Ltd.	Turnberry Office Park. 48 Grosvenor Road, Bryanston. 2021 Johannesburg.	South Africa	Distribution	100%	100%
Amadeus Hellas S.A.	Sygrou Ave. 157. 17121 N. Smyrni Athens.	Greece	Distribution	100%	100%

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Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2018 (%) (1) (2)	Investment December 31, 2017 (%) (1) (2)
Amadeus Honduras, S.A. (3)	Building El Ahorro Hondureño. Cía. de Seguros, S.A. 4to Nivel Local B. Av. Circunvalación. San Pedro Sula.	Honduras	Distribution	100%	100%
Amadeus Hong Kong Ltd.	3/F, Henley Building nº 5 Queens' Road. Central Hong Kong.	China	Distribution	100%	100%
Amadeus Hospitality Americas, Inc (3)	75 New Hampshire Ave, Portsmouth NH 03801.	U.S.A.	Distribution and software development	100%	100%
Amadeus Hospitality Asia Pacific Pte. Ltd (3)	600 North Bridge Road, #14-02 Parkview Square, Singapore 188778.	Singapore	Distribution and software development	100%	100%
Amadeus Hospitality Netherlands B.V.	Chasséveld 15G 4811 DH Breda.	The Netherlands	Distribution and software development	100%	100%
Amadeus Hospitality UK Ltd. (3)	Fourth Floor Drapers Court, Kingston Hall Road, Kingston-upon-Thames, Surrey KT1 2BQ.	U.K.	Distribution and software development	100%	100%
Amadeus Information Technology LLC	M. Golovin line 5, 2nd floor 107045, Moscow.	Russia	Distribution	100%	100%
Amadeus Integrated Solutions Pty Ltd.	Turnberry Office Park, 48 Grosvenor Road, Bryanston, Johannesburg.	South Africa	Distribution	100%	100%
Amadeus IT Group Colombia S.A.S.	Carrera 11 No. 84 - 09 6° floor Building Amadeus Tower, Bogotá.	Colombia	Distribution	100%	100%
Amadeus IT Pacific Pty. Ltd.	Level 7 180 Thomas Street 2000 Haymarket, Sydney.	Australia	Distribution	100%	100%
Amadeus IT Services UK Limited	3rd Floor First Point, Buckingham Gate, Gatwick, West Sussex RH6 0NT.	U.K.	Distribution and software development	100%	100%
Amadeus Italia S.P.A.	Via Morimondo, 26, 20143 Milano.	Italy	Distribution	100%	100%
Amadeus Japan K.K.	SPP Ginza Building 5F, 2-4-9 Ginza, Chuo-Ku, Tokio 104-0061.	Japan	Distribution	100%	100%
Amadeus Korea, Ltd	Kyobo Securities Building-Youldo 10F, Bldg. 26-4 Youido-dong, Yongdungpo-gu, Seoul 150-737.	South Korea	Software development and product definition	100%	100%
Amadeus Lebanon S.A.R.L.	Gefinor Centre P.O. Box 113-5693 Beirut.	Lebanon	Distribution	100%	100%
Amadeus Magyaroszag Kft	1075 Budapest. Madách Imre út 13-14. Budapest.	Hungary	Distribution	100%	100%

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Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2018 (%) (1) (2)	Investment December 31, 2017 (%) (1) (2)
Amadeus Marketing (Ghana) Ltd.	12 Quarcoo Lane, West Airport Residential Area. Accra.	Ghana	Distribution	100%	100%
Amadeus Marketing Ireland Ltd.	65 Charlemont Street Dublin 2.	Ireland	Distribution	100%	100%
Amadeus Marketing Nigeria Ltd.	26, Ladipo Bateye Street. G.R.A., Ikeja, Lagos.	Nigeria	Distribution	100%	100%
Amadeus Marketing Phils Inc.	36th Floor, LKG Tower Ayala Avenue, Makati City.	Philippines	Distribution	100%	100%
Amadeus Marketing Romania S.R.L.	246C Calea Floreasca, Sky Tower Building, 19th floor, 014476, Bucharest.	Romania	Distribution	100%	100%
Amadeus Marketing (Schweiz) AG	Pfingstweidstrasse 60. Zurich CH 8005.	Switzerland	Distribution	100%	100%
Amadeus México, S.A. de C.V. (8)	Pº de la Reforma nº 265, 11th floor. Col. Cuauhtemoc 06500 Ciudad de México	Mexico	Distribution	100%	100%
Amadeus North America Inc. (3) (9)	3470 Northwest 82 Ave., Suite 1000, Miami, Florida 33122.	U.S.A.	Distribution	100%	100%
Amadeus Norway AS (6)	Post boks 6645, St Olavs Plass, No-0129 Oslo.	Norway	Distribution	100%	100%
Amadeus Paraguay S.R.L.	Luis Alberto de Herrera 195 esquina Fulgencio Yegros Inter Express Building- 2nd floor, Suite 202, Asunción.	Paraguay	Distribution	100%	100%
Amadeus Perú S.A.	Víctor Andrés Belaunde, 147. Real 5 Building, Suite 902. San Isidro, Lima.	Peru	Distribution	100%	100%
Amadeus Polska Sp. z o.o.	ul. Domaniewska 49, Warsaw 26-672.	Poland	Distribution	100%	100%
Amadeus Revenue Integrity Inc. (3) (9)	3530 E. Campo Abierto, Suite 200, Tucson, AZ - 85718.	U.S.A.	Information technology	-	100%
Amadeus Rezervasyon Dağıtım Sistemleri A.Ş	Barbados Square Iş Merkezi.Dikilitaş Mah. Emirhan Cad. No: 113 Kat:18 34349 Istanbul.	Turkey	Distribution	100%	100%
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%	100%
Amadeus Scandinavia AB	Hälsingegatan 49 6tr, Box 6602, SE-113 84 Stockholm.	Sweden	Distribution	100%	100%
Amadeus Services Ltd. (10)	World Business Centre 3. 1208 Newall Road. Heathrow Airport. Hounslow TW6 2RB Middlesex.	U.K.	Software development	100%	100%
Amadeus Slovenija, d.o.o.	Dunajska 122, 1000 Ljubljana.	Slovenia	Distribution	100%	100%
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%	100%

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Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2018 (%) (1) (2)	Investment December 31, 2017 (%) (1) (2)
Amadeus Software Technology (Shangai) CO., Ltd (3)	1709 You You International Plaza, No. 76 Pujian Road, Pudong New Area 200127 Shanghai.	China	Distribution and software development	100%	100%
Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal	Iris Building, Ribera del Loira 4-6 28042, Madrid.	Spain	Distribution	100%	100%
Amadeus Taiwan Co. Ltd.	12F, No. 77 Sec.3, Nan-Jing E. Rd. Taipei City.	Taiwan	Distribution	100%	100%
Amadeus Travel IMS, S.L. (12)	Paseo Isabel La Católica 6 - Zaragoza	Spain	Software development	95%	24.88%
Amadeus Verwaltungs GmbH	Unterreut 6. 76135 Karlsruhe.	Germany	Holding of shares	100%	100%
Amadeus Yemen Limited (10)	Al-Zubariri Street. Aman Tower Building 6th floor. Sana'a.	Yemen	Distribution	100%	100%
Argo IT Tecnologia S.A. (13)	Rua do Paraiso, No. 148, planta 13, Estado de Sao Paulo	Brazil	Software Development	70%	-
Bratys Development (3)	3 Zarii Street, 5th District Bucharest	Romania	Information Technology	100%	-
Content Hellas Electronic Tourism Services S.A.	157, Syngrou Av., 3rd floor, N. Smyrni, 17121 Athens.	Greece	Distribution	100%	100%
CRS Amadeus América S.A. (14)	Av. 18 de Julio 81. Montevideo 11100.	Uruguay	Regional Support	-	100%
Digital Alchemy, LLC. (3)	8721 Airport Freeway Suite 200, N. Richland Hills, Texas	U.S.A.	E-commerce	100%	-
Enterprise Amadeus Ukraine	Podil Square business center 30, Spasska street. 04070 Kyiv.	Ukraine	Distribution	100%	100%
Gestour S.A.S. (7)	16, Avenue de l'Europe, 67300 Schiltigheim.	France	Software Development	-	100%
i:FAO AG (15)	Clemensstrasse 9 - 60487 Frankfurt am Main.	Germany	Holding of shares	90.02%	88.89%
i:FAO Bulgaria EOOD (15)	Antim Tower, Level 15 -2 Kukush Street, 1309 Sofia.	Bulgaria	Software development	90.02%	88.89%
i:FAO Group GmbH (15)	Clemensstrasse 9 - 60487 Frankfurt am Main.	Germany	Distribution and software development	90.02%	88.89%
Latinoamérica Soluciones Tecnológicas SPA (16)	Isidora Goyenechea 2939 P/10, Las Condes, Santiago de Chile.	Chile	Distribution	100%	100%
Navitaire LLC	333 South Seventh Street Suite 1800, 55402 Minneapolis.	U.S.A.	Software development	100%	100%
Navitaire Philippines Inc.	8767 Paseo De Roxas, Metro Manila, 16F Philamlife Tower, 1200, Makati City, Manila	Philippines	Software development	100%	100%
NMC d.o.o. Skopje	Gradski Zid, Blok 4/8, 1000 Skopje.	Macedonia	Distribution	100%	51%

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Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2018 (%) (1) (2)	Investment December 31, 2017 (%) (1) (2)
NMTI Holdings, Inc. (3)	Corporation Trust Center, 1209 Orange Street, Wilmington, County of New Castle, Registry of Delaware 19801 - Delaware 4326008.	U.S.A	Holding of shares	100%	100%
Private Enterprise "Content Ukraine" (17)	Podil Square business center 30, Spasska street. 04070 Kyiv.	Ukraine	Distribution	100%	100%
PT Amadeus Technology Indonesia (18)	UOB Square floor 39, Unit 2, Jl. M. H. Thamrin No. 10, Jakarta 10230.	Indonesia	Distribution	100%	100%
Pyton Communication Services B.V.	Schatbeurderlaan 10, Postbus 6002 AC Weert,	The Netherlands	Distribution and software development	100%	100%
Pyton Communication Services Deutschland GmbH (19)	Kölner Straße 7A D - 51789 Lindlar.	Germany	Software development	100%	100%
SIA Amadeus Latvija	8 Audeju Street, LV-1050 Riga.	Latvia	Distribution	100%	100%
Sistemas de Distribución Amadeus Chile, S.A.	Marchant Pereira No 221, 11th floor. Comuna de Providencia, Santiago de Chile.	Chile	Distribution	100%	100%
Sistemas de Reservaciones CRS de Venezuela, C.A.	Av. Francisco de Miranda, Parque Cristal Building, East Tower, Floor 3, Suite 3 - 7A, Urb. Los Palos Grandes, 1060, Caracas.	Venezuela	Distribution	100%	100%
The Rubicon Group (3)	101 Marietta Street, Suite 3525, Atlanta GA 30303	U.S.A.	Information Technology	100%	-
Travel Audience, GmbH (20)	Elsenstraße 106 12435 Berlin.	Germany	E-commerce	100%	100%
TravelClick Asia Pty (3)	291 Coventry Street Melbourne, 3205	Australia	Distribution	100%	-
TravelClick, Canada (3)	1306 Wellington Street West Suite 300 & 500 Otawa, Ontario K1Y 4R1	Canada	Distribution	100%	-
TravelClick Europe S.L., Sociedad Unipersonal (3)	Via Augusta, 117 - 08006 Barcelona.	Spain	Distribution	100%	-
TravelClick France, Eurl. (3)	12 Rue de la Chaussee D'Antin - 75009 Paris	France	Distribution	100%	-
TravelClick, Inc (3)	55 W 46th St 27th floor New York, NY 10036	U.S.A.	Distribution and Software development	100%	-

Fully Consolidated Companies	Registered Address	Country	Activity	Investment December 31, 2018 (%) (1) (2)	Investment December 31, 2017 (%) (1) (2)
TravelClick Singapore Pte. Ltd (3)	8 Kallang Avenue #12-05, Aperia (Tower 1) Singapore 339509	Singapore	Distribution	100%	-
Traveltainment GmbH	Carlo-Schmid-Straße 12 52146 Würselen/Aachen.	Germany	Software development	100%	100%
Traveltainment UK Ltd. (14)	Unit 102 Culley Court, Orton Southgate, Peterborough, PE2 6WA.	U.K.	Software development	-	100%
UAB Amadeus Lietuva	Olimpieciu 1A-9B, LT-09200, Vilnius.	Lithuania	Distribution	100%	100%
UFIS Airport Solutions AS	Cort Adelers gate 17, 0254 Oslo.	Norway	Holding of shares	100%	100%
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%	49%
UFIS Airport Solutions (Thailand) Ltd. (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%	74%
UFIS Airport Solutions Pte Ltd (10) (24)	300 Beach Road #14-06, The Concourse, Singapore 199555.	Singapore	Software development	100%	100%
Videopolis, S.A.S. (3)	8 place du Marché Neuilly Sur Seine - 92200	France	Distribution and Information technology	100%	-
Videopolis.com, S.A. (3)	Avenue Louise 523 1050 Bruxelles	Belgium	Information Technology	100%	-
Zdirect, Inc. (3)	4712 Oleander Drive Myrtle Beach -SC 29577	U.S.A.	Information Technology	100%	-
Zdirect.Biz Canada Inc. (3)	6 Hamilton Avenue North, Suite 206, K1Y 4R1 Ottawa, Ontario	Canada	Software development and Information Technology	100%	-

Joint ventures companies and Associates	Registered Address	Country	Activity	Investment December 31, 2018 (%) (1) (2)	Investment December 31, 2017 (%) (1) (2)
Amadeus Algerie S.A.R.L	06, Rue Ahcéne Outaleb « les Mimosas »Ben. Aknoun.	Algerie	Distribution	40%	40%
Amadeus Egypt Computerized Reservation Services S.A.E. (25)	Units 81/82/83 Tower A2 at Citystars. Cairo.	Egypt	Distribution	100%	100%
Amadeus Gulf L.L.C.	7th Floor, Al Kazna Insurance Building, Banyas Street. P.O. Box 46969. Abu Dhabi.	United Arabian Emirates	Distribution	49%	49%
Amadeus Libya Technical Services JV	Abu Kmayshah st. Alnofleen Area, Tripoli.	Libya	Distribution	25%	25%
Amadeus Maroc S.A.S.	Route du Complexe Administratif. Aéroport Casa Anfa. BP 8929, Hay Oulfa. Casablanca 20202.	Morocco	Distribution	30%	30%
Amadeus Qatar W.L.L.	Al Darwish Engineering W.W.L. Building nº 94 “D” Ring road 250. Hassan Bin Thabit – Street 960. Doha.	Qatar	Distribution	40%	40%
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%	100%
Amadeus Sudani co. Ltd.	Street 3, House 7, Amarat. Khartoum 11106.	Sudan	Distribution	40%	40%
Amadeus Syria Limited Liability (25)	Shakeeb Arslan Street Diab Building, Ground Floor Abu Roumaneh, Damascus.	Syria	Distribution	100%	100%
Amadeus Tunisie S.A.	41 bis. Avenue Louis Braille. 1002 Tunis – Le Belvedere.	Tunisia	Distribution	30%	30%
Jordanian National Touristic Marketing Private Shareholding Company	Second Floor, nº2155, Abdul Hameed Shraf Street Shmaisani. Aman.	Jordan	Distribution	50%	50%
Qivive GmbH (10) (27)	c/o Rechtsanwälte Amend Minnholzweg 2b. 61476 Kronberg im Taunus.	Germany	Information technology	33.33%	33.33%

(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 participation in these companies is held through Amadeus Americas, Inc.
(4) The share percentage in this company is 95% direct and 5% indirect, through Amadeus Soluciones Tecnológicas, S.A. Sociedad Unipersonal.
(5) The participation in this company is held through Amadeus Verwaltungs GmbH.
(6) The participation in these companies is held through Amadeus Scandinavia AB.
(7) On November 2018, with retroactive effective date as at January 1, 2018, Gestour, S.A.S. has been merged into Amadeus France, S.A. Both entities were previously fully owned by Amadeus.
(8) The share percentage in this company is 98% direct and 2% indirect, through Amadeus Soluciones Tecnológicas, S.A. Sociedad Unipersonal.
(9) On January 1, 2018, Amadeus Revenue Integrity Inc. has been merged into Amadeus North America Inc. Both entities were previously fully owned by Amadeus.
(10) These companies are in the process of being liquidated.
(11) The share percentage in this company is 99.99 % indirect, through Amadeus S.A.S. and 0.01% through Amadeus Asia Limited.
(12) On March 22, 2018, the Group has acquired Hiberus Travel IO Solutions, S.L. After this share acquisition, the Group controls the company, so it is a fully consolidated entity. (previously accounted for using the equity method) . The entity has changed its name to Amadeus Travel IMS, S.L.
(13) The participation in this company is held through Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal
(14) This company has been liquidated during 2018.
(15) The participation in these companies is held through Amadeus Corporate Business, AG.
(16) The participation in this company is held through Sistemas de Distribution Amadeus Chile, S.A.
(17) The participation in this company is held through Enterprise Amadeus Ukraine.
(18) The participation in this company is 99% direct and 1% indirect through Amadeus Asia Limited.
(19) The participation in this company is held through Pyton Communication Services B.V.
(20) The participation in these companies is held through Traveltainment AG.
(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 Group hold a 49.0% of the shares through Amadeus Asia Ltd. And 25.0% through UFIS Airport Solutions Holding Ltd. The Group controls 89.47% of the voting rights.
(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 this company is held through Amadeus Germany GmbH

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Amadeus IT Group, S.A. and Subsidiaries

Directors' Report for the year ended

December 31, 2018

1 Summary

1.1 Introduction

Full Year 2018 highlights (year ended December 31, 2018)

- In Distribution, our travel agency air bookings grew 2.1%, to 580.2 million
- In IT Solutions, our passengers boarded increased 11.9%, to 1,853.9 million
- Revenue grew by 6.6%[1], to €4,943.9 million (high single-digit growth rate[1], excluding foreign exchange effects)
- EBITDA increased by 9.7%[1], to €2,040.6 million (high single-digit growth rate[1], excluding foreign exchange and IFRS 16 effects)
- Adjusted profit[2] increased by 1.0%[1], to €1,122.8 million
- Free Cash Flow amounted to €989.0 million[3], representing growth of 7.8%
- Net financial debt[4] was €3,074.0 million at December 31, 2018 (1.47 times last-twelve-month EBITDA[4])

Amadeus continued to evolve positively through the fourth quarter of 2018, delivering 2018 Revenue, EBITDA and Adjusted Profit growth of 6.6%[1], 9.7%[1] and 1.0%[1], respectively (excluding TravelClick related acquisition transaction costs) [1]. This result was supported by the operating performances across our Distribution and IT Solutions segments, as well as by the TravelClick consolidation effect[1] (acquired on October 4, 2018). Our reported financial performance in the period was distorted by the USD/Euro exchange rate compared to the same period last year, which had an important negative impact on our results. Excluding foreign exchange effects (and also, the IFRS 16[1] impact on EBITDA), in 2018 Revenue and EBITDA both grew at high single-digit growth rates[1], with a broadly stable EBITDA margin. The slower relative growth in Adjusted Profit in 2018 was driven by extraordinary positive deferred tax liability adjustments in 2017, excluding which Adjusted Profit grew 6.0% in the year.

In Distribution, we continued to secure and expand content for our subscribers by renewing or signing distribution agreements with 15 carriers in the quarter (including Finnair, and TAP), amounting to a total of 50 in 2018. Also, recently, in India, Vistara renewed its distribution agreement with Amadeus and the Indian low cost carrier SpiceJet, signed its first distribution agreement with Amadeus. In 2018, our Distribution air volumes increased by 2.1%, impacted by a decelerating industry and Amadeus weak market share performance in the Western European OTA segment. Market share weakness in Western Europe has impacted our global competitive position[5], which slightly decreased by 0.2 p.p in 2018 to 43.7% (excluding Western Europe, our competitive position[5] expanded by 1.1 p.p. in 2018 and by 1.4 p.p. in the fourth quarter).

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[1] Including TravelClick's 2018 consolidation effect of: Revenue, EBITDA and Adjusted Profit contributions of €86.7m, €22.3m and €14.3m, respectively, while excluding TravelClick's related acquisition transaction costs, PPA adjustment and bank acquisition financing interest expense. For full details, please see section 3.2 on TravelClick's acquisition and impacts. Also, compared to 2017 figures restated for IFRS 15 and IFRS 9, applied from January 1, 2018. See section 3.1 for further details. In addition, we are early adopters of IFRS 16, which we applied since January 1, 2018. 2017 figures will not be restated for IFRS 16. In 2018, IFRS 16 had a positive €47.4 million impact on EBITDA. See section 3.1 for further details.

[2] Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) other non-recurring items.

[3] Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid. Including TravelClick's 2018 Free Cash Flow contribution of €14.8m, while excluding TravelClick's related acquisition transaction costs paid and TravelClick's acquisition financing interest paid and related non-recurring fees. For full details, please see section 3.2 on TravelClick's acquisition and impacts.

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

[5] Competitive position as defined in section 3.

Asia and Pacific, as well as North America, were our fastest-growing regions in 2018, expanding at high growth rates. Over this period, Distribution revenue grew 2.8%[1], negatively impacted by foreign exchange effects.

IT Solutions revenue grew 13.1%[6] in 2018, negatively impacted by foreign exchange effects. This evolution was driven by (i) growth in Airline IT solutions, (ii) a continued expansion in our new businesses and (iii) the consolidation of TravelClick. In Airline IT, Passengers Boarded increased by 11.9% over 2018, resulting from 7.6% organic Passengers Boarded growth and our 2017/18 migrations, including Southwest Airlines, Japan Airlines, Malaysia Airlines, Kuwait Airways, Boliviana de Aviación, SmartWings,, Norwegian Air Argentina, Air Algerie, MIAT Mongolian Airlines ,S7 Airlines, Peruvian Airlines, Maldivian Airlines, Cyprus Airways and Aeromar on Altéa, as well as, GoAir, Viva Air Perú, Andes Líneas Aéreas, JetSMART flyadeal and Volaris Costa Rica on New Skies.

Our Airline IT customer base expanded during the quarter. Cyprus Airways and Peruvian Airlines contracted and implemented the full Altéa Suite, including Inventory, Reservation, Departure Control and Flight Management. Peruvian Airlines also contracted e-commerce solutions. Additionally, S7 Airlines completed the implementation of the full Altéa Suite, while Volaris Costa Rica contracted and migrated to New Skies. In December, we were pleased to announced that Singapore Airlines had implemented Amadeus Altéa NDC and Amadeus Anytime Merchandising to accelerate its digital transformation and enhance its retailing capabilities.

During the fourth quarter, we continued to progress in the roll-out of the Guest Reservation System with InterContinental Hotels Group, which has now been completed successfully. InterContinental Hotels Group's more than 5,600 properties across 15 brands and more than 100 countries are now live. Going forward, there will be future updates to the platform bringing enhanced features and functionality, including attribute-based selling.

We have remained highly focused on our technology investment as we believe it is the key to our success. In 2018, our investment in R&D amounted to 17.8% of revenue. It was dedicated to support our mid to long-term growth, through product evolution, portfolio expansion, new customer implementations, system performance optimization and our continued shift to next-generation technologies and cloud architecture.

In 2018, our Free Cash Flow grew 7.8%[7] to €989.0 million. At the end of the year, our net financial debt[8] stood at €3,074.0 million, representing 1.47 times last-twelve-month EBITDA[8].

[6] Including TravelClick's 2018 consolidation effect of €86.7m, while excluding TravelClick's related PPA adjustment. For full details, please see section 3.2 on TravelClick's acquisition and impacts. Also, compared to 2017 figures restated for IFRS 15 and IFRS 9, applied from January 1, 2018. See section 3.1 for further details.

[7] Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid. Including TravelClick's 2018 Free Cash Flow contribution of €14.8m, while excluding TravelClick's related acquisition transaction costs paid and TravelClick's acquisition financing interest paid and related non-recurring fees. For full details, please see section 3.2 on TravelClick's acquisition and impacts.

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

1.2 Summary of operating and financial information

Summary of KPI (€millions)	Full Year 2018[1,2]	Full year 2017[1,2]	Change
Operating KPI			
TA air bookings (m)	580.2	568.4	2.1%
Non air bookings (m)	63.0	64.0	(1.5%)
Total bookings (m)	643.2	632.3	1.7%
Passengers boarded (m)	1,853.9	1,656.5	11.9%
Financial results[1]			
Distribution revenue	3,004.3	2,922.1	2.8%
IT Solutions revenue	1,939.7	1,715.1	13.1%
Revenue	4,943.9	4,637.2	6.6%
Distribution contribution	1,380.7	1,350.1	2.3%
IT Solutions contribution	1,352.4	1,219.7	10.9%
Contribution	2,733.0	2,569.8	6.4%
EBITDA	2,040.6	1,859.9	9.7%
EBITDA margin (%)	41.3%	40.1%	1.2 p.p.
Adjusted profit[3]	1,122.8	1,112.1	1.0%
Adjusted EPS (euros)[4]	2.61	2.54	2.7%
Cash flow			
Capital expenditure	718.2	612.1	17.3%
Free cash flow[2]	989.0	917.6	7.8%
Indebtedness[5]	**Dec 31,2018**	**Dec 31,2017**	**Change**
Net financial debt	3,074.0	2,083.3	47.6%
Net financial debt/LTM EBITDA	1.47x	1.12x	

[1]Including TravelClick's 2018 consolidation effect of: Revenue, EBITDA and Adjusted Profit contributions of €86.7m, €22.3m and €14.3m, respectively, while excluding TravelClick's related acquisition transaction costs, PPA adjustment and bank acquisition financing interest expense. For full details, please see section 3.2 on TravelClick's acquisition and impacts. Also, compared to 2017 figures restated for IFRS 15 and IFRS 9, applied from January 1, 2018. See section 3.1 for further details. In addition, we are early adopters of IFRS 16, which we applied since January 1, 2018. 2017 figures will not be restated for IFRS 16. In 2018, IFRS 16 had a positive €47.4 million impact on EBITDA. See section 3.1 for further details.

[2]Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid. Including TravelClick's 2018 Free Cash Flow contribution of €14.8m, while excluding TravelClick's related acquisition transaction costs paid and TravelClick's acquisition financing interest paid and related non-recurring fees. For full details, please see section 3.2 on TravelClick's acquisition and impacts.

3Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) other non-recurring items.

4 EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

5 Based on our credit facility agreements' definition.

2 Operating Review

2.1 Recent business highlights

DISTRIBUTION

- During 2018, we signed 50 new contracts or renewals of content or distribution agreements with airlines, including Vistara, United Airlines, Scandinavian Airlines (SAS) and Norwegian. Subscribers to Amadeus' inventory can access c. 115 low cost carriers (LCCs) and hybrid carriers' content worldwide. LCC and hybrid carriers' bookings grew 13% in 2018.
- Several airlines and travel sellers joined our NDC-X program during 2018, including American Airlines, Travix, Carlson Wagonlit Travel or American Express Global Business Travel. The NDC-X program, which we unveiled in February, brings together all of Amadeus' NDC activities – as an IT provider and an aggregator – under one roof, so that all relevant travel content from any source (EDIFACT, NDC, proprietary APIs and other aggregated content) can be distributed via any user interface or device.
- In March, we signed an agreement with Air France KLM enabling distribution through a Private Channel. Amadeus travel seller customers which enact a Private Channel agreement with Air France-KLM will be able to book Air France KLM content through Amadeus without a surcharge, which started to be levied from April 2018.
- Our merchandising solutions continued to gather interest from our customers. A total of 18 airlines signed up for Amadeus Airline Ancillary Services for the indirect channel and 16 airlines signed for Amadeus Fare Families in 2018. As of December 31, 2018, 151 airlines had Amadeus Airline Ancillary Services (from which 128 had already implemented it) and 81 had Amadeus Fare Families (of which 69 had already implemented the solution).

IT SOLUTIONS

Corporations

- In November, we announced that Bosch will implement Amadeus cytric Travel, the Amadeus corporate self-booking tool. Bosch will also implement Amadeus' Mobile platform. Thanks to these solutions, Bosch will be able to offer its corporate travelers a seamless process from planning and booking their trip to submitting travel expenses. Bosch employees will additionally benefit from on-trip support, such as assistance with directions, securing reliable ground transportation or making restaurant reservations.

Airline IT

- At the close of December, 214 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 204 had implemented them.
- During the year, several airlines including S7 Airlines, Bangkok Airways, Philippine Airlines (PAL), Peruvian Airlines and Cyprus Airways signed up for the full Altéa suite, including the reservation, inventory, ticketing and departure control modules. The Altéa suite will help these airlines to enhance customer experience by delivering more consistent and personalized customer service, develop new revenue streams, and improve operational efficiency. KC International Airlines, a new Cambodian carrier and Volaris Costa Rica contracted and implemented New Skies. Hawaiian Airlines, the Honolulu-based airline, selected Amadeus Altéa Departure Control Flight Management.
- In August, Easyjet contracted Amadeus SkySYM by Optym to improve the reliability of its flight schedules. SkySYM simulates airline schedules in the planning stage to improve schedule reliability and ensure smooth operations on the actual day of the flight.

- In October, Southwest Airlines signed up for the full Amadeus Sky Suite by Optym with a 10-year agreement. The suite of five industry-first solutions gives Southwest Airlines the most comprehensive and advanced technology for all its network planning, simulation, forecasting and optimization needs.
- During the year we announced that Singapore Airlines and Avianca had both implemented Amadeus Altéa NDC.
- In March, Qantas completed its ambitious digital redesign. As part of it, the airline implemented some e-Commerce solutions, including Amadeus e-Personalize, Amadeus Affinity Shopper and Amadeus Flex Pricer Premium.
- We also collaborated with Lufthansa on its new biometric boarding solution using facial recognition. This innovative pilot, enabled through a collaboration between Amadeus, U.S. Customs and Border Protection (CBP), Los Angeles World Airports Authority (LAWA), and Vision Box, is available since March, for Lufthansa flights at Los Angeles International Airport (LAX). The airline intends to expand the pilot program to additional U.S. gateways and other passenger touchpoints.
- Additionally, during 2018, a total of 8 airlines had contracted Amadeus Revenue Management, including Finnair; 7 airlines had contracted Amadeus Anytime Merchandising including Singapore Airlines; 5 for Passenger Recovery and 7 for Customer Experience Management, including Garuda Indonesia. Also, Malaysia Airlines contracted for Amadeus Revenue Accounting.

Hospitality

- During the year, we continued to progress in the roll-out of the Guest Reservation System with InterContinental Hotels Group, which has been completed successfully in the fourth quarter. InterContinental Hotels Group 's more than 5,600 properties across 15 brands and more than 100 countries are now live. Going forward, there will be future updates to the platform bringing enhanced features and functionality, including attribute-based selling.
- In August, we announced an agreement to acquire TravelClick for $1.52 billion. TravelClick provides innovative cloud-based solutions, including an independent and mid-sized hotel Central Reservation System (CRS) and Guest Management Solution (GMS), as well as business intelligence and media solutions. The addition of TravelClick's solutions to the Amadeus portfolio will create a hospitality leader providing a broad range of innovative technology to hotels and chains of all sizes across the globe. In October, following the regulatory approvals, Amadeus announced it had completed the acquisition. See more detail in section 3.2.
- In November, we announced that NH Group had joined TravelClick's Demand360 program which gives hoteliers unique access to forward-looking demand data and allows hoteliers to develop optimal strategies for maximizing revenue. Working with TravelClick's Demand360 provides hotels with an understanding of the booking trends in their local market, while giving them the ability to know what actions to take to drive performance and ensure that they are getting their fair share of bookings through the right segment and channel.

Airport IT

- ASA Cape Verde Airports, a customer of Amadeus' Airport Common Use Service (ACUS), contracted ACUS Mobile.
- We also saw increasing interest from customers in Amadeus Extended Airline System Environment (EASE) and we signed contracts with airports such as Killeen-Fort Hood Regional Airport, JFK Airport, Los Angeles International Airport, Bozeman Yellowstone International Airport BZN and Charleston County Aviation Authority.

Payments

- In April, we launched a new solution to facilitate payments of bookings made through airlines' call centers. Rather than having to discuss payment details over the phone, with Amadeus Agent Pay airline agents send their customers a link, via SMS or email, to a secure webpage, so that the traveler can then complete the payment from their smartphone, tablet or PC. Meanwhile, the ticket is kept on hold, and issued automatically once the payment is complete. Finnair is using it not only for its call center but also for its chat-based customer service agents.

Rail

- Swiss Federal Railways (SBB) contracted Amadeus to design and power its new intelligent and flexible booking solution, which will be used across all of SBB's sales channels –online, at stations and third parties-.
- In September, we expanded our distribution agreement with SNCF, the French national railway. Thanks to this agreement, travel agencies beyond Europe will have access to SNCF rail content for the first time.

Other announcements

- In the last quarter of the year, Standard & Poor's and Moody's confirmed their rating s and outlook. Moody's a 'Baa2' long-term rating for Amadeus, with a stable outlook, and Standard & Poor's its 'BBB' long-term and 'A-2'short-term ratings, with a positive outlook.
- Over the past few months, we have announced several changes to our Executive Committee:
    - Wolfgang Krips, former Senior Vice President of Technology Platform Engineering (TPE) at Amadeus, has been appointed Senior VP Strategy, an appointment driven by the increasing technological profile of Amadeus.
    - Dietmar Fauser has been appointed Senior Vice President of TPE, taking over from Mr. Krips. Mr. Fauser, who has been with Amadeus since 1998, was until recently Vice President of Core Platforms and Middleware (CPM) and played a significant role in recent years in building the TPE organization.
    - Francisco Perez-Lozao, former Senior Vice President of New Businesses, has been appointed Senior Vice President Hospitality. Mr. Perez-Lozao will focus exclusively and lead the Hospitality business, recently strengthened by the TravelClick acquisition.
    - The other new business units will be led by Stefan Roper, appointed Senior Vice President of Strategic Growth Businesses. Mr. Roper brings over 20 years' international experience across the technology industry, both in innovative fast-growth environments and with major tech players.

2.2 Key ongoing R&D projects

As a leading technology provider to the travel industry, Amadeus undertakes significant R&D activities. In 2018, Amadeus devoted 17.8%[9] of its Group revenue to R&D, which primarily focused on:

- Product evolution and portfolio expansion:
    - Ongoing efforts for NDC industrialization. Investments related to the development of our platform to combine content from different sources (existing technology, NDC and content from

[9] Compared to 2017 figures restated for IFRS 15 and IFRS 9, applied from January 1, 2018. See section 3.1 for further details.

aggregators and other sources) ensuring easy adoption in the marketplace with minimal disruption.
- For airlines: investment in merchandizing and personalization solutions, enhanced shopping and retailing tools and solutions related to revenue optimization and financial suites.
- For travel agencies, meta-search engines and corporations: efforts linked to our cloud-based new-generation selling platform, search engines and our self-booking and travel expense management tools.
- For the hospitality industry: investment to develop and implement our new-generation Central Reservation System and developments related to our new-generation Property Management System.
- Continued development and evolution of our Airport IT, Payments and Rail IT portfolios.
- Resources devoted to enhance distribution capabilities for Hospitality and Rail.

— Customer implementations and services:

- Implementation efforts related to upcoming PSS implementations (including Air Canada), as well as to our upselling activity (such as Revenue Management and Merchandizing, among others).
- Implementation of Distribution solutions for airlines, travel agencies, and corporations, including, among others, our search and shopping solutions.
- Implementation of customers to our Hospitality IT, Airport IT and Payments businesses.

— Cross-area technology investment:

- Continued shift to next-generation technologies and cloud services, which provides a flexible and powerful framework for massive deployment and distributed operations of very large transactional and data traffic.
- The application of new technologies, such as artificial intelligence and machine learning, to our product portfolio.
- System performance projects to deliver the highest possible reliability, availability, as well as service and security levels to our customer base.
- Projects related to our overall infrastructure and processes to improve efficiency and flexibility.

3 Presentation of financial information

The 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, operating income, net financial debt as defined by our credit facility agreements, adjusted profit and their corresponding ratios. These Alternative Performance Measures have been prepared in accordance with the Guidelines issued by the European Securities and Markets Authority for regulated information published on or after July 3, 2016.

— EBITDA corresponds to Operating income less D&A expense. A reconciliation to the financial statements is included in section 6.1.5.

- The reconciliation of Operating income is included in the Group income statement included in section 6.1.
- Adjusted profit corresponds to reported profit for the period, after adjusting for: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), and (iii) other non-recurring items, as detailed in section 6.1.8.
- Net financial debt as defined by our credit facility agreements is calculated as current and non-current debt (as per the financial statements), less cash and cash equivalents, adjusted for non-debt items (such as deferred financing fees, accrued interest and fair value adjustments to an EIB loan). A reconciliation to the financial statements is included in section 6.2.5.

Also, as explained in more detail in section 3.2, for purposes of comparability with 2017, we present unaudited financial results, segment results and other alternative performance measures, adjusted to exclude the consolidated results of TravelClick and TravelClick's acquisition related effects.

We believe that these measures provide useful and relevant information to facilitate a better understanding of the performance of Amadeus and its economic position. These measures are not standard and therefore may not be comparable to those presented by other companies.

When we refer to our competitive position, we take into account our travel agency air bookings in relation to the travel agency air booking industry, defined as the total volume of travel agency air bookings processed by the three major global reservation systems (Amadeus, Sabre and Travelport). It excludes air bookings made directly through airlines' direct distribution channels (airline offices and websites), single country operators (primarily in China, Japan, Russia and Turkey), other content aggregators and direct connect applications between airline systems, travel agencies, corporations and meta-bookers, which together combined represent an important part of the industry.

3.1 Accounting changes

The following accounting changes have been adopted from January 1, 2018:

IFRS 15

The standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized.

As a consequence of the adoption of this standard, certain Distribution revenues from the provision of IT to travel agencies are recognized as a reduction of operating costs (they were previously recognized within Revenue), with no impact on segment contribution, Group EBITDA or free cash flow.

Other than these effects, there are no significant impacts from the adoption of this standard, given that more than 90% of the revenues of Distribution and IT Solutions are derived from contracts identified as "Software as a Service", compliant with the new IFRS 15 requirements.

The standard has been applied from January 1, 2018 retrospectively and hence 2017 figures shown in this report have been restated accordingly. Consequently, as shown in the next tables, both Distribution revenue and operating costs (Cost of revenue, Personnel expenses and Other operating expenses) have been reduced by €215.5 million in 2017. EBITDA, Operating income, Profit and Free cash flow in 2017 are not impacted by the adoption of this standard.

IFRS 9

Among other changes, the standard establishes a new impairment model for the recognition of bad debt provisions based on expected credit losses rather than incurred credit losses.

As a consequence of the adoption of this standard, bad debt provisions, recognized within operating costs, have increased, negatively impacting segment contribution and EBITDA (by the same amount) as well as Profit (by the same amount less the associated tax benefit).

Also, the standard modifies the hedging accounting, resulting in a reduction in net financial expense and an increase in Profit (by the same amount less the associated tax impact).

There are no significant impacts from the adoption of this standard, other than the effects mentioned above.

Free cash flow is not impacted by the adoption of this standard.

For comparison purposes, 2017 figures shown in this report have been restated for the adoption of this standard. Consequently, as shown in the next tables, in 2017, Other operating expenses has increased by €5.2 million and net financial expense has declined by €4.8 million, resulting in a reduction in both EBITDA and Operating income of €5.2 million and a decline in Profit of €0.2 million.

Allocation of building and facilities expense

Since January 1, 2018, building and facilities expense is recognized within Indirect costs in full (previously these costs were partly allocated to Distribution and IT Solutions). Given the geographic expansion of our businesses and our customer focus, buildings and facilities are often shared by teams from all of our businesses, making segment allocation rules increasingly complex. We believe this reallocation results in a cost structure of the operating segments that provides a more accurate reflection of our segment profitability levels.

As a result of this cost reallocation, the Distribution and IT Solutions contributions have increased, as well as Indirect costs, with no impact on Group EBITDA, profit or free cash flow.

For comparison purposes, 2017 figures shown in this report have been restated for the adoption of this cost reallocation. Consequently, as shown in the next tables, in 2017 both the Distribution contribution and the IT Solutions contribution have increased by €49.2 million and €42.7 million, respectively, and Net indirect costs has increased by €91.9 million. 2017 EBITDA, Operating income, Profit and Free cash flow are not impacted by the adoption of this cost reallocation.

See below a reconciliation between the reported and the restated 2017 figures:

Full year 2017 (€million)	Reported	IFRS 15	IFRS 9	B&F exp.	Restated	Change
Segment reporting						
Distribution revenue	3,137.6	(215.5)	0.0	0.0	2,922.1	(215.5)
IT Solutions revenue	1,715.1	0.0	0.0	0.0	1,715.1	0.0
Group revenue	4,852.7	(215.5)	0.0	0.0	4,637.2	(215.5)
Distribution contrib.	1,306.0	0.0	(5.2)	49.2	1,350.1	44.0
IT Solutions contrib.	1,177.0	0.0	0.0	42.7	1,219.7	42.7
Contribution	2,483.0	0.0	(5.2)	91.9	2,569.8	86.7
Net indirect costs	(617.9)	0.0	0.0	(91.9)	(709.8)	(91.9)
EBITDA	1,865.1	0.0	(5.2)	0.0	1,859.9	(5.2)
Income statement						
Group revenue	4,852.7	(215.5)	0.0	0.0	4,637.2	(215.5)
Cost of revenue	(1,291.0)	200.8	0.0	0.0	(1,090.2)	200.8
Personnel expenses	(1,337.6)	3.4	0.0	0.0	(1,334.2)	3.4
Other operating expenses	(344.4)	11.3	(5.2)	0.0	(338.3)	6.1
Dep. and amortization	(556.5)	0.0	0.0	0.0	(556.5)	0.0
Operating income	1,323.2	0.0	(5.2)	0.0	1,318.0	(5.2)
Net financial expense	(60.1)	0.0	4.8	0.0	(55.3)	4.8
Other income (expense)	(0.6)	0.0	0.0	0.0	(0.6)	0.0
Profit before income taxes	1,262.5	0.0	(0.4)	0.0	1,262.1	(0.4)
Income taxes	(262.0)	0.0	0.2	0.0	(261.8)	0.2
Profit after taxes	1,000.5	0.0	(0.2)	0.0	1,000.3	(0.2)
Share in profit assoc/JV	4.2	0.0	0.0	0.0	4.2	0.0
Profit for the period	1,004.7	0.0	(0.2)	0.0	1,004.5	(0.2)
EPS (€)	2.29	0.00	0.00	0.00	2.29	0.00
Adjusted profit	1,116.1	0.0	(4.1)	0.0	1,112.1	(4.1)
Adjusted EPS (€)	2.55	0.00	(0.01)	0.00	2.54	(0.01)

Full year 2017 (€million)	Reported	IFRS 15	IFRS 9	B&F exp.	Restated	Change
Cash flow						
EBITDA	1,865.1	0.0	(5.2)	0.0	1,859.9	(5.2)
Change in working cap.	55.3	0.0	5.2	0.0	60.5	5.2
Capital expenditure	(612.1)	0.0	0.0	0.0	(612.1)	0.0
Taxes paid	(363.4)	0.0	0.0	0.0	(363.4)	0.0
Interest & financial fees	(27.2)	0.0	0.0	0.0	(27.2)	0.0
Free cash flow	917.6	0.0	0.0	0.0	917.6	0.0

Oct-Dec 2017 (€millions)	Reported	IFRS 15	IFRS 9	B&F exp.	Restated	Change
Financial results						
Distribution revenue	755.6	(51.4)	0.0	0.0	704.2	(51.4)
IT Solutions revenue	410.5	0.0	0.0	0.0	410.5	0.0
Group revenue	1,166.1	(51.4)	0.0	0.0	1,114.7	(51.4)
Cost of revenue	(317.0)	45.0	0.0	0.0	(272.0)	45.0
Personnel expenses	(341.1)	3.4	0.0	0.0	(337.7)	3.4
Other operating expenses	(105.1)	3.0	(1.3)	0.0	(103.4)	1.7
Dep. and amortization	(163.1)	0.0	0.0	0.0	(163.1)	0.0
Operating income	239.8	0.0	(1.3)	0.0	238.5	(1.3)
Net financial expense	(14.4)	0.0	1.4	0.0	(13.0)	1.4
Other income (expense)	0.7	0.0	0.0	0.0	0.7	0.0
Profit before income taxes	226.1	0.0	0.1	0.0	226.2	0.1
Income taxes	2.3	0.0	0.0	0.0	2.3	0.0
Profit after taxes	228.4	0.0	0.1	0.0	228.5	0.1
Share in profit assoc/JV	0.0	0.0	0.0	0.0	0.0	0.0
Profit for the period	228.4	0.0	0.1	0.0	228.5	0.1
EPS (€)	0.52	0.00	0.00	0.00	0.52	0.00
EBITDA	398.8	0.0	(1.3)	0.0	397.6	(1.3)
Adjusted profit	269.4	0.0	(1.2)	0.0	268.2	(1.2)
Adjusted EPS (€)	0.62	0.00	(0.01)	0.00	0.61	(0.01)

Oct-Dec 2017 (€millions)	Reported	IFRS 15	IFRS 9	B&F exp.	Restated	Change

Directors' Report for the year ended December 31, 2018 (millions of euros)

Cash flow						
EBITDA	398.8	0.0	(1.3)	0.0	397.6	(1.3)
Change in working cap.	77.9	0.0	1.3	0.0	79.1	1.3
Capital expenditure	(173.8)	0.0	0.0	0.0	(173.8)	0.0
Taxes paid	(159.3)	0.0	0.0	0.0	(159.3)	0.0
Interest & financial fees	(14.5)	0.0	0.0	0.0	(14.5)	0.0
Free cash flow	129.1	0.0	0.0	0.0	129.1	0.0

The 2017 figures displayed throughout this report and specifically in sections 5 "Operating and financial performance by segment" and 6 "Consolidated financial statements" are restated for IFRS 15, IFRS 9 and the building and facilities expense reallocation.

IFRS 16

We are early adopters of the standard applying it from January 1, 2018[10]. The standard introduces a single, on-balance sheet lease accounting model for right-of-use assets. The main impact from its adoption is that we have recognized new assets and liabilities for our operating leases of building rentals. Also, the nature of expenses related to those leases have changed as the standard replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. This change has resulted in a reduction in operating costs (and therefore an increase in EBITDA), and higher depreciation and amortization expenses, with limited (positive) impact on Operating income. Also, interest expense increases. As a result, Profit is only impacted marginally. Cash generation is not impacted by the adoption of this standard, however Free cash flow is positively impacted by it, given that a large part of the payments done in relation to operating leases is now reported as financial flows (debt payments) whereas it was previously reported as operating flows (within EBITDA).

The impact from the adoption of this standard in 2018 has been:

- A reduction in operating costs of €47.4 million (driving an increase in EBITDA by the same amount), higher D&A expense by €45.4 million (together resulting in an increase in Operating income of €2.0 million) and higher interest expense by €4.9 million. As a result, Profit decreased by €2.1 million in 2018.
- An increase in right-of-use assets (non-current assets) and financial debt (split between current and non-current liabilities in the balance sheet) of €251.1 million and €259.7 million, respectively, as of December 31, 2018. Financial debt related to operating leases arising from the adoption of this standard does not form part of the financial debt as per our credit facility agreements' definition.
- A positive impact of €47.4 million in Free cash flow, as a result of the increase in EBITDA (€47.4 million), as explained above. There is, however, no impact on cash generation as the increase in Free cash flow is offset by higher debt repayments (by the same amount) below the Free cash flow line.

[10] Given the method chosen for the application of the standard (modified retrospective approach), 2017 figures are not restated for IFRS 16.

3.2 TravelClick acquisition

On August 10, 2018, Amadeus announced its agreement to acquire Project Dwight Ultimate Parent Corporation and its group of companies ("TravelClick"), a U.S-based leading global provider of technology and business solutions to the hospitality industry. Amadeus received all the necessary regulatory approvals and the closing took place on October 4, 2018. The acquisition price amounted to USD 1,520 million. The acquisition was 100% debt-financed. On September 18, 2018 Amadeus undertook three Eurobond issues for a total amount of €1,500 million, which were partly used to finance TravelClick's acquisition (see section 6.2.5 for more detail).

The results of TravelClick ("TC") were consolidated into Amadeus' books from October 4, 2018, contributing €86.7 million in revenues, €22.3 million in EBITDA, €14.1 million in profit and €14.8 million in free cash flow, to our full year and fourth quarter 2018 results (excluding non-recurring costs associated with the acquisition). TravelClick is reported, as part of our Hospitality IT business, within our IT Solutions segment (except for TravelClick's indirect costs, which have been allocated to Indirect costs).

As a consequence of TravelClick's acquisition, the following non-recurring effects have been accounted for in 2018:

- TravelClick's acquisition and integration related costs, incurred in full in the fourth quarter of 2018, amounting to €19.5 million (before taxes). Of these, an amount of €4.8 million was paid in the quarter. These costs mainly refer to third party expert advisory fees (including bankers, lawyers, accountants and consultants, among others) and costs related to its integration.
- A purchase price allocation exercise in relation to the consolidation of TravelClick into Amadeus' books was carried out in the fourth quarter of 2018. As a consequence of such PPA exercise, the following effects (before taxes) have arisen:
  - A reduction in revenue and in personnel and other operating expenses amounting to €8.2 million and €0.6 million, respectively, derived from the adjustment to fair value of certain operating liabilities, resulting in a negative impact of €7.7 million to EBITDA.
  - An additional amortization expense of €12.2 million, increasing the total group amortization expense.
- TravelClick's acquisition financing related fees amounting to €8.2 million were paid in 2018 (€2.0 million in the fourth quarter). These financing fees are deferred in the balance sheet and recognized in the income statement over the life of the related debt. In 2018, €0.4 million (before taxes) were recognized in the income statement (under the interest expense caption).

TravelClick's acquisition related effects described above (acquisition-related costs, PPA effects and acquisition financing fees) have impacted our group results and cash generation, in particular our revenue, EBITDA, EBITDA margin, Operating income, Profit, Adjusted profit, EPS, adjusted EPS and free cash flow in 2018.

For clarity purposes, in the following tables we display Amadeus Group figures (including TravelClick's consolidated results) and Amadeus Group figures excluding TravelClick's acquisition, in two separate columns. The aggregated impacts from the PPA exercise and the non-recurring costs associated with TravelClick's acquisition, as well as the impacts from TravelClick's acquisition financing are also disclosed in a separate column.

For purposes of comparability with 2017, the financial results displayed in sections 5 "Operating and financial performance by segment" and 6.1 "Group income statement" are presented excluding the consolidated results of TravelClick and the non-recurring costs, PPA derived adjustments and debt-related interest and fees associated with TravelClick's acquisition.

2018 segment reporting (€millions)	Amadeus exc. TC	% Change vs. 2017	TravelClick (TC)	Amadeus + TC	% Change vs. 2017	Transaction costs & PPA	2018 Results	% Change vs. 2017
Distribution revenue	3,004.3	2.8%	0.0	3,004.3	2.8%	0.0	3,004.3	2.8%
IT Solutions revenue	1,852.9	8.0%	86.7	1,939.7	13.1%	(8.2)	1,931.4	12.6%
Group revenue	**4,857.2**	**4.7%**	**86.7**	**4,943.9**	**6.6%**	**(8.2)**	**4,935.7**	**6.4%**
Operating costs	(1,696.7)	3.0%	0.0	(1,696.7)	3.0%	0.0	(1,696.7)	3.0%
Direct capitalizations	73.0	(2.9%)	0.0	73.0	(2.9%)	0.0	73.0	(2.9%)
Net operating costs	(1,623.6)	3.3%	0.0	(1,623.6)	3.3%	0.0	(1,623.6)	3.3%
Distribution contribution	**1,380.7**	**2.3%**	**0.0**	**1,380.7**	**2.3%**	**0.0**	**1,380.7**	**2.3%**
Contribution margin	46.0%	(0.2 p.p.)	n.m.	46.0%	(0.2 p.p.)	n.m.	46.0%	(0.2 p.p.)
Operating costs	(779.1)	9.1%	(59.4)	(838.5)	17.4%	(17.1)	(855.6)	19.8%
Direct capitalizations	247.7	13.1%	3.6	251.3	14.8%	0.0	251.3	14.8%
Net operating costs	(531.4)	7.3%	(55.8)	(587.2)	18.5%	(17.1)	(604.3)	22.0%
IT Solutions contribution	**1,321.5**	**8.3%**	**30.9**	**1,352.4**	**10.9%**	**(25.3)**	**1,327.1**	**8.8%**
Contribution margin	71.3%	0.2 p.p.	35.7%	69.7%	(1.4 p.p.)	n.m.	68.7%	(2.4 p.p.)
Indirect costs	(923.3)	6.0%	(8.6)	(932.0)	7.0%	(1.8)	(933.7)	7.2%
Indirect capitalizations	239.5	48.3%	0.0	239.5	48.3%	0.0	239.5	48.3%
Net operating costs	**(683.8)**	**(3.7%)**	**(8.6)**	**(692.5)**	**(2.4%)**	**(1.8)**	**(694.3)**	**(2.2%)**
EBITDA	**2,018.3**	**8.5%**	**22.3**	**2,040.6**	**9.7%**	**(27.1)**	**2,013.5**	**8.3%**
EBITDA margin	**41.6%**	**1.4 p.p.**	**25.7%**	**41.3%**	**1.2 p.p.**	n.m.	**40.8%**	**0.7 p.p.**

2018 income statement and cash flow (€millions)	Amadeus exc. TC	% Change vs. 2017	TravelClick (TC)	Amadeus + TC	% Change vs. 2017	Transaction costs & PPA	2018 Results	% Change vs. 2017
Financial results								
Group revenue	**4,857.2**	**4.7%**	**86.7**	**4,943.9**	**6.6%**	**(8.2)**	**4,935.7**	**6.4%**
Cost of revenue	(1,173.3)	7.6%	(33.6)	(1,206.9)	10.7%	0.0	(1,206.9)	10.7%
Personnel expenses	(1,353.6)	1.5%	(22.2)	(1,375.7)	3.1%	(6.4)	(1,382.1)	3.6%
Other operating expenses	(297.2)	(12.1%)	(8.6)	(305.9)	(9.6%)	(12.5)	(318.4)	(5.9%)
Dep. and amortization	(620.6)	11.5%	(2.6)	(623.3)	12.0%	(12.2)	(635.5)	14.2%
Operating income	**1,412.5**	**7.2%**	**19.7**	**1,432.2**	**8.7%**	**(39.4)**	**1,392.8**	**5.7%**
Net financial expense	(49.6)	(10.3%)	(0.5)	(50.1)	(9.4%)	(4.1)[11]	(54.2)	(2.0%)
Other income (expense)	(2.3)	283.3%	0.0	(2.3)	283.3%	0.0	(2.3)	283.3%
Profit before income taxes	**1,360.5**	**7.8%**	**19.2**	**1,379.7**	**9.3%**	**(43.4)**	**1,336.3**	**5.9%**
Income taxes	(342.6)	30.9%	(5.1)	(347.7)	32.8%	10.9	(336.8)	28.6%
Profit after taxes	**1,018.0**	**1.8%**	**14.1**	**1,032.0**	**3.2%**	**(32.5)**	**999.5**	**(0.1%)**
Share in profit assoc/JV	3.0	(28.6%)	0.0	3.0	(28.6%)	0.0	3.0	(28.6%)
Profit for the period	**1,021.0**	**1.6%**	**14.1**	**1,035.0**	**3.0%**	**(32.5)**	**1,002.5**	**(0.2%)**
EPS (€)	**2.37**	**3.4%**		**2.40**	**4.8%**		**2.33**	**1.6%**
Adjusted profit	**1,108.5**	**(0.3%)**	**14.3**	**1,122.8**	**1.0%**	**(17.6)**	**1,105.2**	**(0.6%)**
Adjusted EPS (€)	**2.58**	**1.4%**		**2.61**	**2.7%**		**2.57**	**1.1%**
Cash flow								
Free cash flow	**974.2**	**6.2%**	**14.8**	**989.0**	**7.8%**	**(13.1)[10]**	**976.0**	**6.4%**

[11] For purposes of comparability to 2017, and to offer an Amadeus view excluding TravelClick's acquisition impacts, TravelClick's financing related interest expense (€3.6 million in 2018) and non-recurring financing fees recognized in the income statement (€0.4 million), as well as TravelClick's financing interest paid in 2018 (€0.2 million), have been excluded from the "Amadeus exc. TC" column.

Q4'18 income statement and cash flow (€millions)	Amadeus exc. TC	% Change vs. Q4 '17	TravelClick (TC)	Amadeus + TC	% Change vs. Q4 '17	Transaction costs & PPA	Q4'18 Results	% Change vs. Q4 '17
Distribution revenue	724.9	2.9%	0.0	724.9	2.9%	0.0	724.9	2.9%
IT Solutions revenue	448.4	9.3%	86.7	535.2	30.4%	(8.2)	527.0	28.4%
Group revenue	**1,173.4**	**5.3%**	**86.7**	**1,260.1**	**13.0%**	**(8.2)**	**1,251.9**	**12.3%**
Cost of revenue	(298.6)	9.8%	(33.6)	(332.2)	22.2%	0.0	(332.2)	22.2%
Personnel expenses	(344.1)	1.9%	(22.2)	(366.2)	8.4%	(6.4)	(372.6)	10.3%
Other operating expenses	(97.8)	(5.4%)	(8.6)	(106.5)	3.0%	(12.5)	(119.0)	15.1%
Dep. and amortization	(174.3)	6.9%	(2.6)	(177.0)	8.5%	(12.2)	(189.2)	16.0%
Operating income	**258.6**	**8.4%**	**19.7**	**278.3**	**16.7%**	**(39.4)**	**238.9**	**0.2%**
Net financial expense	(22.1)	70.4%	(0.5)	(22.6)	73.9%	(3.6)[12]	(26.2)	101.6%
Other income (expense)	0.1	(85.7%)	0.0	0.1	(85.7%)	0.0	0.1	(85.7%)
Profit before income taxes	**236.6**	**4.6%**	**19.2**	**255.8**	**13.1%**	**(43.0)**	**212.8**	**(5.9%)**
Income taxes	(50.5)	n.m.	(5.1)	(55.6)	n.m.	10.8	(44.8)	n.m.
Profit after taxes	**186.1**	**(18.6%)**	**14.1**	**200.1**	**(12.4%)**	**(32.1)**	**168.0**	**(26.5%)**
Share in profit assoc/JV	0.3	n.m.	0.0	0.3	n.m.	0.0	0.3	n.m.
Profit for the period	**186.4**	**(18.4%)**	**14.1**	**200.4**	**(12.3%)**	**(32.1)**	**168.3**	**(26.4%)**
EPS (€)	**0.43**	**(17.2%)**		**0.46**	**(11.0%)**		**0.39**	**(25.3%)**
EBITDA	**430.3**	**8.2%**	**22.3**	**452.6**	**13.8%**	**(27.1)**	**425.5**	**7.0%**
Adjusted profit	**221.5**	**(17.4%)**	**14.3**	**235.9**	**(12.1%)**	**(17.2)**	**218.6**	**(18.5%)**
Adjusted EPS (€)	**0.51**	**(16.2%)**		**0.55**	**(10.8%)**		**0.51**	**(17.3%)**
Cash flow								
Free cash flow	**166.0**	**28.6%**	**14.8**	**180.8**	**40.0%**	**(6.9)[11]**	**173.9**	**34.7%**

[12] For purposes of comparability to 2017, and to offer an Amadeus view excluding TravelClick's acquisition impacts, TravelClick's financing related interest expense (€3.2 million in 2018) and non-recurring financing fees recognized in the income statement (€0.4 million), as well as TravelClick's financing interest paid in the fourth quarter of 2018 (€0.2 million), have been excluded from the "Amadeus exc. TC" column.

4 Main financial risks and hedging policy

4.1 Foreign exchange rate risk

Our reporting currency is the Euro. However, as a result of Amadeus' global activity and presence, part of our results are generated in currencies different from the Euro and therefore are impacted by foreign exchange fluctuations. Similarly, part of our cash inflows and outflows are denominated in non-Euro currencies. As a consequence, both our results and our cash flows are impacted, either positively or negatively, by foreign exchange fluctuations.

Exposure to foreign currencies

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

In turn, 50%-60% of our operating costs[13] are denominated in many currencies different from the Euro, including the US Dollar which represents 30%-40% of our operating costs. The rest of the foreign currency operating expenses are denominated in a variety of currencies, GBP, AUD, INR, SGD and THB being the most significant. A number of these currencies may fluctuate vs. the Euro similarly to the US Dollar - Euro fluctuations, and the degree of this correlation may vary with time.

Hedging policy

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

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

When the hedges in place covering operating flows qualify for hedge accounting under IFRS, profits and losses are recognized within the revenue caption. Our hedging arrangements typically qualify for hedge accounting under IFRS.

Given that 25-35% of our net free cash flow is generated in USD or currencies that fluctuate vs. the Euro similarly to the US Dollar-Euro fluctuations, and that our hedging policy targets to reduce cash volatility, our hedging results are generally insufficient to mitigate the impacts from foreign exchange fluctuations on our operating results.

In 2018, foreign exchange fluctuations had a negative impact on revenue and EBITDA, a positive impact on costs and an expansive impact on EBITDA margin. Excluding foreign exchange effects and the impact from the adoption of IFRS 16, both revenue and EBITDA (excluding TravelClick's acquisition-related costs and PPA impact) grew at a high single-digit rate, respectively, and EBITDA margin was broadly stable.

In the fourth quarter of 2018, foreign exchange fluctuations had a small positive impact on both revenue and EBITDA and a small negative impact on costs, resulting in a small negative impact on EBITDA margin. Excluding foreign exchange effects and the impact from the adoption of IFRS 16,

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

revenue and EBITDA (excluding TravelClick's acquisition-related costs and PPA impact) grew at double-digit and low double-digit rates, respectively, in the fourth quarter of the year.

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, 2018, 23% of our total financial debt[14] (related to the European Commercial Paper Program and one Eurobond issue) was subject to floating interest rates, indexed to the EURIBOR. As of this date no interest rate hedges were in place.

4.3 Own shares price evolution risk

Amadeus has three different staff remuneration schemes which are settled with Amadeus' shares.

According to the rules of these plans, when they mature all beneficiaries will receive a number of Amadeus shares which for the outstanding plans amount to (depending on the evolution of certain performance conditions), between a minimum of 296,000 shares and a maximum of 1,565,000 shares, approximately. It is Amadeus' practice and intention to make use of its treasury shares to settle these plans at their maturity.

5 Operating and financial performance by segment

As indicated in section 3.2, for purposes of comparability with 2017, the financial results displayed in section 5 "Operating and financial performance by segment" are presented excluding the consolidated results of TravelClick and the non-recurring costs and PPA derived adjustments associated with TravelClick's acquisition.

Segment Reporting (€millions)	Full year 2018 (exc. TravelClick)	Full year 2017	Change (exc. TravelClick)
Distribution revenue	3,004.3	2,922.1	2.8%
IT Solutions revenue	1,852.9	1,715.1	8.0%
Group Revenue	4,857.2	4,637.2	4.7%
Distribution contribution	1,380.7	1,350.1	2.3%
IT Solutions contribution	1,321.5	1,219.7	8.3%
Total Contribution	2,702.1	2,569.8	5.2%
Net indirect costs	(683.8)	(709.9)	(3.7%)
EBITDA	2,018.3	1,859.9	8.5%
EBITDA Margin (%)	41.6%	40.1%	1.4 p.p.

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

5.1 Distribution

Distribution (€millions)	Full year 2018 (exc. TravelClick)	Full year 2017	Change (exc. TravelClick)
Operating KPI			
TA air competitive position[1]	43.7%	43.9%	(0.2 p.p.)
TA air bookings (m)	580.2	568.4	2.1%
Financial results			
Revenue	3,004.3	2,922.1	2.8%
Operating costs	(1,696.7)	(1,647.2)	3.0%
Capitalizations	73.0	75.2	(2.9%)
Net Operating costs	(1,623.6)	(1,572.0)	3.3%
Contribution	1,380.7	1,350.1	2.3%
As % of Revenue	**46.0%**	**46.2%**	**(0.2 p.p.)**

[1] Competitive position as defined in section 3.

5.1.1 Evolution of Amadeus bookings

Operating KPI	Oct-Dec 2018	Oct-Dec 2017	Change	Full year 2018	Full year 2017	Change
TA air booking industry growth	1.1%	4.6%		2.9%	4.5%	
TA air competitive position[1]	44.8%	44.8%	0.0 p.p.	43.7%	43.9%	(0.2 p.p.)
TA air bookings (m)	135.3	134.0	1.0%	580.2	568.4	2.1%
Non air bookings (m)	16.2	16.4	(1.5%)	63.0	64.0	(1.5%)
Total bookings (m)	**151.5**	**150.4**	**0.7%**	**643.2**	**632.3**	**1.7%**

[1] Competitive position as defined in section 3.

Travel agency air booking industry

In the fourth quarter of the year, the travel agency air booking industry grew by 1.1%, a deceleration vs. the 1.7% growth rate delivered in the third quarter, or the 3.5% growth rate delivered in the first nine months of 2018. The travel agency air booking growth deceleration we have seen in the fourth quarter, has been practically across all regions. The North American industry was the fastest growing region, which, as mentioned above, reported a softer growth rate in the fourth quarter vs. previous quarters. Notably, Asia Pacific, which had delivered a double-digit growth rate in the first half of the year and decelerated in the third quarter, continued to decelerate further in the fourth quarter, with some major countries, such as India, South Korea and Thailand clearly, deteriorating vs. previous quarters. In turn, Latin America, benefiting from a more favorable macroeconomic environment in several countries, particularly Brazil, recovered from the previous quarter and reported a small expansion. Industry volumes in Western Europe, which had decreased in the first nine months of the year, continued to decline in the fourth quarter, negatively impacted by macroeconomic and geopolitical factors, the bankruptcy of a GDS airline and the distribution strategies adopted by some airlines in the region. Central, Eastern and Southern Europe reported a softer decline than in the third quarter, albeit still impacted by negative macroeconomic conditions in Russia.

In 2018, industry air bookings grew by 2.9% globally. With the exception of Western Europe - where the industry declined, impacted by the effects mentioned above - all regions showed a positive evolution, although with a clear decelerating trend relative to 2017 (except for North America, which has accelerated its growth compared to last year's). Asia and Pacific reported the fastest growth rate in 2018, followed by North America. Central, Eastern and Southern Europe, Middle East and Africa and Latin America showed limited growth over the period.

Amadeus bookings

In the fourth quarter of 2018, Amadeus travel agency air bookings grew by 1.0%, leading to a 2.1% increase over the year. North America was our fastest growing region in the fourth quarter, supported by an improvement in our competition position[15], in the context of a robust industry. Both Middle East and Africa and Latin America delivered healthy growth. Amadeus' bookings in Asia and Pacific showed limited growth, on the back of an overall industry deceleration in the region. Amadeus' bookings in Europe showed a contraction over the fourth quarter of 2018, impacted by the industry's continued booking decline. Also, Amadeus' Western European bookings were impacted by the loss of share at some European mid-size online travel agencies resulting from heightened commercial activity in the market. Excluding Western Europe, Amadeus bookings grew 5.9% in the fourth quarter of the year and our competitive position[16] expanded by 1.4 p.p.

In 2018, Amadeus' bookings increased by 2.1%. Asia and Pacific and North America were our best performing regions, delivering high growth rates. Middle East and Africa, Latin America and Central, Eastern and Southern Europe increased softly, supported by limited growth in the industry. Finally, Amadeus' bookings in Western Europe declined over the period, impacted by the industry decline and the loss of share at some European mid-size online travel agencies, as explained above. Excluding Western Europe, Amadeus bookings grew 7.2% and our competitive position[16] expanded by 1.1 p.p. in the year. In 2018, Amadeus expanded its competitive position in every region except in Western Europe.

Amadeus TA air bookings (millions)	Full year 2018	% of Total	Full year 2017	% of Total	Change
Western Europe	191.7	33.0%	206.0	36.2%	(7.0%)
Asia and Pacific	121.2	20.9%	108.6	19.1%	11.7%
North America	108.1	18.6%	99.0	17.4%	9.3%
Middle East and Africa	71.9	12.4%	69.3	12.2%	3.8%
Central, Eastern and Southern Europe	48.9	8.4%	48.1	8.5%	1.8%
Latin America	38.3	6.6%	37.5	6.6%	2.2%
Amadeus TA air bookings	580.2	100.0%	568.4	100.0%	2.1%

Amadeus' non-air bookings declined by 1.5% in 2018 vs. prior year as a consequence of a decline in rail bookings, mostly driven by strikes impacting a key customer, which more than offset the double-digit increase in Amadeus' hotel bookings.

[15] Competitive position as defined in section 3.

[16] Competitive position as defined in section 3.

5.1.2 Revenue

Distribution Revenue (€millions)	Oct-Dec 2018 (exc. TC)	Oct-Dec 2017	Change (exc. TC)	Full year 2018 (exc. TC)	Full year 2017	Change (exc. TC)
Revenue[1]	724.9	704.2	2.9%	3,004.3	2,922.1	2.8%

[1] Our disclosure no longer displays the annual break-out between booking and non-booking revenue, as application of IFRS 15 since January 1, 2018 has considerably reduced the size of the non booking revenue caption and most of the remaining concepts are today of similar nature to booking activity.

Distribution delivered revenue growth of 2.9% in the fourth quarter of 2018, driving 2.8% full year growth vs. 2017. Revenue growth in the quarter was driven by volume expansion and an enhancement in the average revenue per booking. Revenue growth was also supported by a small positive foreign exchange effect.

In 2018, revenue growth resulted from an increase in bookings of 1.7% and an expansive revenue per booking, negatively impacted by foreign exchange effects. Excluding foreign exchange effects, Distribution revenue grew at a mid single-digit rate, driven by booking growth and an underlying average revenue per booking expansion, in turn supported by (i) a positive booking mix, both from an increased weight of global bookings and a declining weight of non-air bookings, with a lower average fee, and (ii) customer renegotiations.

5.1.3 Contribution

Contribution increased by 2.3%, amounting to €1,380.7 million in 2018. This positive performance was the combination of 2.8% revenue growth, as explained in section 5.1.2 above, partly offset by 3.3% increase in our net operating costs. Contribution was negatively impacted by foreign exchange effects. Contribution represented 46.0% of revenue in the year, slightly below 2017. Contribution margin was positively impacted by foreign exchange effects. Excluding foreign exchange effects, contribution margin declined vs. 2017, in line with our expectations and in the same range as we have experienced over the past few years.

Growth in net operating costs in the year resulted from:

- Higher variable costs, due to (i) a 2.1% increase in travel agency air bookings, (ii) a unitary distribution cost expansion, mainly driven by heightened competitive pressure, a negative customer mix impact on incentives paid to travel agencies and a negative country mix (driven by the higher weight over our total volumes of some of the countries where Amadeus operates through local distributors, such as India, South Korea and some Middle Eastern countries), and (iii) non-recurring effects related to local taxes.
- A decline in net fixed costs, resulting from (i) contained FTE and unit personnel cost evolution, together with higher resources devoted to the R&D activity, offset by (ii) an increase in the capitalization ratio, impacted by project mix, and a reduction in several cost lines, which by nature may show a more volatile behavior per quarter.
- Positive foreign exchange effects.

5.2 IT Solutions

IT Solutions (€millions)	Full year 2018 (exc. TravelClick)	Full year 2017	Change (exc. TravelClick)
Operating KPI			
Passengers boarded (m)	1,853.9	1,656.5	11.9%
Financial results			
Revenue	**1,852.9**	**1,715.1**	**8.0%**
Operating costs	(779.1)	(714.5)	9.1%
Capitalizations	247.7	219.0	13.1%
Net Operating costs	**(531.4)**	**(495.5)**	**7.3%**
Contribution	**1,321.5**	**1,219.7**	**8.3%**
As % of Revenue	**71.3%**	**71.1%**	**0.2 p.p.**

5.2.1 Evolution of Amadeus passengers boarded

Amadeus passengers boarded grew by 6.6% to 456.6 million in the fourth quarter of 2018, leading to a full year 2018 growth of 11.9%.

This double-digit growth in the year was driven by (i) the impact from the 2017 implementations (such as Southwest Airlines, Japan Airlines, Malaysia Airlines, Kuwait Airways, Boliviana de Aviación, SmartWings, Norwegian Air Argentina, Air Algerie and MIAT Mongolian Airlines on Altéa, and GoAir, Viva Air Perú, Andes Líneas Aéreas, JetSMART and flyadeal on New Skies) and the 2018 implementations (including S7 Airlines, Peruvian Airlines, Maldivian Airlines, Cyprus Airways and Aeromar on Altéa and Volaris Costa Rica on New Skies), and (ii) a 7.6% organic growth. Passengers boarded growth was negatively impacted by the ceasing of operations of Air Berlin and Monarch Airlines during the second half of 2017, and by the de-migration of LATAM Airlines Brazil from our platform during the second quarter of 2018.

Passengers boarded (millions)	Oct-Dec 2018	Oct-Dec 2017	Change	Full year 2018	Full year 2017	Change
Organic growth[1]	381.9	356.3	7.2%	1,552.7	1,442.5	7.6%
Non organic growth	74.7	72.1	3.5%	301.2	213.9	40.8%
Total passengers boarded	456.6	428.4	6.6%	1,853.9	1,656.5	11.9%

[1] Calculated based on passengers boarded adjusted to reflect growth of comparable airlines on the Altéa and New Skies platforms during both periods.

Of our 1,853.9 million passengers boarded during 2018, 60.3% were generated outside of Europe. Our international footprint has continued to expand, particularly in Asia and Pacific and in North America, supported by the implementations of Southwest Airlines, Japan Airlines and Malaysia Airlines, among others, in 2017. As mentioned above, passengers boarded growth in Western Europe and Latin America during 2018 was negatively impacted by the ceasing of operations of Air Berlin and Monarch Airlines as well as the de-migration of LATAM Airlines Brazil from our platform during the second quarter of 2018, respectively.

Passengers boarded (millions)	Full year 2018	% of Total	Full year 2017	% of Total	Change
Western Europe	624.3	33.7%	611.2	36.9%	2.1%
Asia and Pacific	594.3	32.1%	502.8	30.4%	18.2%
North America	247.0	13.3%	176.5	10.7%	39.9%
Latin America	138.8	7.5%	149.2	9.0%	-6.9%
Middle East and Africa	138.1	7.5%	127.2	7.7%	8.6%
Central, Eastern & Southern Europe	111.5	6.0%	89.6	5.4%	24.4%
Passengers boarded	1,853.9	100.0%	1,656.5	100.0%	11.9%

5.2.2 Revenue

IT Solutions Revenue (€millions)	Oct-Dec 2018 (exc. TC)	Oct-Dec 2017	Change (exc. TC)	Full year 2018 (exc. TC)	Full year 2017	Change (exc. TC)
Revenue	448.4	410.5	9.3%	1,852.9	1,715.1	8.0%

IT Solutions revenue increased by 9.3% in the fourth quarter of the year, slightly impacted by positive foreign exchange effects. Excluding foreign exchange effects, revenue in the quarter grew at a high single digit rate, resulting from (i) a healthy performance of airline IT, supported by volume growth, and (ii) double-digit growth delivered by our new businesses.

In 2018, revenue grew by 8.0%, negatively impacted by foreign exchange effects. Excluding foreign exchange impacts, revenue expanded at a low double-digit growth rate with respect to the previous year.

IT Solutions Revenue (€millions)	Full year 2018 (exc. TravelClick)	Full year 2017	Change (exc. TravelClick)
IT transactional revenue	*1,380.7*	*1,282.4*	*7.7%*
Direct distribution revenue	*137.8*	*118.4*	*16.4%*
Transactional revenue	1,518.5	1,400.8	8.4%
Non-transactional revenue	334.4	314.3	6.4%
Revenue	1,852.9	1,715.1	8.0%

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, personalization, revenue optimization and disruption management, among others), which are complementary to, and fully compatible with, our Altéa solutions, and (iv) revenue from our Airport IT and Payments (the Merchant Hub offering) businesses.

IT transactional revenue increased by 7.7% in 2018, driven by:

- Volume expansion, resulting from organic growth and customer implementations, as explained in section 5.2.1.
- A dilutive IT transactional revenue per PB, impacted negatively by foreign exchange effects and an increasing weight of low-cost and hybrid carriers. Excluding these effects, IT transactional revenue per PB expanded in the year, supported by upselling activity (particularly, solutions such as revenue management, merchandizing and personalization and revenue accounting had a strong performance in the period) and the positive contribution from airport IT and payments.

Direct distribution 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 16.4%, driven by volume growth and negative non-recurring items impacting 2017.

Non-transactional revenue

Non-transactional revenue comprises among others, (i) the recognition of deferred customization and implementation fees of our solutions, (ii) the provision of bespoke and consulting services, and (iii) revenues related to our Hospitality IT solutions.

Non-transactional revenue increased by 6.4% in 2018, negatively impacted by foreign exchange effects. Excluding foreign exchange effects, this caption grew at a double-digit rate, supported by the good performance of hospitality IT (excluding TravelClick).

5.2.3 Contribution

Contribution expanded by 8.3%, to €1,321.5 million. This positive performance was the combination of 8.0% revenue growth, as explained in section 5.2.2 above, and 7.3% increase in our net operating costs.

Contribution was impacted by negative foreign exchange effects, excluding which contribution grew at a low double-digit growth rate. Contribution margin expanded by 0.2 p.p. to 71.3%, impacted positively by foreign exchange effects. Excluding foreign exchange effects, contribution margin was broadly stable vs. 2017.

Net operating costs increase in the year resulted from:

- The reinforcement of (i) our commercial teams, to better support our product offering, customer base and geographic business expansion, and (ii) increased R&D expenditure dedicated to our airline IT portfolio enhancement and to the product portfolio expansion and customer implementation activity in our new businesses.
- A higher capitalization ratio, impacted by project mix.
- Positive foreign exchange effects.

5.3 EBITDA

In 2018, EBITDA increased by 8.5% to €2,018.3 million, negatively impacted by foreign exchange effects (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations).

EBITDA growth resulted from the positive performances of Distribution and IT Solutions and a reduction in net indirect costs as a consequence of the adoption of IFRS 16 in 2018 (based on which operating lease costs are no longer recognized within indirect costs. See section 3.1 for details on accounting changes). Excluding foreign exchange effects and the IFRS 16 impact, EBITDA grew at a mid to high single-digit rate in the year.

In 2018, EBITDA margin represented 41.6% of revenue, expanding 1.4 p.p. vs. prior year. EBITDA margin was positively impacted by foreign exchange effects, as well as by the IFRS 16 adoption in 2018. Excluding both, EBITDA margin was broadly stable vs. 2017.

Net indirect costs declined by 3.7% in 2018 vs. 2017. Excluding the IFRS 16 impact, net indirect costs increased by 2.9%, resulting from: (i) expansion in R&D investment devoted to cross-area technology, including the shift to next-generation technologies and cloud services, as well as projects related to our overall infrastructure (see section 2.2 for further details), and (ii) increased resources in our corporate functions to support our business expansion, including technological projects to improve the efficiency and flexibility of internal processes partially offset by (iii) a higher capitalization ratio, impacted by project mix, and (iv) positive foreign exchange effects.

Indirect costs (€millions)	Full year 2018 (exc. TravelClick)	Full year 2017	Change (exc. TravelClick)
Indirect costs	(923.3)	(871.3)	6.0%
Indirect capitalizations & RTC[1]	239.5	161.5	48.3%
Net Indirect costs	**(683.8)**	**(709.9)**	**(3.7%)**

[1] Includes the Research Tax Credit (RTC).

6 Consolidated financial statements

As indicated in section 3.2, for purposes of comparability with 2017, the financial results displayed in section 6.1 "Group income statement" are presented excluding the consolidated results of TravelClick, TravelClick's financing related interest expense and the non-recurring costs and PPA derived adjustments associated with TravelClick's acquisition.

6.1 Group income statement

Income Statement (€millions)	Oct-Dec 2018 (exc. TC)	Oct-Dec 2017	Change (exc. TC)	Full year 2018 (exc. TC)	Full year 2017	Change (exc. TC)
Revenue	**1,173.4**	**1,114.7**	**5.3%**	**4,857.2**	**4,637.2**	**4.7%**
Cost of revenue	(298.6)	(272.0)	9.8%	(1,173.3)	(1,090.2)	7.6%
Personnel expenses	(344.1)	(337.7)	1.9%	(1,353.6)	(1,334.2)	1.5%
Other operating exp.	(97.8)	(103.4)	(5.4%)	(297.2)	(338.3)	(12.1%)
D&A	(174.3)	(163.1)	6.9%	(620.6)	(556.5)	11.5%
Operating income	**258.6**	**238.5**	**8.4%**	**1,412.5**	**1,318.0**	**7.2%**
Net financial expense	(22.1)	(13.0)	70.4%	(49.6)	(55.3)	(10.3%)
Other expense	0.1	0.7	(85.7%)	(2.3)	(0.6)	n.m.
Profit before income tax	**236.6**	**226.2**	**4.6%**	**1,360.5**	**1,262.1**	**7.8%**
Income taxes	(50.5)	2.3	n.m.	(342.6)	(261.8)	30.9%
Profit after taxes	**186.1**	**228.5**	**(18.6%)**	**1,018.0**	**1,000.3**	**1.8%**
Share in profit from associates and JVs	0.3	0.0	n.m.	3.0	4.2	(28.6%)
Profit for the period	**186.4**	**228.5**	**(18.4%)**	**1,021.0**	**1,004.5**	**1.6%**
EPS (€)	**0.43**	**0.52**	**(17.2%)**	**2.37**	**2.29**	**3.4%**
Key financial metrics						
EBITDA	**430.3**	**397.6**	**8.2%**	**2,018.3**	**1,859.9**	**8.5%**
EBITDA margin (%)	36.7%	35.7%	1.0 p.p.	41.6%	40.1%	1.4 p.p.
Adjusted profit[1]	**221.5**	**268.2**	**(17.4%)**	**1,108.5**	**1,112.1**	**(0.3%)**
Adjusted EPS (€)[2]	**0.51**	**0.61**	**(16.2%)**	**2.58**	**2.54**	**1.4%**

[1] Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) other non-recurring items.
[2] EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

6.1.1 Revenue

In the fourth quarter of 2018, revenue amounted to €1,173.4 million, growing 5.3% vs. the same period in 2017. This resulted in full year revenue of €4,857.2, a growth of 4.7% vs. prior year.

Growth in the fourth quarter and full year of 2018 was driven by the positive evolution of Distribution and IT Solutions. Our revenue was negatively impacted by foreign exchange effects in 2018, despite a small positive effect during the fourth quarter. Excluding foreign exchange effects, revenue grew at a mid-single-digit rate and a mid-to-high single-digit rate, in the fourth quarter and the full year, respectively.

Overall, revenue growth was a combination of:

- An increase of 2.9% in Distribution in the fourth quarter of 2018, or 2.8% growth for the year.
- An increase of 9.3% in IT Solutions in the fourth quarter of 2018, driving an 8.0% in the year.

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

Revenue (€millions)	Oct-Dec 2018 (exc. TC)	Oct-Dec 2017	Change (exc. TC)	Full year 2018 (exc. TC)	Full year 2017	Change (exc. TC)
Distribution	724.9	704.2	2.9%	3,004.3	2,922.1	2.8%
IT Solutions	448.4	410.5	9.3%	1,852.9	1,715.1	8.0%
Revenue	1,173.4	1,114.7	5.3%	4,857.2	4,637.2	4.7%

6.1.2 Cost of revenue

These costs are mainly related to: (i) incentive fees paid to travel agencies, (ii) distribution fees paid to local commercial organizations which act as a local distributor (mainly in the Middle East, North Africa, India, and South Korea), as well as non-reimbursable local taxes, and (iii) data communication expenses related to the maintenance of our computer network, including connection charges.

Cost of revenue grew by 7.6% to €1,173.3 million in 2018 vs. prior year. The increase in cost of revenue was driven by (i) booking volume expansion, (ii) a higher unitary distribution cost, resulting from heightened competitive pressure and a negative country mix (driven by the higher weight over our total volumes of some of the countries where Amadeus operates through local distributors, such as India, South Korea and some Middle Eastern countries), and (iii) non-recurring effects related to local taxes.

6.1.3 Personnel and related expenses and other operating expenses

A large number of Amadeus' employees are software engineers. Amadeus also hires contractors to support its development activity, complementing permanent staff. The overall ratio of permanent staff vs. contractors devoted to R&D may fluctuate depending on business needs and project mix, therefore impacting the evolution of both "Personnel expenses" and "Other operating expenses" captions in our income statement.

Our combined Personnel and other operating cost line increased by 0.2% in the fourth quarter of 2018 vs. prior year, positively impacted by the IFRS 16 adoption from January 1, 2018 (see section 3.1 for further details).

In the full year period, this cost line declined by 1.3%, impacted positively by the IFRS 16 effect, as explained above, and foreign exchange effects. Excluding foreign exchange effects and the impact from the adoption of IFRS 16, Personnel and Other operating expenses together increased moderately in the year vs. previous year, resulting from:

- A 7% increase in average FTEs (permanent staff and contractors), mainly due to higher resources devoted to R&D (see further details in sections 2.2 and 6.2.2) and, to a lesser extent, an increase in headcount in our corporate function, driven by our geographical and business expansion. The expansion of our commercial and customer support units also contributed to the FTE growth.

- Limited growth in unit personnel cost, as a result of our global salary increase, partly offset by a positive country mix.
- Growth in non-personnel related expenses, such as computing and consultancy costs.
- These effects were partially offset by (i) an increase in capitalizations, driven by both R&D investment growth and a higher capitalization ratio, impacted by project mix, and (ii) a reduction in several cost lines, which by nature may show a more volatile behavior per quarter.

Personnel + Other op. expenses (€millions)	Oct-Dec 2018 (exc. TC)	Oct-Dec 2017	Change (exc. TC)	Full year 2018 (exc. TC)	Full year 2017	Change (exc. TC)
Personnel expenses + Other operating expenses	(441.9)	(441.1)	0.2%	(1,650.8)	(1,672.5)	(1.3%)

6.1.4 Depreciation and amortization

Depreciation and amortization (including capitalized D&A) was 7.9% higher in the fourth quarter of 2018 vs. the same period in 2017, driving growth over the full year period to 11.8%.

Ordinary D&A grew by 19.8% in the fourth quarter of 2018 vs. prior year, and 20.0% in 2018, partly driven by the adoption of IFRS 16 from January 1, 2018 (see further details in section 3.1). Excluding the impact from the IFRS 16 adoption (€13.4 million in the fourth quarter and €44.4 million in the full year period), ordinary D&A grew by 8.4% and 9.6% in the fourth quarter and in the full year period, respectively. Ordinary D&A growth in 2018 was driven by higher amortization of intangible assets, as capitalized development expenses on our balance sheet started being amortized in parallel with the associated project or contract revenue recognition, coupled with a modest increase in depreciation expense.

Depreciation & Amort. (€millions)	Oct-Dec 2018 (exc. TC)	Oct-Dec 2017	Change (exc. TC)	Full year 2018 (exc. TC)	Full year 2017	Change (exc. TC)
Ordinary D&A	(140.7)	(117.4)	19.8%	(513.9)	(428.3)	20.0%
Amortization derived from PPA	(24.2)	(22.3)	8.4%	(97.3)	(95.9)	1.4%
Impairments	(9.5)	(23.4)	(59.4%)	(9.5)	(32.3)	(70.7%)
D&A	(174.3)	(163.1)	6.9%	(620.6)	(556.5)	11.5%
Capitalized D&A[1]	2.6	4.0	(35.0%)	14.9	14.6	1.7%
D&A post-capitalizations	(171.7)	(159.1)	7.9%	(605.8)	(541.9)	11.8%

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

6.1.5 EBITDA and Operating income

In 2018, EBITDA increased by 8.5% to €2,018.3 million, negatively impacted by foreign exchange effects (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations).

EBITDA growth resulted from (i) the positive performances of Distribution and IT Solutions and (ii) a reduction in net indirect costs driven by our adoption of IFRS 16 in 2018 (based on which operating lease costs are no longer recognized within indirect costs. See section 3.1 for details on accounting changes). Excluding foreign exchange effects and the IFRS 16 impact, EBITDA grew at a mid-to-high single-digit rate in the year.

In 2018, EBITDA represented 41.6% of revenue, expanding 1.4 p.p. vs. prior year. EBITDA margin was positively impacted by foreign exchange effects, as well as by the IFRS 16 adoption in 2018. Excluding both, EBITDA margin was broadly stable vs. 2017.

Operating income grew by 8.4% in the fourth quarter of 2018, or by 7.2% to €1,412.5 million in 2018, as a result of an increase in EBITDA and higher D&A charges.

Operating income – EBITDA (€millions)	Oct-Dec 2018 (exc. TC)	Oct-Dec 2017	Change (exc. TC)	Full year 2018 (exc. TC)	Full year 2017	Change (exc. TC)
Operating income	**258.6**	**238.5**	**8.4%**	**1,412.5**	**1,318.0**	**7.2%**
Depreciation and amortization	174.3	163.1	6.9%	620.6	556.5	11.5%
Capitalized depreciation and amortization	(2.6)	(4.0)	(35.0%)	(14.9)	(14.6)	1.7%
EBITDA	**430.3**	**397.6**	**8.2%**	**2,018.3**	**1,859.9**	**8.5%**
EBITDA margin (%)	36.7%	35.7%	1.0 p.p.	41.6%	40.1%	1.4 p.p.

6.1.6 Net financial expense

Net financial expense increased by €9.1 million in the fourth quarter of 2018, and declined by €5.7 million, or 10.3%, in 2018. Excluding the impact from the adoption of IFRS 16 (€4.8 million in 2018. See section 3.1 for further details), net financial expense declined by €10.5 million or 19.0% in 2018, mainly due to a reduction of €4.9 million in exchange losses vs. 2017. Interest expense declined vs. previous year by 12.2% (if we exclude the IFRS 16 impact), as a result of both lower average cost of debt and lower average gross debt (this is excluding TravelClick's acquisition financing impacts).

Net financial expense (€millions)	Oct-Dec 2018 (exc. TC)	Oct-Dec 2017	Change (excl. TC)	Full year 2018 (exc. TC)	Full year 2017	Change (exc. TC)
Financial income	0.3	(0.2)	n.m.	2.0	1.3	53.8%
Interest expense	(7.9)	(7.6)	3.8%	(33.7)	(32.9)	2.4%
Other financial expenses	(3.2)	(3.5)	(8.6%)	(8.8)	(9.6)	(8.3%)
Exchange gains (losses)	(11.4)	(1.7)	n.m.	(9.2)	(14.1)	(35.2%)
Net financial expense	**(22.1)**	**(13.0)**	**70.4%**	**(49.6)**	**(55.3)**	**(10.3%)**

6.1.7 Income taxes

Income taxes amounted to €342.6 million in 2018, a growth of 30.9% vs. 2017. The income tax rate in 2018 was 25.2%, higher than the 20.7% rate in 2017. The income tax rate in 2017 was impacted by a number of non-recurring effects, including adjustments to deferred tax liabilities in France and the U.S. due to lower corporate tax rates starting in 2018, in accordance with government regulatory changes, and tax deductions related to non-recurring transactions. Excluding the impacts from the non-recurring adjustments to deferred tax liabilities in 2017, income taxes grew by €27.5 million or 8.7% in 2018 vs. 2017.

6.1.8 Profit for the period. Adjusted profit

In the fourth quarter of 2018, reported profit declined by 18.4% to €186.4 million, driving full year 2018 growth to 1.6%. 2017 reported profit was positively impacted by non-recurring effects affecting income tax, as explained in section 6.1.7. Excluding the impacts from non-recurring adjustments to deferred tax liabilities in 2017, reported profit grew by 6.4% and 7.3% in the fourth quarter and full year 2018, respectively, vs. the same period of 2017.

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 declined by 17.4% in the fourth quarter of 2018, or by 0.3% to €1,108.5 million in 2018. Excluding the impacts from non-recurring adjustments to deferred tax liabilities in 2017, adjusted profit grew by 3.1% and 4.7% in the fourth quarter and full year 2018, respectively, vs. the same period of 2017.

Reported-Adj. profit (€millions)	Oct-Dec 2018 (exc. TC)	Oct-Dec 2017	Change (exc. TC)	Full year 2018 (exc. TC)	Full year 2017	Change (exc. TC)
Reported profit	186.4	228.5	(18.4%)	1,021.0	1,004.5	1.6%
Adjustments						
Impact of PPA[1]	18.9	20.1	(6.1%)	71.3	71.5	(0.4%)
Non-operating FX results[2]	9.1	1.5	n.m.	7.4	8.1	(7.8%)
Non-recurring items	0.0	(0.4)	n.m.	1.7	2.6	(33.1%)
Impairments	7.1	18.5	(61.7%)	7.1	25.4	(72.1%)
Adjusted profit	221.5	268.2	(17.4%)	1,108.5	1,112.1	(0.3%)

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

6.1.9 Earnings per share (EPS)

The table below shows EPS for the period, based on the profit attributable to the parent company (after minority interests), and adjusted EPS, based on the adjusted profit, as detailed above. Both are presented excluding the consolidated results of TravelClick, TravelClick's financing related interest expense and the non-recurring costs and PPA derived adjustments associated with TravelClick's acquisition.

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In 2018, our EPS increased by 3.4% to €2.37 and our adjusted EPS by 1.4% to €2.58.

Earnings per share	Oct-Dec 2018 (exc. TC)	Oct-Dec 2017	Change (exc. TC)	Full year 2018 (exc. TC)	Full year 2017	Change (exc. TC)
Weighted average issued shares (m)	438.8	438.8		438.8	438.8	
Weighted average treasury shares (m)	(8.2)	(2.6)		(8.5)	(1.7)	
Outstanding shares (m)	430.6	436.2	(1.3%)	430.4	437.1	(1.6%)
EPS (€)[1]	0.43	0.52	(17.2%)	2.37	2.29	3.4%
Adjusted EPS (€)[2]	0.51	0.61	(16.2%)	2.58	2.54	1.4%

[1] EPS corresponding to the Profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
[2] EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

On December 14, 2017, the Board of Directors of Amadeus agreed to undertake a share repurchase program, in accordance with the authorization granted to it by the General Shareholders' Meeting held on June 20, 2013. The purpose of the share repurchase program was the redemption of shares (subject to our General Shareholders' Meeting approval). The maximum investment approved under the program was €1,000 million, not exceeding 25,000,000 shares (or 5.69% of share capital), to be carried out in two tranches:

- Tranche 1: up to €500 million (non-cancellable), from January 1, 2018 to March 31, 2019.
- Tranche 2: up to €500 million (cancellable at Company's discretion), from April 1, 2019 to March 31, 2020.

Following TravelClick's acquisition, on October 25, 2018, Amadeus announced that the Board of Directors agreed to cancel the second (cancellable) tranche of the share repurchase program, which was due to start on April 1, 2019.

On December 10, 2018, Amadeus announced it had reached the maximum investment under the first tranche (€500 million), thus completing the share repurchase program. Under the program, Amadeus acquired 7,554,070 shares (representing 1.721% of Amadeus share capital).

6.2 Statement of financial position (condensed)

Statement of financial position (€millions)	Dec 31, 2018	Dec 31, 2017
Property, plant and equipment[1]	433.2	479.8
Right-of-use assets[1]	351.2	0.0
Intangible assets	4,093.8	3,204.3
Goodwill	3,598.0	2,714.2
Other non-current assets	282.8	256.0
Non-current assets	8,759.0	6,654.3
Current assets	808.5	641.5
Cash and equivalents	562.6	579.5
Total assets	**10,130.1**	**7,875.3**
Equity	3,191.7	2,641.3
Non-current debt	2,898.1	1,755.1
Other non-current liabilities	1,347.2	1,195.4
Non-current liabilities	4,245.3	2,950.5
Current debt	986.9	396.1
Other current liabilities	1,706.2	1,887.4
Current liabilities	2,693.1	2,283.5
Total liabilities and equity	**10,130.1**	**7,875.3**
Net financial debt (as per financial statements)	**3,322.4**	**1,571.7**

[1]In compliance with IFRS 16, the "Right-of-use assets" caption includes assets under operating and financial lease agreements, part of which (financial leases) were recognized as Property, plant and equipment at December 31, 2017. See section 3.1 for further details.

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 decreased by €46.6 million in 2018. This decrease was mainly the result of the following effects: (i) the reclassification as of January 1, 2018 of assets under finance lease agreements, amounting to €101.0 million, which are now disclosed under the Right-of-use assets caption above, (ii) additions (+€163.2 million), mostly related to data processing hardware and software acquired for our data processing center in Erding (Germany), (iii) additions from acquisitions, mainly TravelClick (+€12.8 million) and (iv) depreciation charges (-€118.8 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[17], technology and content[18] and contractual relationships[19]. 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 €889.5 million in 2018. This increase was mainly the result of the combination of the following effects: (i) additions from acquisitions, mainly TravelClick (+€687.8 million), (ii) additions of internally developed software (+€559.0 million) and acquired assets (+€66.7 million), (iii) amortization charges and impairment losses (-€455.5 million) and (iii) foreign exchange effects (+€33.0 million).

6.2.3 Goodwill

Goodwill amounted €3,598.0 million as of December 31, 2018. 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 currently 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, 2016 and 2018. Goodwill increased by €883.8 million in 2018, mainly due to TravelClick's acquisition (see section 3.2).

6.2.4 Equity, Share capital

As of December 31, 2018 the share capital of our Company was represented by 438,822,506 shares with a nominal value of €0.01 per share.

[17] 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.

[18] 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.

[19] Net cost of contractual relationships with travel agencies, as acquired through business combinations, as well as costs subject to capitalizations, related to travel agency incentives, that can be recognized as an asset.

6.2.5 Financial indebtedness

Indebtedness (€millions)	Dec 31, 2018	Dec 31, 2017	Change
Credit facility agreements' definition[1]			
Long term bonds	2,500.0	1,500.0	1,000.0
Short term bonds	500.0	0.0	500.0
European Commercial Paper	330.0	300.0	30.0
EIB loan	192.5	257.5	(65.0)
Other debt with financial institutions	23.9	13.2	10.8
Obligations under finance leases	90.1	92.1	(2.0)
Share repurchase program	0.0	500.0	(500.0)
Financial debt	3,636.6	2,662.8	973.8
Cash and cash equivalents	(562.6)	(579.5)	16.9
Net financial debt	3,074.0	2,083.3	990.7
Net financial debt / LTM EBITDA	1.47x	1.12x	0.36x
Reconciliation with financial statements			
Net financial debt (as per financial statements)	3,322.4	1,571.7	1,750.7
Interest payable	(5.5)	(2.1)	(3.4)
Deferred financing fees	14.9	10.3	4.6
EIB loan adjustment	1.9	3.4	(1.5)
Share repurchase program	0.0	500.0	(500.0)
Operating lease liabilities	(259.7)	0.0	(259.7)
Net financial debt (as per credit facility agreements)	3,074.0	2,083.3	990.7

[1] Based on the definition included in our credit facility agreements.

Net financial debt, as per our credit facility agreements' terms, amounted to €3,074.0 million at December 31, 2018 (representing 1.47x times last-twelve-month EBITDA).

The main changes to our debt in 2018 were:

- Three Eurobond issues on September 18, 2018 (under our Euro Medium Term Note Programme) for a total amount of €1,500 million, with the following conditions: (i) a €500 million issue, with a three year and a half maturity and an interest rate of 3-month Euribor plus 0.45% margin (with a minimum annual coupon of 0%), (ii) a €500 million issue, with a five year maturity, an annual coupon of 0.875% and an issue price of 99.898% of nominal value, and (iii) a €500 million issue, with an eight year maturity, an annual coupon of 1.5% and an issue price of 99.761% of nominal value.
- The use of the Multi-Currency European Commercial Paper (ECP) program by a net amount of €30.0 million.
- A repayment of €65.0 million related to the European Investment Bank loan.
- As explained in section 7.3.2, as of December 10, 2018, Amadeus had reached the maximum investment under the first tranche (€500 million) of the share repurchase program. The full liability associated with this tranche was outstanding as of December 31, 2017.

On April 27, 2018 Amadeus executed a new €1,000 million Single Currency Revolving Loan Facility, with a five-year term, to be used for working capital requirements and general corporate purposes. Simultaneously, the two undrawn revolving facilities signed in March 2015 (€500 million) and in April 2016 (€500 million) were cancelled. The new revolving facility remained undrawn at December 31, 2018.

Reconciliation with net financial debt as per our financial statements

Under our credit facility agreements' terms, financial debt (i) does not include the accrued interest payable (€5.5 million at December 31, 2018) which is treated as financial debt in our financial statements, (ii) is calculated based on its nominal value, while in our financial statements our financial debt is measured at amortized cost, i.e., after deducting the deferred financing fees (that mainly correspond to fees paid upfront in connection with the set-up of new credit agreements and amount to €14.9 million at December 31, 2018), (iii) does not include an adjustment for the difference between the nominal value of the loan granted by the EIB at below-market interest rate and its fair value (€1.9 million at December 31, 2018), and (iv) does not include debt related to assets under operating lease agreements (which form part of the financial debt in the statement of financial position) amounting to €259.7 million at December 31, 2018.

6.3 Group cash flow

Consolidated Statement of Cash Flows (€millions)	Oct-Dec 2018	Oct-Dec 2017	Change	Full year 2018	Full year 2017	Change
EBITDA	425.5	397.6	7.0%	2,013.5	1,859.9	8.3%
Change in working capital	121.0	79.1	53.0%	0.7	60.5	(98.7%)
Capital expenditure	(212.0)	(173.8)	22.0%	(718.2)	(612.1)	17.3%
Pre-tax operating cash flow	**334.5**	**302.9**	**10.4%**	**1,296.0**	**1,308.2**	**(0.9%)**
Taxes paid	(142.5)	(159.3)	(10.5%)	(287.6)	(363.4)	(20.9%)
Interest & financial fees paid	(18.1)	(14.5)	24.6%	(32.4)	(27.2)	19.7%
Free cash flow	**173.9**	**129.1**	**34.7%**	**976.0**	**917.6**	**6.4%**
Equity investment	(1,305.9)	(2.5)	n.m.	(1,315.1)	(31.4)	n.m.
Cash flow from non-operating and extraordinary items	(26.4)	(5.8)	n.m.	(48.7)	(62.0)	n.m.
Debt payment	(253.1)	(442.5)	n.m.	1,373.8	(275.7)	n.m.
Cash to shareholders	(237.5)	0.0	n.m.	(1,003.2)	(419.0)	n.m.
Change in cash	**(1,649.0)**	**(321.7)**	**n.m.**	**(17.2)**	**129.5**	**n.m.**
Cash and cash equivalents, net[1]						
Opening balance	2,210.9	900.9		579.1	449.6	
Closing balance	561.8	579.1		561.8	579.1	

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

In 2018, Amadeus Group free cash flow amounted to €976.0 million, 6.4% higher than 2017. Free cash flow was impacted by the following effects related to TravelClick's acquisition:

- TravelClick's positive contribution to free cash flow by €14.8 million.

- Non-recurring costs amounting to €12.9 million, paid in 2018.
- Interest paid related to TravelClick's acquisition financing amounting to €0.2 million.

Excluding the above non-recurring costs and interest paid in relation to TravelClick's acquisition, free cash flow amounted to €989.0 million in 2018, a 7.8% increase vs. 2017. See section 3.2 for a reconciliation of the above effects.

6.3.1 Change in working capital

Working capital inflow decreased by €59.8 million in 2018, mostly driven by (i) accounting effects from non-cash operating items, such as bad debt provisions and the recognition of previously deferred revenue, and (ii) timing differences in some payments and collections, partly related to changes in the contract terms with a supplier.

6.3.2 Capital expenditure, R&D investment

Capital expenditure

The table below details the capital expenditure in the period, both in relation to property, plant and equipment ("PP&E") and to intangible assets. Based on the nature of our investments in PP&E, the figures may show variations on a quarterly basis, depending on the timing of certain investments. The same applies to our investments in contractual relationships where payments to travel agencies may take place in different periods, based on the timing of the negotiations. In turn, our capitalized R&D investment may fluctuate depending on the level of capitalization ratio, which is impacted by the intensity of the development activity, the mix of projects undertaken and the different stages of the various projects.

Capex in the fourth quarter of 2018 increased by 22.0% vs. prior year, as a result of:

- Higher capex in intangible assets, driven by growth in software capitalizations, due to an increase in both R&D investment and capitalization ratio, impacted by project mix. Signing bonuses paid in the fourth quarter of the year decreased vs. previous year.
- A decline in capex devoted to property, plant and equipment.
- TravelClick's contribution to capital expenditure.

In 2018, capex amounted to €718.2 million, an increase of 17.3% vs. 2017. As a percentage of revenue, capex represented 14.6%, 1.3 p.p. higher than the same period of previous year. Capex in intangible assets in the year expanded 23.0% vs. 2017, largely driven by an increase in software capitalizations and, to a lesser extent, higher signing bonuses paid and TravelClick's contribution.

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

Capital Expenditure (€millions)	Oct-Dec 2018	Oct-Dec 2017	Change	Full year 2018	Full year 2017	Change
Capital Expenditure PP&E	31.0	32.2	(3.8%)	108.5	116.5	(6.9%)
Capital Expenditure in intangible assets	181.0	141.6	27.8%	609.7	495.7	23.0%
Capital Expenditure	212.0	173.8	22.0%	718.2	612.1	17.3%
As % of Revenue	16.9%	15.6%	1.3 p.p.	14.6%	13.2%	1.3 p.p.

R&D investment

In 2018, R&D investment (including both capitalized and non-capitalized expense) amounted to €876.7 million, 17.8% higher than previous year. As a percentage of revenue, R&D investment amounted to 17.8%, 1.7 p.p. higher than prior year.

Growth in R&D investment in 2018 resulted from:

- Increased resources to enhance and expand our product portfolio (including projects under the scope of our NDC-X program, merchandizing, shopping and personalization solutions, our revenue optimization portfolio, disruption management tools, etc.) and to implement solutions associated with our Airline IT upselling activity.
- Investment devoted to our new businesses, particularly Hospitality, Airport IT and Payments.
- Efforts dedicated to the shift to next-generation technologies and cloud services and continued enhancement of the overall infrastructure and processes to enhance efficiency, flexibility, availability and security.
- The impact from TravelClick's consolidation.

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

R&D investment (€millions)	Oct-Dec 2018	Oct-Dec 2017	Change	Full year 2018	Full year 2017	Change
R&D investment[1]	253.5	199.7	27.0%	876.7	744.2	17.8%
As % of Revenue	20.3%	17.9%	2.3 p.p.	17.8%	16.0%	1.7 p.p.

[1] Net of Research Tax Credit.

6.3.3 Taxes paid

In 2018, cash taxes amounted to €287.6 million, a decline of €75.8 million, or 20.9% vs. previous year. This decrease was mainly due to (i) higher reimbursements from previous years, and (ii) lower prepaid taxes in the U.S. resulting from a decrease in the corporate tax rate in 2018, in accordance with government regulatory changes.

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6.3.4 Interest and financial fees paid

Interest payments under our debt arrangements amounted to €32.4 million in 2018, €5.3 million higher than in 2017. This increase was mostly due to non-recurring fees paid (i) in relation to the Eurobonds issued in September 2018, and (ii) the cancellation of two revolving facilities and the set-up of a new revolving facility, in April 2018. These effects were partly offset by (i) the final payment of the coupon of €400 million bonds, which matured on December 2017, and (ii) a non-recurring fee from the cancellation of an interest rate swap in 2017.

6.3.5 Equity investments

In 2018, equity investments amounted to €1,315.1. This cash outflow mainly relates to TravelClick's acquisition, as detailed in section 3.2. In 2017, equity investments (€31.4 million) mostly correspond to the acquisition of i:FAO shares.

6.3.6 Cash flow from non-operating and extraordinary items

In 2018, cash outflow from non-operating and extraordinary items amounted to €48.7 million, mostly relating to exchange differences related to non-operating assets and liabilities.

6.3.7 Cash to shareholders

In 2018, the cash outflow to shareholders, amounting to €1,003.2 million, corresponds to (i) a payment of €494.3 million related to the ordinary dividend of €1.135 per share (gross) on the 2017 profit, (ii) the acquisition of treasury shares for a total amount of €500.0 million in relation to the first tranche of the share repurchase program (as described in section 7.3.2) and (iii) the acquisition of treasury shares to cover the staff shared-based remuneration schemes (as described in section 4.3).

7 Investor information

7.1 Capital stock. Share ownership structure

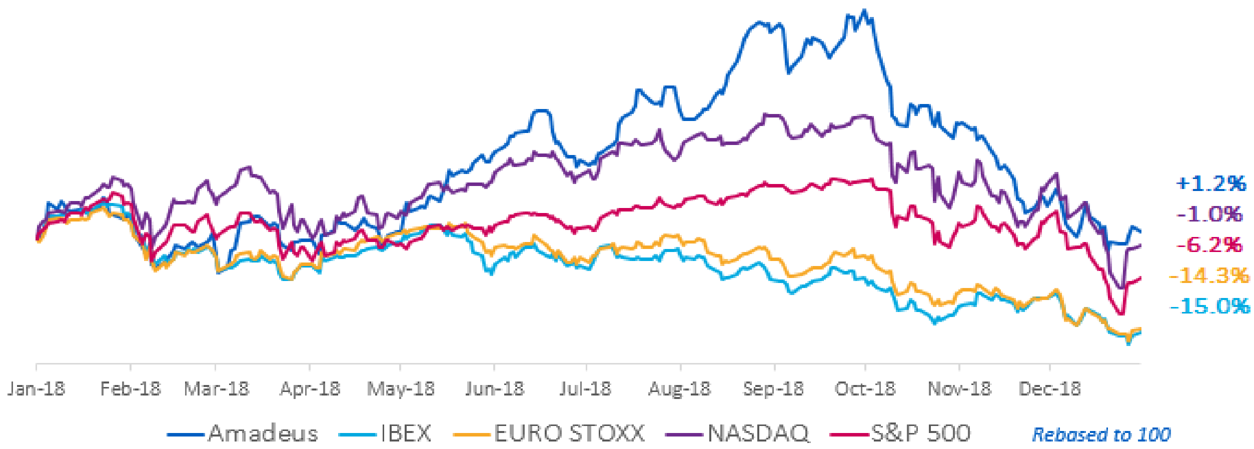
As of December 31, 2018, our capital stock amounts to €4,388,225.06 represented by 438,822,506 shares with a nominal value of €0.01 per share, all belonging to the same class, fully subscribed and paid in.

The shareholding structure as of December 31, 2018 is as described in the table below:

Shareholders	Shares	% Ownership
Free float	430,179,933	98.03%
Treasury shares[1]	8,214,289	1.87%
Board members	428,284	0.10%
Total	438,822,506	100.00%

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

7.2 Share price performance in 2018



Key trading data	
Number of publicly traded shares (# shares)	438,822,506
Share price at December 31, 2018 (in €)	60.84
Maximum share price in Jan - Dec 2018 (in €) (October 1, 2018)	82.06
Minimum share price in Jan - Dec 2018 (in €) (March 2, 2018)	56.90
Market capitalization at December 31, 2018 (in € million)	26,698
Weighted average share price in Jan - Dec 2018 (in €)[1]	67.38
Average Daily Volume in Jan - Dec 2018 (# shares)	1,330,007

1 Excluding cross trade Shareholder remuneration

7.3 Shareholder remuneration

7.3.1 Dividend payments

At the General Shareholders' Meeting held on June 21, 2018, our shareholders approved the annual gross dividend from the 2017 profit. The total value of the dividend increased 20.7% vs. prior year to €498.1 million, representing a pay-out of 50% of the 2017 reported profit for the year, or €1.135 per share (gross). An interim amount of €0.48 per share (gross) was paid on January 31, 2018 and the complementary dividend of €0.655 per share (gross) was paid on June 29, 2018.

On December 13, 2018 the Board of Directors of Amadeus proposed a 50% pay-out ratio for the 2018 dividend.

In June 2019, the Board of directors will submit to the General Shareholders' Meeting for approval a final gross dividend of €1.175 per share, representing a 3.5% increase vs. the 2017 dividend and a 50% of the reported Profit, adjusted to exclude TravelClick's acquisition related effects. An interim dividend of €0.51 per share (gross) was paid in full on January 17, 2019. Based on this, the proposed appropriation of the 2018 results included in our 2018 audited consolidated financial statements includes a total amount of €515.6 million corresponding to dividends pertaining to the financial year 2018.

7.3.2 Share repurchase program

Amadeus has stated that in low leverage scenarios, it would complement ordinary shareholder remuneration with extraordinary remuneration.

On December 14, 2017, the Board of Directors of Amadeus agreed to undertake a share repurchase program, in accordance with the authorization granted to it by the General Shareholders' Meeting held on June 20, 2013. The purpose of the share repurchase program was the redemption of shares (subject to our General Shareholders' Meeting approval). The maximum investment approved under the program was €1,000 million, not exceeding 25,000,000 shares (or 5.69% of share capital), to be carried out in two tranches:

- Tranche 1: up to €500 million (non-cancellable), from January 1, 2018 to March 31, 2019.
- Tranche 2: up to €500 million (cancellable at Company's discretion), from April 1, 2019 to March 31, 2020.

Following TravelClick's acquisition, on October 25, 2018, Amadeus announced that the Board of Directors agreed to cancel the second (cancellable) tranche of the share repurchase program, which was due to start on April 1, 2019.

On December 10, 2018, Amadeus announced it had reached the maximum investment under the first tranche (€500 million), thus completing the share repurchase program. Under the program, Amadeus has acquired 7,554,070 shares (representing 1.721% of Amadeus share capital).

8 Other additional information

8.1 Expected Business Evolution

8.1.1 Macroeconomic environment

Given that Amadeus operates transaction-based business models, our operating results are highly linked to travel volumes (mainly bookings made by travel agencies connected to the Amadeus Distribution system, or passengers boarded by airlines using our IT solutions) at a global scale. Amadeus' businesses and operations are largely dependent on the worldwide travel and tourism industry, which is sensitive to general economic conditions and trends.

In January 2018, the IMF updated its World Economic Outlook, reporting that the growth of the global economy is expected to decelerate in 2019, growing at 3.5%, vs. 3.7% in 2018.

Growth in the advanced economies is projected to slowdown (2.0% in 2019 vs. 2.3% in 2018) mainly driven by slowdowns expected in the United States (2.5% in 2019, vs. 2.9% in 2019) and the Euro Zone (1.6% in 2019 vs. 1.8% in 2018).
Growth in the emerging markets and developing economies are also expected to decelerate (4.5% in 2019 vs. 4.6% in 2018) reflecting contractions in Argentina and Turkey, as well as the impact of trade actions on China and other Asian economies.

IATA believe that the slowdown in economic growth coupled with rising fuel costs will lead to a deceleration in air traffic growth, which is expected to expand by 6.0%[20] in 2019 (vs. 6.5% in 2018). All regions are expected to perform positively: Africa (5.0%), Asia-Pacific (7.5%), Middle-East (5.5%), Latin America (6.0%), North America (4.5%) and Europe (5.5%).

[20] IATA Airline Industry Economic Performance-December , 2018

8.1.2 Amadeus strategic priorities and expected business evolution in 2019

Amadeus is a leading technology provider for the travel industry. Amadeus has built commercial relationships with players across the industry, including airlines, travel agencies, hotels and airports, among others, and across the globe (with presence in more than 190 countries). Amadeus has invested consistently over the years to have a unique technology offering. Having market leading and cutting-edge technology allows us to serve our customers better, to customize more efficiently and to continue innovating.

In Distribution, we see growth coming from adding travel providers and travel agencies to our network, as well as from expanding the content offering distributed through Amadeus. In Airline IT, future growth will be driven by (i) implementing new customers to our current solutions, (ii) increasing the penetration of our solutions within our current customer base, and (iii) expanding our portfolio of solutions to address customer needs. Additionally, we expect growth to come from our new businesses, including Hospitality, Airport IT, Payments and Rail, as we progress in each of them.

In 2019, we expect to continue evolving positively. In Distribution, we expect to maintain our leadership position, supported by our sustained investment in R&D and focus on innovation, global footprint, local market understanding and industry expertise.

In Airline IT, our PSS business will continue to expand as we implement our upcoming, contracted migrations, while also benefiting from the full-year impact of the 2018 customer implementations. This is despite the full-year negative impact from LATAM Airlines Brasil (formerly TAM Airlines), which de-migrated in 2018. Beyond the PSS business, we continue to invest on enhancing and expanding our solutions portfolio in order to sustain our upselling activity, with particular focus on the areas of merchandising, personalization, revenue optimization, digitalization, and disruption management.

In Hospitality IT, we have now fully implemented the first version of the Guest Reservation System with InterContinental Hotels Group. In 2018, we also completed the acquisition of TravelClick, which provides innovative cloud-based solutions, including an independent and mid-size hotel Central Reservation System and Guest Management Solution, as well as business intelligence and media solutions. During 2019, we will continue the process of integrating TravelClick's solutions to the Amadeus portfolio, while also continuing to invest in further product development, creating a hospitality leader that provides a broad range of innovative technology to hotels and chains of all sizes across the globe

Investing in technology is a key pillar to our success. In 2019, Amadeus will continue to invest in R&D to support long term growth through new customer implementations, product evolution, portfolio expansion (including non-air IT diversification) and cross-area technological projects. We will continue investing for our NDC vision, which is to develop an integrated solution that can be widely adopted by both travel agencies and airlines to deliver sustainable results on a scale that matters. Also, we will progress on our shift to next-generation technologies and cloud services, as well as the application of new technologies, such as artificial intelligence and machine learning.

Amadeus has a proven track record of operating a solid and resilient business model that results in strong cash generation, allowing for sustained investment in R&D and innovation, as well as for shareholder remuneration, while maintaining a flexible capital structure. Ordinary dividends paid have grown consistently every year since our IPO, at an average annual rate of 20% and we have complemented this with share repurchases.

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 centers, including 3 regional centers and the central development sites in Nice and Bangalore.

During the year ended December 31, 2018, Amadeus expensed €323.4 million for R&D activities and capitalized €573.0 million (before deducting any incentives), which compares to €299.0 million and €464.0 million, respectively, in 2017.

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 Treasury Shares

The reconciliation of the carrying amounts for the years ended December 31, 2018 and 2017, of the treasury shares is set forth in the table below:

	Treasury Shares	Millions of euros
Carrying amount at December 31, 2016	**1,521,273**	**23.6**
Acquisitions	147,562	7.7
Retirements	(599,583)	(14.2)
Share buy-back program	-	500.0
Carrying amount at December 31, 2017	**1,069,252**	**517.1**
Acquisitions	7,674,365	8.8
Retirements	(529,328)	(14.6)
Carrying amount at December 31, 2018	**8,214,289**	**511.3**

8.4 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.

8.4.1 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 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, 2018, there was 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 Singapore Dollars (SGD). 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 centered 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 are expected to effectively take place. In the case of Amadeus 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[21]

[21] 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.

Directors' Report for the year ended December 31, 2018 (millions of euros)

- 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[22].
- 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:

December 31, 2018			December 31, 2017		
2019 CFaR	2020 CFaR	2021 CFaR	2018 CFaR	2019 CFaR	2020 CFaR
(10.3)	(38.1)	(90.0)	(5.6)	(24.4)	(53.9)

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 2017. On one side, the higher US Dollar exposure as a consequence of the increased underlying exposures. Additionally, foreign exchange implicit volatilities outstanding at the end of 2018 were higher than the ones used to make the calculation in the previous year.

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; and (3) in the later periods the size of the foreign exchange exposures tends to be greater.

8.4.2 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 2018 approximately 77% (86%, 2017) of the debt contracted by the Group was fixed rate debt. No interest rate hedges were hedging this debt as of December 2018 and December 2017.

The sensitivity of fair value of Amadeus debt to a 0.1% (10 bps) parallel shift of the interest rate curve as of December 31, 2018 and 2017, is set forth in the table below:

[22] 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.

Directors' Report for the year ended December 31, 2018 (millions of euros)

	December 31, 2018		December 31, 2017	
	+10 bps	-10 bps	+10 bps	-10 bps
EUR denominated debt	10.5	(10.5)	4.2	(4.7)
EUR accounting hedges	-	-	-	-
Total	**10.5**	**(10.5)**	**4.2**	**(4.7)**

In 2018 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 basically due to the issuance of three new Eurobonds with a total notional of €1,500 million and maturities in 2022, 2023 and 2026. This new debt increases both the total amount of outstanding debt and the average time to maturity of the Amadeus' debt. 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 is 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 €10.5 million at December 31, 2018 (€4.2 million, 2017). 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, 2018 and 2017.

8.4.3 Own shares price evolution risk

As of December 31, 2018, 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 (SMP).

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 1,565,000 shares and a minimum of 296,000 shares, approximately. It is Amadeus intention to make use of its 8,214,289 treasury shares to settle these plans at their maturity.

8.4.4 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.

8.4.5 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 2018 is described in the note 17 "Current and non-current debt".

In addition to other smaller treasury lines agreed with several banks, the Group has access to a Revolving Credit facility as detailed in note 17. The facility has a notional of €1,000.0 million and can be used to cover working capital needs and general corporate purposes. As of December 31, 2018, this facility was fully unused and thus €1,000.0 million can be used to cover the liquidity needs of the Group (as of December 31, 2017, there wasn't any used amount either).

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, 2018, €330.0 million of this program were in use (€300.0 million, 2017).

8.5 Subsequent events

As of the date of issuance of this report no significant subsequent events have occurred after the reporting period which might affect the Group and that should be disclosed.

9 Non-financial information statement

See Annexe 2

10 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.

Annexe 1: Key terms

"API": refers to Application Programming Interface
"B&F": refers to "Building and facilities"
"CRS": refers to "Computerised Reservation System"
"D&A": refers to "depreciation and amortization"
"GDS": refers to "Global Distribution System"
"ECP": refers to "European Commercial Paper"
"EIB": refers to "European Investment Bank"
"EPS": refers to "Earnings Per Share"
"FTE": refers to "Full-Time Equivalent" employee
"GDS": refers to "Global Distribution System"
"IFRS": refers to "International Financial Reporting Standards"
"JV": refers to "Joint Venture"
"KPI": refers to "Key Performance Indicators"
"LTM": refers to "last twelve months"
"NDC": refers to "New Distribution Capability"
"n.m.": refers to "not meaningful"
"OTA": refers to "Online Travel Agency"
"PB": refers to "passengers boarded", i.e. actual passengers boarded onto flights operated by airlines using at least our Amadeus Altéa Reservation and Inventory modules or Navitaire New Skies
"p.p.": refers to "percentage point"
"PPA": refers to "Purchase Price Allocation"
"PP&E": refers to "Property, Plant and Equipment"
"PSS": refers to "Passenger Service System"
"R&D": refers to "Research and Development"
"TA 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
"TC": refers to TravelClick (see section 3.2)

Annexe 2: Non-financial information statement

Non-financial information statement

Contents

Amadeus’ business model

Amadeus is a leading provider of technology solutions and services for the travel industry: airlines, airports, ground handlers, car rental agencies, corporations, cruise and ferry operators, hotels and event venues, insurance providers, travel sellers, tourism boards, travelers themselves and more. Amadeus facilitates complex transactions between travel providers and travel sellers, and provides mission critical IT solutions for travel providers. Amadeus operates in more than 190 countries with more than 70 commercial offices worldwide. Amadeus workforce exceeds 18,000 people

Amadeus was founded in 1987 to develop a standard system for connecting airlines with travel agencies. The company created the world’s leading Global Distribution System, offering unmatched search, pricing, booking, ticketing, and servicing capabilities.

In the year 2000, Amadeus pioneered the development of a revolutionary reservation technology that provided airlines and travel agencies with a shared view of travelers and allowed for truly seamless reservation servicing across direct and indirect channels to create a state-of-the art airline Passenger Service System. Building on this success, Amadeus has continued to expand our IT portfolio to include a variety of other applications.

At the beginning of 2016 Amadeus acquired the US-based company Navitaire, allowing us to broaden the scope of our services, particularly for low-cost carriers. Regarding the hospitality sector, Amadeus strengthen its position into the sector with the acquisition of Newmarket in 2014. The latest acquisition of TravelClick in 2018, the largest in Amadeus history, confirms its strong commitment to the hospitality industry.

Amadeus has also expanded its portfolio to merchandising, revenue management, travel intelligence and travel expense management, harnessing the potential of cloud computing, mobile and big data for our customers. In fact, investment in research and development has been integral to its growth.

Over the years Amadeus has built a global commercial and operational network that has become one of the key components of our value proposition. The corporate headquarters is in Madrid, Spain. The main research and product development site is located in Nice, France, while the core components of its operations are run from the site in Germany.

Amadeus is a publicly listed company and part of the IBEX 35, as well as stock indices worldwide like the EURO STOXX 50. Amadeus has more than 98% of its equity in free float as at December 31, 2018.

One of the main reasons for its success is its ability to adapt and evolve. Today, the world continues to change. New technologies are bringing new opportunities and challenges at an accelerating pace. New generations want to experience travel in new ways.

Amadeus invested close to 900 million EUR in R&D in 2018. Amadeus is investing in these opportunities and exploring new models that will drive our own and our customers’ growth, experimenting with technologies that will make travel more rewarding for all of us. Amadeus continues to recruit the best people in the industry – a workforce that is multi-cultural, multigenerational and multi-skilled. Amadeus continues to invest in innovation as a strategic priority. As the travel ecosystem expands, Amadeus also continues to broaden its focus, collaborating with industry partners, investing in acquisitions and new ventures and nurturing start-ups to ensure the most comprehensive travel offer.

Amadeus business lines

Amadeus offers solutions and services for travel companies all over the world. Amadeus is in a unique position to add value to customers and providers and to diversify into related solutions for the travel industry. Amadeus powers commerce and mission-critical operations for the entire travel ecosystem through its highly synergistic business lines.

Distribution

Through the Distribution business area, Amadeus acts as a global network providing comprehensive real-time search, pricing, booking, ticketing and other processing solutions to our travel providers and travel agency customers.

Amadeus offers a full range of commercial services and complementary technologies that:

__Connect sellers, buyers and partners across the global travel industry and beyond

__Create opportunities to increase revenue by maximizing existing and new sales channels

__Provide economies of scale and unparalleled efficiency in delivering higher-margin bookings

IT solutions

Through the IT Solutions business area, Amadeus offers travel providers an extensive portfolio of technology solutions which facilitate certain mission-critical business processes, such as reservations, ticketing, inventory management and departure control. Amadeus offers airlines integrated Passenger Service System (PSS), standalone software, analytics and consulting solutions that:

__Grow revenues by helping travel businesses reach more potential customers more profitably through direct sales and merchandising

__Optimize costs by streamlining marketing, sales and business operations

__Increase customer loyalty with better brand differentiation and data-driven personalization

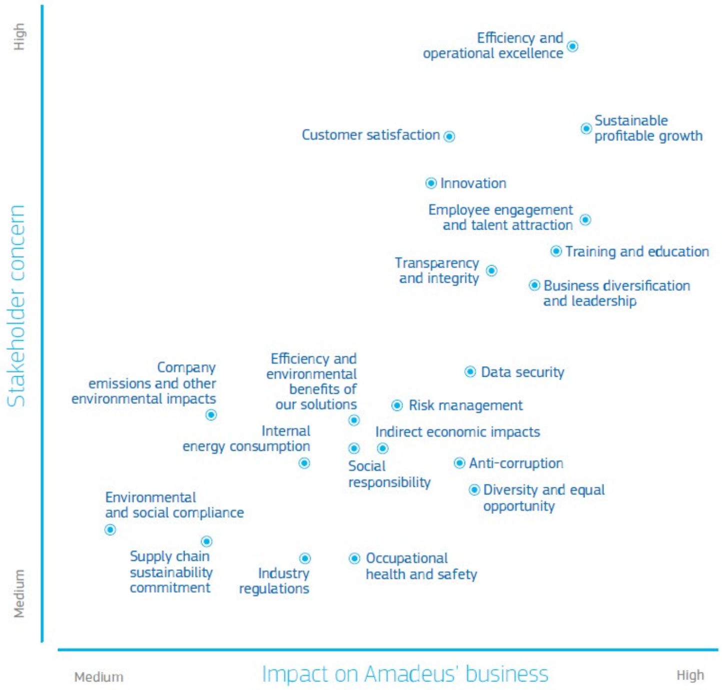
Diversification into new areas

Complementing the offer in the travel industry, Amadeus diversified its business, providing cutting-edge technology to other key sectors in the industry like airports and ground handlers, hospitality, railways and ground transportation, as well as to transversal segments that are relevant to all travel industry players such as payment systems or mobile solutions.

Non-financial reporting scope and methodology

A principal driver for the selection of the specific non-financial indicators chosen is the materiality analysis carried out by Amadeus, that is reviewed on an annual basis. The matrix below summarizes the materiality analysis.

Amadeus materiality matrix



The materiality review process involves various stakeholders and external references, including: the analysis of some of the main reporting standards and sustainability indices: GRI, Dow Jones Sustainability Index, Sustainalytics, FTSE4Good, the United Nations Sustainable Development Goals and Global Compact. On the other hand, internal units managing relationships with key Amadeus internal and external stakeholders, as well as the teams in charge of reporting non-financial information, provided their input on the material topics, based on both the impact on their stakeholders and on our business.

The graphic above represents the material matters resulting from that assessment in two dimensions: their relevance to Amadeus, and their relevance for our stakeholders. For this materiality matrix, we have selected the aspects with at least a medium or high degree of materiality in both dimensions. It is also important to note that:

_ The materiality matrix depicts an evaluation for the short to medium term

_ All subjects included in the matrix form part of Amadeus' regular operations and relationships with stakeholders, and therefore should not be viewed in isolation

_ The chart is not meant to be a precise representation, but rather an indication of principal factors

The materiality analysis identifies the information that must be reported in more detail. From that starting point, we build the content together with the relevant internal units, who define the boundaries for each topic and provide their input.

The reporting scope for each material aspect includes the entire Amadeus Group unless otherwise indicated. In terms of the data-gathering process and scope of the report, we have considered the materiality of the information on the one hand and the effort of collecting the data on the other. As a result, for some topics we cover less than 100% of the scope and/or provide estimations where direct measurement hasn't been performed.

In addition to the most relevant aspects determined from the materiality analysis, we report on other matters for the purpose of improving overall transparency and stakeholder engagement.

Below are specific remarks regarding the materiality of some aspects.

Amadeus' emissions and other environmental impacts

As a travel technology provider, Amadeus has a relatively low direct environmental impact. That is, we are not involved in physical manufacturing processes, and our main source of energy consumption is our Data Center in Germany. Moreover, one principal objective of the solutions we provide to our customers is to improve their operational efficiency, and this often entails the reduction of energy and natural resource consumption. Evaluating and maximizing the positive environmental benefits of our technology is extremely important for us, given the high-energy intensity of the travel industry.

Amadeus' suppliers

Most of our external providers fall under the following categories:

_ Consulting and marketing services

_ Hardware providers

_ Software providers

_ Data communication providers

Although Amadeus has a worldwide presence, most of the spend, around an 80%, is concentrated in Spain, France, Germany and North America.

From a supply chain perspective, our activity is related to online transaction processing and technology development. In this context, Amadeus' exposure to third-party providers that may not comply with minimal social or environmental requirements is low, and that is a principal reason our external reporting is limited.

Despite having around 10,000 suppliers, our top 50 represent approximately 51% of our total spend with external providers. This facilitates our control and access to information in the supply chain.

The Amadeus Corporate Purchasing Policy aims at ensuring that all employees involved in the procurement of goods and services factor in social and environmental responsibility aspects in their purchasing decisions.

An organization of local, regional and global Amadeus purchasing teams oversees the operations on the supply chain side and deals with both internal stakeholders and vendors.

Reporting standards

This non-financial information report has been produced following the requirements of the Spanish Law 11/2018 on non-financial information reporting, as well as the Global Reporting Initiative (GRI) standards. Annex A of this report includes a table in which all the information items required by the Law are listed, with a reference to the page(s) where the information is included and the corresponding, if any, GRI indicator.

According to the Spanish Law 11/2018, this non-financial report has been reviewed by KPMG Asesores, S.L. The corresponding Limited Assurance Report is attached to this report.

Headcount information

Amadeus total workforce as of 31 December 2018 was 18,673 FTEs (Full-Time Equivalent). In terms of Amadeus headcount, the total was 16,920 people, including acquisitions carried out in 2018. This figure is the one reflected on the section on HHRR, as reporting is based on employees information, having a full reliability and consistency on the details provided.
For environmental information, given the fact that resources consumption take place across the year, we use average FTEs in the year (17,598).

FTEs internal + external	18,673
Headcount including 2018 acquisitions	16,920
Headcount excluding 2018 acquisitions	15,775
Average FTEs internal + external	17,598

Amadeus Global Report

In addition to the information published in this Report, Amadeus publishes every year the Amadeus Global Report.

The principal objective of the Amadeus Global Report is to provide a comprehensive and transparent view of Amadeus' activities, operations and performance from a commercial, financial and sustainability perspective. The Report contains a basic explanation of our business lines for any internal or external audience, as well as a summary of our financial results and management review of the year. A significant portion of the report is dedicated to environmental, social and governance matters (ESG), in addition to a description of our activities in the areas of industry relations and corporate risk management.

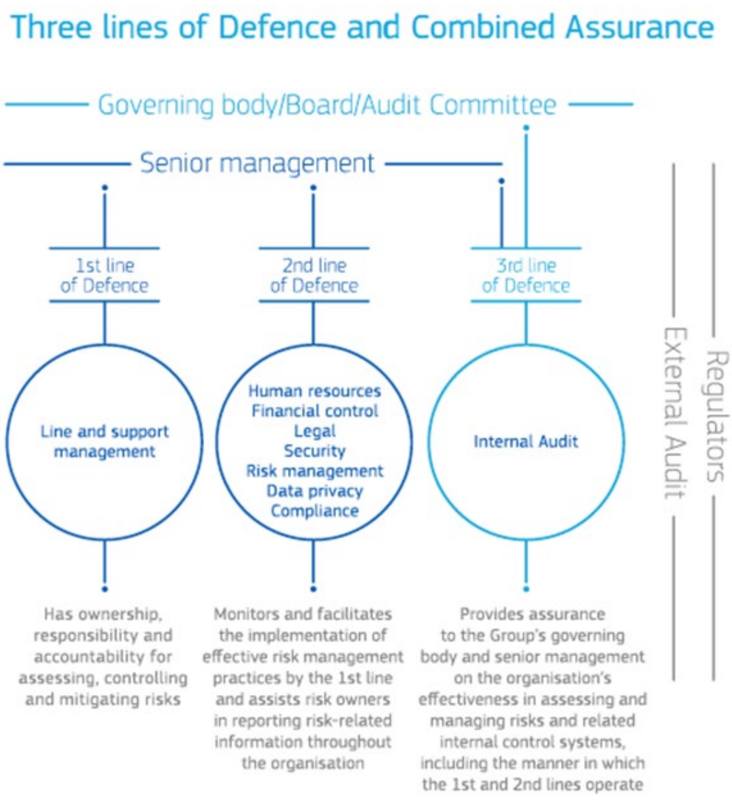
The Amadeus Global Report is verified by an external firm, and it follows the Global Reporting Initiative (GRI) in accordance with the GRI Standards (core option) for the reporting of non-financial information.

We expect to publish the Amadeus Global Report 2018 at the beginning of May19.

Corporate risk management

Back in 2015, with the endorsement of the Board of Directors and the Executive Committee, Amadeus formally adopted the Three Lines of Defense Model – a model for integrating, coordinating and aligning all support and assurance functions within the entity, ensuring the effective management of risks across the company.

Since its adoption, the Three Lines of Defense Model has fostered effective risk management across the Amadeus Group. In 2016, we refined the Three Lines of Defense Model through the adoption of a Combined Assurance concept.



First Line of Defense: executive management, management and staff

Amadeus' commitment to integrity and transparency begins with its own staff. Amadeus employees adhere to the ethical standards set forth in the Amadeus Code of Ethics & Business Conduct and related policies. We do not see this code and our core policies purely as a 'rule book', but as a mutual agreement across the company to promote positive behaviors that will add value to our business and ensure the highest standards of integrity at all times. The areas covered in the Code are as follows:

__Commitment to the environment

__Avoiding conflicts of interest

__Protecting personal data and confidentiality

__Handling relations with third parties and the media in a sensitive manner

__Handling company property, equipment and installations with care

We also respect and promote international human rights, and expect all our suppliers and business partners to uphold internationally recognized standards regarding working conditions and the dignified treatment of employees.

Human rights form part of Amadeus' risk analysis. The company evaluates the risks of infringing on the following rights: non-discrimination, collective bargaining, freedom of association, fair wages, no child labor or forced labor and adequate health and safety working conditions. Although such risks fall very low on our risk map, we have a series of mitigating and monitoring actions to manage them, both internally and with our suppliers and business partners.

Our mergers and acquisitions procedures also include due diligence on human rights-related risks. Our Integration team ensures that the company's policies are effectively implemented into newly integrated companies. Furthermore, our Speak Up Policy encourages employees to report any breach of the Code of Ethics & Business Conduct and possible resulting human rights violations.

Second Line of Defense: internal governance functions

Control activities are embedded in all areas of the company. Major control activities are carried out from departments such as Risk & Compliance, Security, Privacy, Legal, Finance, Human Resources and others.

Risk management and controls

Risk & Compliance is responsible for centralizing the continuous monitoring of major risk and compliance issues within Amadeus and also leads a transversal Combined Assurance program involving the Risk & Compliance Office, the Group Privacy Unit and the Information Security Office. Through this Combined Assurance program, we have expanded the coordinated management of oversight control activities and the sharing of results.

Risk & Compliance develops the Corporate Risk Map and establishes control and monitoring procedures for each of the identified risks, in conjunction with the 'owner' responsible for each risk. The risks ascertained from analysis as well as monitoring measures are reported on a regular basis to the Risk Steering Committee and the Audit Committee, as well as to the Executive Committee and the Board of Directors.

We continually monitor the most significant risks that could affect Amadeus and the companies that make up the Group, as well as Amadeus' own activities and objectives.

Amadeus' general policy regarding risk management and monitoring focuses on:

__Achieving its long-term objectives as per its established strategic plan
__Contributing the maximum level of guarantees to shareholders and defending their interests
__Protecting the company's earnings
__Protecting the company's image and reputation
__Contributing the maximum level of guarantees to customers and defending their interests
__Guaranteeing corporate stability and financial strength over time.

The ultimate aim of the Corporate Risk Map is to provide visibility on significant risks and facilitate effective risk management. Risk analysis is a fundamental element of the company's decision-making processes, both within the governing bodies and in the management of the business as a whole.

The Corporate Risk Map also takes into account the global risks identified each year by the World Economic Forum,[1] such as economic, environmental, geopolitical, societal and technological risks.

Amadeus is concerned about immediate risks – and emerging risks. Newly developing or changing risks that are difficult to quantify and could have a major impact on society and the industry are considered in the exercise.

The latest version of the Corporate Risk Map defines the most critical risks relating to

[1] World Economic Forum (2019). Global Risks Report 2019, 14th Edition

Amadeus' operations and objectives, among which the following are highlighted: technological risks, operational risks that could affect the efficiency of business processes and services, commercial risks that could affect customer satisfaction, reputational risks, security and compliance risks, the macro-economic and geopolitical environment, and trends in the travel and tourism industry. Some of these risks have evolved from the previous Corporate Risk Map while others have been newly identified.

These highlighted risks are assigned to risk owners at the highest level of the company, who are given the duty to propose the risk response. Progress with mitigation and evolution of key risks is submitted to the Risk Steering Committee for review and consideration, together with proposed action plans, when required, to take any necessary measures or further actions.

Due to its transversal and dynamic character, the process described above identifies new risks that affect the Group arising as a result of changes in the environment, or as a consequence of the revision of objectives and strategies.

In the current business environment, which is characterized by increasing stakeholder demand for transparency, ethics and social responsibility, reputational risk management is becoming increasingly relevant. The Amadeus Reputational Risk Map is fully integrated with the overall Corporate Risk Map of the company. Therefore, assessing the reputational impact of a particular risk is embedded into our methodology.

In addition to managing risks, Amadeus is very focused on ensuring compliance with emerging initiatives such as the General Data Protection Regulation (GDPR) of the EU as well as existing control standards such as PCI-DSS (credit cards), SOC1 (computer controls) and ISO 27001 (security).

Also, through the training and awareness plan under coordination of the Risk & Compliance unit, we try to ensure that all employees understand and apply best practices on ethical as well as security and privacy principles.

Risk & Compliance chairs the following committees:

Ethics Committee

The Ethics Committee provides guidance on ethical behavior and compliance issues. This committee also addresses any concerns that employees may have and simultaneously assists in the implementation of the Code of Ethics & Business Conduct throughout the Amadeus Group. We attach great importance to promoting integrity, transparency and ethical conduct in all our operations, and we are committed to applying a zero-tolerance approach regarding prohibited practices, both in our internal affairs and external operations.

Risk Steering Committee

The Risk Steering Committee is a decision-making body empowered by the Executive

Committee to provide oversight and guidance on risk management activities and issues across the Group, including risk assessment and prioritization, risk mitigation strategies and crisis responses.
Both the Ethics Committee and the Risk Steering Committee meet on a regular basis.

Code of Ethics and Business Conduct

The Amadeus Code of Ethics and Business Conduct (CEBC) sets forth the commitment of the company to conduct business pursuant to the highest ethical standards.

This Code of Ethics and Business Conduct (the "CEBC") is based on the following values: Customers First, Working Together, Taking Responsibility and Aiming for Excellence. The CEBC reflects who we are and how we conduct our business. Our guiding principle is integrity – the personal integrity of each and every member of the Amadeus community and our professional integrity as a business organization.

Anti-Bribery Policy

Amadeus is committed to winning business through fair and honest competition in the marketplace. We are committed to the highest standards of ethics, as outlined in the Amadeus Code of Ethics and Business Conduct. This includes complying with obligations under international anti-corruption laws, including but not limited to: Law 10/1995 of the Criminal Code of Spain, The Anti-Corruption Act 2007 of France, the Criminal Code and the Act on Combating International Bribery 1997 of Germany, the Bribery Act 2010 of the UK and the Foreign Corrupt Practices Act ("FCPA") of the U.S.A.

Specifically, we will abide by the letter and spirit of applicable international anti-corruption laws in conducting our business. Promising, authorizing, offering, giving, accepting or soliciting anything of value, or any advantage, to anyone, with the intention or appearance of improperly influencing his or her decisions or conduct, or as reward for improper performance, is strictly prohibited.

As well as reading and understanding the Amadeus Anti-Bribery Policy, all Amadeus employees must also read and comply with the Amadeus Code of Ethics and Business Conduct, the Charitable Contributions Policy and the Political Contributions Policy.

This Policy applies to all Amadeus Group employees, agents, intermediaries, consultants, sub-contractors, suppliers and Joint Venture partners working on behalf of Amadeus worldwide.

The owner of this Policy is Risk & Compliance. Risk & Compliance shall oversee and administer the Policy, develop and maintain procedures and guidelines to support the Policy and work with key stakeholders to ensure Amadeus' officers, employees and contingent staff affected by the Policy receive adequate communication and training.

Anti-Fraud Policy

Amadeus has no tolerance for fraud, and thus fraudulent practices of any kind are prohibited at Amadeus. All Amadeus employees are accountable for complying with appropriate procedures, controls and monitoring activities to protect Amadeus against the commission of fraud. Where there are reasonable grounds to indicate that a fraud may have occurred, senior management has a duty to ensure a fair and respectful clarification of facts and prompt action to resolve the issue.

In the event that a fraud has been committed, Amadeus will promptly take such action as is appropriate to remedy the situation, clarify individual responsibilities, take appropriate disciplinary and legal actions, and leverage lessons learned in order to improve the internal controls wherever needed.

Third Line of Defense: Group Internal Audit

Group Internal Audit provides independent and objective assurance and consulting services designed to add value and improve Amadeus' operations. It helps accomplish our goals by using a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes, including the potential for the occurrence of fraud and how the organization manages fraud risk.

Group Internal Audit covers all companies, businesses and processes majority-owned or controlled by Amadeus. Every year, Group Internal Audit performs a thorough background and risk assessment exercise to verify and update the established audit priorities. This exercise considers, namely but not exclusively, elements such as the Group's strategic objectives and projects; the Corporate Risk Map; internal and external challenges and enablers identified through interviews with senior management and major control functions; business magnitudes; and audit cycles. The output leads to the formalization and approval by the Audit Committee of a yearly internal audit plan.

The legal entities included in Group Internal Audit reviews during 2018 represented more than 60% of the total Amadeus workforce. Main risks identified in the course of internal audit engagements are reported to senior management and the Audit Committee, and their status is periodically updated until resolution or acceptance by the governing bodies.

The coordination streams in place between Group Internal Audit and the main control, business and technology units ensure a continuous and optimum complement to Group Internal Audit's independent and objective assurance activities.

Group Internal Audit is governed according to the mandatory elements of The Institute of Internal Auditors (IIA)'s International Professional Practices Framework (IPPF), including its Core Principles, its Definition of Internal Auditing, its International Standards and its Code of Ethics. Furthermore, Group Internal Audit runs a Quality Assurance and Improvement Program that combines ongoing monitoring with periodic internal and external assessments. The program includes the evaluation of Group Internal Audit's conformance with the

International Professional Practices Framework (IPPF). The program also assesses the efficiency and effectiveness of Group Internal Audit, and identifies opportunities for continuous improvement.

Amadeus policies – fight against bribery, corruption and money laundering

Amadeus supports the business with a set of policies that provide assurance of the compliance of certain agreed behaviors. The Amadeus core policies are supported by processes that, as with any other processes at Amadeus, undergo regular internal and external quality reviews to ensure regulatory compliance and application of best practice.

Among its main corporate policies, Amadeus has the following that contribute to the prevention of illegal activities such as bribery, corruption and money laundering:

_Code of Ethics & Business Conduct

_Speak Up Policy

_Anti-Fraud Policy

_Anti-Bribery Policy

_Entertainment & Gifts Policies

Charitable Contributions Policy

_Political Contributions & Lobbying Policy

_Powers of Attorney

_Banking Powers

_Antitrust & Competition Law – Compliance Manual

_On-Site Investigation Policy

_Data Privacy Manual

_Security & Privacy Handbook

_External Legal Counsel Policy

_Sales Manual

_Corporate Purchasing Policy

_Health & Safety Policy

_Environmental Policy

_Tax Policy

Further details of the environmental and social policies, including Human Rights, are described in chapters below.

With respect to preventing bribery, corruption and money laundering practices in Amadeus, in addition to the specific policies focused to that topic, Amadeus has also developed policies to prevent this from occurring through charitable and/or political contributions. Controls are enforced through our Industry Affairs and CSR area to control this type of contributions.

As part of its global anti-corruption efforts, Amadeus is committed to conducting its business professionally, fairly and ethically, and in full compliance with anti-money laundering laws, and laws and regulations countering terrorist financing which are applicable to Amadeus

However, preventing these practices from occurring is not only achieved through policies published in our intranet. It also requires that the message reaches Amadeus people, especially to certain teams more exposed to these illegal practices due to the activity and role they perform in the organization. For this reason, training and communication is a key activity, which is performed in various manners (face-to-face, webinars, e-learning...). Many financial processes to approve payments ensure as well that illegal activities are prevented from occurring.

The Corporate Criminal Prevention Compliance Program implemented as a result of the amendments to the Spanish Criminal Code in 2010 and later, in 2015, include as well a compilation of controls that Amadeus has in place to prevent activities, such as bribery, corruption or money laundering.

Amadeus spent in 2018 a total of 583,210 EUR in terms of interest representation through consultants and industry associations.

Amadeus' environmental sustainability strategy

Amadeus' sustainability strategy is based on the premise that active involvement in improving environmental performance is fundamental to (among others):

__Achieving travel industry sustainability over the long term

__Improving the value proposition both for Amadeus and for its providers and customers

__Improving the operational efficiency of the industry by capitalizing on common economic and environmental objectives

In accordance with the above, Amadeus' environmental sustainability strategy includes three pillars:

1_ Environmental efficiency of Amadeus operations

We measure the environmental impact of our operations, identify areas for improvement, implement solutions and continue to monitor our performance for achieving continuous improvement in environmental efficiency.

2_ Development of IT solutions that improve economic and environmental efficiency

We help our customers achieve their environmental objectives, delivering IT solutions that improve customers' operational and environmental efficiency.

3_ Participation and fostering of joint industry environmental initiatives

We work in partnership with other industry stakeholders on projects to improve travel industry sustainability.

Amadeus Environmental Management System (EMS)

The environmental reporting at Amadeus is governed by the Amadeus Environmental Management System (EMS). The EMS was designed and created as the tool we use at Amadeus to measure, monitor, identify best practices, and to continuously improve the environmental performance of our operations at office buildings and at the Data Center.

Amadeus' Environmental Management System measures the impact of our operations considering five parameters that include climate change considerations (concretely: energy, CO_2 emissions, paper, water and waste) and also efficiency ratios based on the business transactions processed and on the number of employees. We also factor in company growth to evaluate our performance. Our target is to improve the environmental performance of the previous year. By doing this, we guarantee long-term improvement in our environmental performance.

EMS material elements

The EMS helps to manage the five principal elements related to the environmental impact of Amadeus' operations. These elements were identified in the materiality exercise in which we consulted our own internal experts and benchmarked with other companies in similar economic sectors. The five elements included in Amadeus EMS are: electricity consumption, CO_2 emissions, paper consumption, water use and waste generation.

EMS scope

The EMS includes the reporting of Amadeus' operations environmental impact. Amadeus has offices in more than 70 countries. Some of these offices are small and it becomes inefficient to measure and report the impact of all of them in a direct manner. Therefore, we have adopted a more efficient and pragmatic approach by which we report direct measurements of impacts in our 14 largest sites (which represent more than70% of total Amadeus workforce worldwide) and then we make an estimation of the remaining sites, based on the average consumption factors per employee of the sites where we measure our impact directly. In summary, we measure our impact directly for 70% of our employees and indirectly for the remaining 30%. This new methodology was implemented in 2018. Before this date, we were reporting the impact of the sites where our measurement was direct. It is important to note that the reporting of the Amadeus Data Center is included in the direct reporting.

The EMS includes the direct environmental reporting of some of the largest Amadeus sites by number of employees:

1_ Nice, France

2_ Bangalore, India

3_ Miami, US

4_ Erding, Germany

5_ Madrid, Spain (headquarters)

6_ London, United Kingdom

7_ Bad Homburg, Germany

8_ Bangkok, Thailand

9_ Sydney, Australia

10_ Paris, France

11_ Madrid, Spain (Amadeus Commercial Organization)

12_Waltham, US

13_Singapore

14_Manila, Philippines

The scope of the Amadeus EMS direct reporting reaches 14 of our largest sites across the world, which account for more than 70% of all Amadeus employees and approximately 90% of the total estimated Amadeus resource consumption worldwide (considering that our Data Center in Germany is by far the largest energy consumer in the Amadeus Group).

In this respect, our Data Center located in Germany is included in the EMS and accounts for almost 50% of the overall estimated environmental impact and more than 70% of scopes 1 and 2 emissions.

The scope of the Amadeus EMS direct reporting is regularly reviewed and adapted to the changing circumstances of Amadeus and of our business environment. Since 2013, we expanded the scope of the EMS direct reporting to our sites in Bangalore (India), Waltham

(US), Singapore and Manila (Philippines), which together include a workforce of more than 3,000 people.

In order to make sure that the EMS remains an efficient tool to provide visibility of Amadeus operations' environmental impact and that it also allows the proper monitoring by comparing performance from one year to the next, every year the scope of the EMS is reviewed; and when new additions are included, we provide proper comparisons including and excluding the new additions, so that internal and external audiences can easily understand the information and the performance. At the same time, all the 14 sites included in the EMS have remained operational since their inclusion in the EMS so, we haven't had the need to remove any of the sites from the EMS.

We have prioritized those elements in the EMS that are quantitatively more relevant for Amadeus global performance and those where we have room for improvement and management. Following this reasoning, for example electricity gets a higher weight in our objectives than waste generation, since our electricity consumption is more important in absolute terms than the waste generated and also because, arguably, we have more capacity to manage our electricity consumption than the waste generated through our operations. In addition, and given the different nature of activities and environmental impact, we analyze separately the impact of the Data Center from the impact of office buildings.

We have introduced a number of environmentally friendly measures that helped to improve efficiency in the use of resources.

Energy efficiency at the Amadeus Data Center remains a priority. In the last four years, we have reduced the PUE[2] from 1.39 to 1.34.

The number of transactions and queries processed at the Data Center has increased dramatically over recent years, due to the increasing number of online devices that can connect and trigger queries: broad use of the internet, increase of ancillary and customized services to travelers, ability to change travel plans using different means, etc. One of the consequences of this increase in hits in the Amadeus system is that the energy required to process the increasing number of transactions also continues to increase despite the improvements in energy efficiency. As a way to counteract this trend in energy consumption and greenhouse gas emissions, and following our initiative implemented in 2015, the Data Center offsets the increased emissions released at its site compared to 2014 levels.

To this end, we have been working with the UNFCCC (United Nations Framework Convention on Climate Change) to invest in Clean Development Mechanism projects in India. We have offset an accumulated total of 32,091 t of CO_2 (16,410 t of CO_2 in 2018) with Certified Emissions Reductions from these projects.

[2] PUE stands for Power Usage Effectiveness and is a common metric used to measure the energy efficiency of data centers. The closer to 1 the PUE, the more efficient the data center is.

Detailed information on environmental matters

Pollution

Delivering sustainable growth and reducing CO_2 emissions are some of the challenges that we face today. Electricity consumption is one of the largest sources of CO_2 emissions at Amadeus, but also paper use, business travel, natural gas and diesel contribute to our carbon footprint.

We follow the Greenhouse Gas Protocol (GHGP)[3] to manage and report our CO_2 emissions.

• In Scope 1, we include emissions from natural gas and diesel.

• In Scope 2, we include emissions linked to the use of electricity[4] at our office buildings worldwide and at the Data Center.

• In Scope 3, we include emissions from paper consumption and from business travel. We gather information about business trips from our travel agency provider and we use the International Civil Aviation Organization (ICAO) carbon calculator to estimate emissions per passenger. Emissions are therefore calculated for each individual trip. The scope of measurement of emissions from air business travel is 62% of our total workforce.

In 2015, we made a commitment to run Amadeus operations under a carbon neutral growth policy. This implies that we implement measure to reduce emissions as much as possible, and if we emit more than our baseline year, we offset the increase of our CO_2 emissions.

To reduce CO_2 emissions, our sites have implemented some best practices:

Data Center:

The Amadeus Data Center follows a strict energy efficiency policy. The measures taken come from a combination of internal analysis by our experts, as well as reviews and recommendations from external consultants. In this respect, the Amadeus Data Center has maintained since 2010 the TÜV SÜD certification as an energy efficient Data Center. The latest renewal of this certification was obtained in December 2018, following a thorough analysis of the Data Center infrastructure, and is valid until 2021. We have also extended our data center certification to EN 50600, the new EU standard for data centers that is even broader in scope and more demanding.

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[3] The Greenhouse Gas Protocol (GHGP) is the most widely used international accounting tool for government and business leaders to understand, quantify and manage greenhouse gas emissions. The GHGP classifies emissions into three scopes. Scope 1: direct GHG emissions from sources owned by the company; Scope 2: indirect GHG emissions produced as a consequence of the company's operations; and Scope 3: other indirect GHG emissions, such as emissions from travel providers for business travel.

[4] The conversion factors applied, i.e. the amount of CO2 emitted per kWh used, are obtained from the latest updated averages for each country, published by the International Energy Agency in its publication: CO2 Emissions from Fuel Combustion 2018. Paris, IEA Publications, pp. 182-469.

Examples of recent measures taken to improve our energy efficiency and reduce CO_2 emissions include the implementation of a more efficient cooling machines that reduce the energy required to cool servers and also optimize the use of water. In addition, with the heat produced by this cooling machine and a heat exchanger we are now able to heat the Systems and Network Control Center. The old, electrical heating was dismantled. Moreover, we replaced 42 sensible coolers in the Data Center which lead to a power reduction of 50% in that area. Also we will replace 9 transformers with energy optimized transformers, the assumption is, that we will save 55,000 kWh per year.

Office buildings:

- Adapting room temperature to weather
- Promoting the use of carpooling/public transportation. Some of our largest sites like Bangalore or Nice provide shuttle services and shared transport for employees to reduce environmental footprint and traffic congestion.
- Purchase of carbon-neutral paper

Given the nature of our business activities noise and light pollution are not material for Amadeus. Our operations involve the running of our Data Center in Germany and office buildings around the world therefore we are not directly involved in the generation of significant noise or light pollution.

Circular economy and waste management

One of the elements included in our EMS is waste generation. Waste is generated at our premises from kitchens and from general office use. Waste is difficult to measure, since in some cases we do not have the means or documentation to report part of the waste. The principal sources of information to report waste at Amadeus are the recycling companies that provide their services to Amadeus, since they can report the amount of waste collected for recycling, as this is the basis for their invoices. On the other hand, waste generated by extraordinary activities, like works done in buildings, is generally measured, but for comparability reasons it is reported separately from regular waste. At Amadeus, waste generation is generally low compared with other sectors or other types of impact like energy use or greenhouse gas emissions. Nonetheless, we are committed to a reduce-reuse-recycle policy when it comes to waste and to the principles of the circular economy.

Other best practices to reduce waste generation are the following:

- Implementing proper infrastructure to promote classification of waste
- Raising awareness among employees to minimize waste
- Working with external providers to improve the measurement and management of waste
- Replacing paper cups with glass/ceramic mugs

Sustainable use of resources

We focus on making an efficient and responsible use of natural resources that we use directly, like water, or indirectly, like paper.

The use of water at Amadeus is divided into three categories:

1) Water used for cooling of servers, principally at the Data Centre in Erding. Continuous water quality tests are carried out at the Data Center to ensure high water quality standards. With these tests, we reduce the need add new water in the circuits.

2) Water used at office buildings in kitchens, toilets, etc. The amount used for this purpose is relatively low, and thanks to the continuous improvement measures the overall consumption has remained stable despite, the increase number of employees. The improvement measures are related to communication campaigns among Amadeus employees, implementation of new equipment like automatic sensor faucets, etc.

3) Water used for irrigation. Our gardens and irrigation system in Nice minimize the use of water since the plants in the garden are adapted to local weather.

In particular regions or specific seasons, water frequently becomes a scarce resource, especially drinking water. As a company, it’s key to keep a responsible use of water in every action we take. Examples of initiatives carried out at our offices worldwide to reduce water consumption:

- Implementing motion sensor taps in washrooms
- Use of drip irrigation systems and plants with low water consumption
- Use of water-efficient household appliances in kitchens
- Implementing leak detention units to reduce the loss of water
- In Singapore, our office building has a condenser water system to avoid the waste of water in the cooling system due to condensation. The building also harvests rainwater from the roof top for landscape irrigation.
- In Sydney, our office building harvests rainwater by using a downpipe system to collect roof catchment runoff and then deliver it to rainwater storage tanks. Filtered water from the harvesting system is then used for use in the shower and toilets in all bathroom facilities in the building, to hose down the hard external surfaces of the building and where possible to clean the windows.

We report paper consumption at our premises either by summing up the amount of paper bought during the year or, when available, through automated badge-based printing systems. These automated systems permit a more precise monitoring and facilitate the identification of areas for improvement.

Examples of initiatives carried out at our offices worldwide to reduce paper consumption:

- Implementing badge-based printing systems
- Use of carbon-neutral paper
- Setting all printers by default to black-and-white double-sided printing

- Raising awareness among users of the environmental and economic cost of printing
- Use of recycled paper
- Sending used paper for recycling
- Reducing paper advertising as we can use digital screens across the office buildings

Electricity is the principal source of energy we us in our operations. It also represents the main source of our carbon footprint.

We measure electricity consumption at our Data Center and at our office buildings separately. We also report natural gas consumption, which is normally used for heating some of our buildings, as well as diesel, used mainly at our Data Center for a guaranteed uninterrupted power supply.

Most sites reporting in the Environmental Management System have implemented best practices on energy efficiency and behavioural change.

- Replacing incandescent bulbs with LEDs
- Switches connected to movement-detection control systems
- Thorough planning of areas covered by specific light switches
- Automatically switching off lights at certain hours
- Switching off PCs after working hours
- Maximizing the use of natural light
- Adapting room temperature to weather
- Use of energy saving stickers
- Implementing photovoltaic (PV) cells on the roof
- Electric vehicle charging points

In addition, as indicated above (see section on pollution), the Data Center follows a strict energy efficiency policy that involves several actions on different fronts, from the optimization of energy used for cooling to improving the process to decommission old IT equipment.

Regarding renewable energy, Amadeus doesn’t purchase renewable energy certificates. We report renewable energy use based on the production mix per country published by the International Energy Agency. Accordingly, we report on the primary sources of energy necessary for the electricity that it has consumed and the total energy consumption from renewable sources as shown below.

The proportion of renewable energy for our Data Center, i.e. biofuel, waste, hydro, geothermal solar photovoltaic, solar thermal, wind and tide is 31% over the total.

We have also calculated the proportion of renewable energy for our top 14 sites which corresponds to 20.9% over the total.

The percentage of total renewable for our Data Center and top 14 sites is 27.2% which corresponds to 28,210 MWh (101,556 GJ).

Biodiversity protection

We are committed to mitigating the potential impacts on biodiversity though, our direct activity does not generate risks in protected areas.

Amadeus has a broad network of partners and customers across the industry. We take advantage of this to participate in joint industry sustainability projects. For example, in 2018 we joined the initiative led by the World Travel and Tourism Council (WTTC) to fight against the illegal trade of wildlife.

By protecting biodiversity, we aim to have a positive impact on people's livelihoods. As a company we can do a lot to reduce the amount of waste that goes to the landfill. For example, we try to reduce the use of plastics, eliminating single-use kitchenware in our office buildings or organizing clothes donations.

Climate change

As previously mentioned, we follow the Greenhouse Gas Protocol (GHGP) to manage and report our CO_2 emissions.

To achieve sustainable profitable growth, Amadeus has established objectives to reduce our greenhouse gas emissions.

We look at least to 2020 to maintain our objective of not increasing net emissions (scopes 1 and 2) compared to our baseline year of 2015. This makes it a challenging target since it requires efficiency improvements due to fact that the company is growing at a fast pace. Our objective is aligned with the 1.5-2 degrees objective of the Paris Agreement. In case the target is not achieved through direct emissions reductions, we will offset the rest to meet the target. We are currently using Certified Emissions Reductions from Clean Development Mechanisms projects to offset part of our emissions. The total carbon offset carried out for 2018 was 16,410 tons of CO_2.

On the other hand, Amadeus invests annually more than 750 million EUR in R&D, and develop IT solutions that improve the operational and environmental efficiency of our customer. This helps particularly airlines and other customers to meet their own scope 1 targets.

In 2017 we signed the UN Climate Neutral Pledge. In line with the Paris Agreement on climate change, and by signing the pledge, we commit to become climate neutral by 2050. Our goal for 2050 is to not release carbon dioxide and having a net zero carbon footprint. The achievement of this target is planned in different phases. We have started the first one in which we are committing to carbon neutral growth. In 2020 we will revisit this target to make it more ambitious and start delivering net emissions reduction even if the company is growing in revenues and employees.

Climate change-related risks and opportunities

Background

Greenhouse gas emissions and climate change are a principal concern for the travel industry, due to the high-energy intensity of different modes of transportation. Climate change is one of the main risks our planet faces today, the effects of which are predicted to intensify in the following decades, as illustrated by the Intergovernmental Panel on Climate Change (IPCC).[5] Moreover, some of the places most vulnerable to climate change are tourist destinations in developing countries, whose economies depend greatly on the jobs and income generated by tourism.

Most travel industry associations and organizations are addressing climate change as a matter of priority. For example, the International Air Transport Association (IATA), the World Travel and Tourism Council (WTTC) and the International Civil Aviation Organization (ICAO) have put into place specific plans and targets for the reduction of emissions over the mid and long term. The actions required for the achievement of these targets mean, among other things, that the foundations of the travel industry as we know it today will need to change.

Amadeus is involved in the travel experience of more than 2 million passengers daily. We are an important player in the travel and tourism industry and we acknowledge our responsibility to contribute to the fight against climate change.

On the other hand, given the relatively low exposure to environmental related risks of our business, and the geographical diversification that helps to reduce the risks, we don't have any specific provision allocated to cover environmental risks. Nonetheless, some of our most critical installations locations for our operations are covered by insurance policies that include environmental related risks like damages caused by severe weather events. Our locations, assets and related business interruption affected by any such cause would be covered up to a total amount of 700m Euro for certain critical locations and 4m Euro for the remainder.

Risks and opportunities

The climate change-related risks faced by Amadeus can be classified into the following categories:

Physical risks

- Physical risks affecting the communities in which we operate

Amadeus operates in over 190 countries. The risk of climate change impact and/or extreme weather events affecting any of these communities is therefore very high. As part of our social responsibility efforts, we have built a global team of more than 80 social responsibility

[5] IPCC (2014). Climate Change 2014 Synthesis Report – Summary for Policymakers. Geneva, IPCC.

representatives who, among other things, coordinates emergency responses in the event of natural calamities occurring in the markets we serve.

— Physical risks affecting our travel providers and/or customers

Risk of exposure in this case is limited, and the impacts tend to be local. As a mitigation measure, our 24-hour follow-the-sun customer service network is set up to provide extra support in case of need.

— Physical risks affecting Amadeus' operations

Amadeus' operations rely on two basic kinds of infrastructure: (1) commercial and support organizations, with offices across all continents; and (2) the Amadeus Data Center. The probability of a severe weather event affecting any of our numerous offices worldwide is relatively high, but fortunately the adverse impact of such events is mitigated by communications technology that allows for uninterrupted customer service in most cases. Moreover, strict prevention measures to ensure business and service continuity are implemented at all infrastructure-related risks for the Data Center.

Regulatory risks

Climate-related discussions and initiatives at local, national and international level continue to increase, and we expect they will continue to gain momentum over the mid-term. Accordingly, many countries have introduced climate change-related regulations. A principal focus of these regulations is the reduction of greenhouse gas emissions, particularly of CO2, as well as the promotion of renewable sources of energy. At the moment we identify two kinds of environmental regulations that may present an opportunity or a risk to Amadeus:

— Carbon reporting regulations

Some countries like France have already passed legislation mandating corporations to build and report carbon footprint inventories. In the specific sector of transport,[6] travel providers are requested to inform travelers about emissions produced on their trips. Amadeus can help corporations gather the data required for this kind of reporting.

However, there is also the risk that these regulations will become too complex or heterogeneous, making it costly for Amadeus to help corporations report emissions. The Amadeus Industry Affairs team is working with several stakeholders, including the European Union and ICAO, to promote an industry-standard methodology to estimate emissions related to travel.

— Regulations that impose charges on emissions and/or impose emissions reductions

An example of such a regulation is the EU Emissions Trading Scheme (ETS). The ETS was first implemented in 2005, and extended to the aviation sector in 2012.

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[6] Decree No. 2011 – 1336 (France), 24 October 2011.

At the moment we do not expect these regulations to have a significant impact on Amadeus, given the relatively low cost of compliance with the scheme (which is unlikely to reduce travel demand) as well as the geographical spread of Amadeus' operations.

In addition, any IT solution that includes in its value proposition a reduction of fuel consumption and emissions becomes instantly more attractive to customers.

Reputational risks

Travelers and the general public are increasingly aware of climate change risks and expect environmentally responsible operations from companies. Even though Amadeus' exposure to the general public is limited, we need to prioritize compliance with industry environmental standards, making sure our performance in this field excels.

The Amadeus Environmental Management System provides a solid record of our performance evolution and permits the easy identification of areas for improvement. Additionally, Amadeus has been included in external sustainability indices like the Dow Jones Sustainability Index (DJSI)[7] and the CDP,[8] which provide recognition of commitment to sustainability.

The opportunities for Amadeus relating to climate change are divided into two categories:

— Opportunities for new products and services

As mentioned above, corporations are becoming increasingly involved in the reporting of greenhouse gas emissions associated with their operations, including emissions linked to the business travel of employees. Taking advantage of the data and information processed by Amadeus, we can offer solutions that:

- Display emissions during the booking process
- Compare emissions released on different alternative itineraries
- Provide post-trip reports to corporations so they can measure, report and follow up on their environmental impact relating to business travel
- Facilitate mitigation measures, such as carbon offsetting programs

— Opportunities for enhanced value proposition

Amadeus designs IT solutions to improve operational efficiencies for our customers. These operational efficiencies are linked in many cases to better environmental performance, particularly in relation to reduced fuel consumption and emissions for travel provider customers. Examples of these Amadeus solutions include Amadeus Altéa Departure Control-Flight Management, implemented for airlines and ground handlers; Airport IT solutions such

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[7] The Dow Jones Sustainability Indices (DJSI), launched in 1999, are a family of indices evaluating the sustainability performance of the largest 2,500 companies listed on the Dow Jones Global Total Stock Market Index.

[8] The CDP (formerly Carbon Disclosure Project) is an international, not-for-profit organization providing the only global system for companies and cities to measure, disclose, manage and share environmental information. CDP is recognized as the main international standard for climate change reporting and management for corporations.

as Sequence Manager, which reduces the amount of time spent by ground movements and queuing of aircraft; Amadeus Airport Common Use Service, which helps airports reduce energy costs; and Amadeus Schedule Recovery, which helps airlines react quickly and efficiently to disruptions to their operations caused by events such as bad weather and air traffic congestion.

Tables related to environmental sustainability

Energy consumption

	2015	2016	2017	2018	2018[1]
Electricity consumption top Amadeus sites* (GJ)	134,594	129,596	135,107	140,101	201,124
Number of employees	10,192	10,465	11,009**	11,887	17,598
Electricity consumption per employee* (GJ)	13.2	12.4	12.3	11.8	11.4
Electricity consumption Amadeus data center (GJ)	173,899	193,041	220,452	231,801	231,801
Number of transactions processed at the data center (millions)	1,386	1,510	1,738	1,849	1,849
Electricity required per one million transactions (GJ)	125.5	127.8	126.8	125.4	125.4
Total electricity consumption top Amadeus sites and data center (GJ)	**308,493**	**322,637**	**355,559**	**371,908**	**432,925**
Natural gas (GJ)	15,166	22,106	20,327	21,240	30,110
Diesel oil (GJ)	2,704	4,438	2,834	1,750	2,481
Total energy consumption top Amadeus sites and data center (GJ)	**326,363**	**349,181**	**378,720**	**394,898**	**465,516**

[1]Scope: Total Amadeus sites worldwide. For comparability purposes we have included two sets of data for 2018. One including top 13 Amadeus sites by number of employees (same scope as of 2017) and the other with the estimated total of Amadeus calculated from the top 14 Amadeus sites.

*Does not include Amadeus Data Center.

**The methodology to report the number of employees in Miami has been corrected in 2017 to reflect only those employees that work directly from our premises. As a result, the total number has been significantly reduced.

Type of fuel used for electricity generation (GJ)

	Coal	Fuel Oil	Natural Gas	Biofuel	Waste	Other*	Total
Top 14 Amadeus sites	82,653	4,062	45,497	8,731	3,278	90,376	**234,597**
Data Center	295,633	5,567	73,468	42,846	12,628	81,965	**512,107**

*Other: Nuclear, hydropower, geothermal, photovoltaic, solar thermal, wind power, tidal power and other sources

CO_2 emissions*

	2015	2016	2017	2018	2018(1)
Scope 1. Direct emissions (fossil fuels) **	983	1,467	1,263	1,237	1,754
Scope 2. Indirect emissions from purchased electricity**	33,188	35,389	38,810	38,100	46,463
Scope 3. Indirect emissions from other sources***	8,872	7,944	7,712	9,464	9,468****
Carbon offset	2,364	5,050	8,267	n/a	16,410
Natural gas (m^3)	394,822	575,488	529,186	552,964	783,878
Diesel oil (L)	70,043	114,949	73,404	45,328	64,257

[1]Scope: Total Amadeus sites worldwide. For comparability purposes we have included two sets of data for 2018. One including top 13 Amadeus sites by number of employees (same scope as of 2017) and the other with the estimated total of Amadeus calculated from the top 14 Amadeus sites.

*All figures in t of CO_2 unless otherwise indicated

**Carbon offset not discounted

***Includes emissions from air travel (7 sites until 2016, 9 in 2017 and 10 sites from the top 14 Amadeus sites in 2018) and paper use (top 11 sites until 2016 and top 13 in 2017).

**** Includes emissions from air travel (10 sites) and paper use (based on data from 14 sites)

Paper consumption

	2015	2016	2017	2018	2018(1)
Paper consumption (kg)	56,704	44,951	47,023	52,833	79,044
Number of employees	10,192	10,465	11,009	11,887	17,598
Paper consumption per employee (A4 sheets per working day)	5.06	3.90	3.88	4.04	4.08

Water consumption and waste generation

	2015	2016	2017	2018	2018(1)
Water consumption (m^3)	272,288	250,233	253,179	213,897	255,512
Total estimated waste (kg)*	320,476	235,970	315,241	348,480**	507,220

[1]Scope: Total Amadeus sites worldwide. For comparability purposes we have included two sets of data for 2018. One including top 13 Amadeus sites by number of employees (same scope as of 2017) and the other with the estimated total of Amadeus calculated from the top 14 Amadeus sites.

*For comparability purposes, the figures for waste since 2017 do not include obsolete equipment or hazardous waste, since this information is only available in some of our sites. In 2018 we do not include single stream waste in our reporting in Waltham as this is mainly debris generated as a consequence of the works in the building and this is not related to the normal running of the building, and therefore not comparable with other sites. For waste generation in Manila, only paper consumption has been considered due to there is no other data available. Total obsolete equipment in 2018 was 26.8 tonnes and total hazardous waste was 10.8 tonnes.

**The percentage of obsolete equipment and hazardous waste that was sent for recycling in 2018 was 100% and 82%, respectively. For non-hazardous waste, 63% was sent for recycling and 17% was sent to composting.

Amadeus workforce

Employment

The people at Amadeus are the company’s one true competitive advantage. It is their creativity, commitment, expertise and experience that have allowed us to build a leading position in our industry. They are critical to the successful delivery of our strategy and maintaining our long-term business performance.

The role of the People, Culture, Communications and Brand team within Amadeus is to ensure that the company can attract, retain and developing the best talent so that we can deliver for our customers every day.

Our aim therefore is to create the conditions in which all of our people can thrive, to build an inclusive culture in which diversity is valued and celebrated. We provide a culture and environment that values each individual and gives them the best possible opportunity to have a productive, stimulating and enjoyable career. The encouraging results of our 2018 Employee Engagement, as well as the external recognition, suggest we are on the right path to achieve these goals.

Our PCCB teams provide a wider variety of services and processes that enable this, from imaginative rewards and benefits to tailored learning and development programs and international mobility opportunities. They also manage our brand and communications. Our brand comes alive in all what we do, not just through our external website but also our progressive office design. A key element is also how we communicate externally and internally. Our social media tools enjoy one of the highest followers in the industry and we keep employees abreast of what's happening in the company through relevant storytelling and live webcasts with senior management.

All of this makes a significant contribution to a vibrant and successful company.

Total number of employees by Region

Total Workfoce by main countries/ Regions 2018*

Asia- Pacific	1,918
India	1,849
Germany	1,674
Spain	1,455
Middle east and Africa	432
France	4,457
North America	2,787
South America	490
Rest of Europe	1,858
TOTAL	**16,920**

*Scope for this table included all employees in fully owned companies, including new acquisitions in 2018.

Gender diversity by employment type and contract in 2018*

	Employment type		Employment contract	
	Full-time	Part-time	Permanent	Temporary
Male	10,062	210	10,004	268
Female	5,905	743	6,424	224
Total	15,967	953	16,428	492

*Scope for this table included all employees in fully owned companies, including new acquisitions in 2018

Age diversity by employment type and contract

Age	Employment type		Contract type	
	Full-Time	Part-Time	Permanent	Temporary
<30	3,055	25	2,779	301
>50	2,640	254	2,879	15
Between 30 and 50	10,272	674	10,770	176
Grand Total	**15,967**	**953**	**16,428**	**492**

*Scope for this table included all employees in fully owned companies, including new acquisitions in 2018

Gender Diversity by professional category (Corporate level)

	VPs and directors	Senior managers and managers	Staff
By age range			
<30	0	10	2,836
30-50	80	2,677	7,426
>50	109	971	1,666
By gender			
Male	154	2,465	7,143
Female	35	1,193	4,785
Total workforce	189	3,658	11,928

*Scope for this table included all employees in fully owned companies, excluding new acquisitions in 2018, as they are not fully integrated in our corporate classifications.

Dismissals by age, Gender and professional category

	Staff	Senior managers and managers	VPs and directors	Grand Total
<30	**143**			**143**
Male	77			77
Female	65			66
Between 30 and 50 Years old	**136**	**41**		**177**
Male	66	27		93
Female	70	14		84
>50	**56**	**29**	**5**	**90**
Male	24	18	5	47
Female	32	11		43
Grand Total	**335**	**70**	**5**	**410**

*Scope for this table included all employees in fully owned companies, excluding new acquisitions in 2018, as they are not fully integrated in our corporate classifications.

Average remunerations and their evolution disaggregated by sex, age and professional classification or “equal value”.

2018 Median Compensation* (in EUR)		
	Female	Male
Executive Level	**228,740**	**247,481**
Under 30 years	-	-
30-50 years	209,122	212,252
Over 50 years	236,944	270,702
Management Level	**109,846**	**116,280**
Under 30 years	-	-
30-50 years	103,966	108,790
Over 50 years	131,896	139,708
Non-Management Level	**49,233**	**54,434**

Under 30 years	21,972	25,070
30-50 years	51,342	56,955
Over 50 years	66,599	80,584

*Scope for this table includes all employees in fully owned companies, excluding new acquisitions in 2018. Compensation includes total target cash compensation (base salary, target annual bonus and target long-term incentive).

2017 Median Compensation* (in EUR)

	Female	Male
Executive Level	**223,918**	**248,057**
Under 30 years	-	-
30-50 years	221,221	214,124
Over 50 years	244,873	275,681
Management Level	**108,054**	**114,414**
Under 30 years	-	-
30-50 years	103,522	107,403
Over 50 years	131,353	135,253
Non-Management Level	**48,045**	**53,487**
Under 30 years	20,000	25,292
30-50 years	50,389	56,120
Over 50 years	64,772	79,439

*Variations between 2017 and 2018 are impacted by exchange rate evolution and difference in workforce composition.

Salary gap.

Pay Gap*

	(Median Male - Median Female) / Median Male
Executive Level	7.6%
Management Level	5.5%
Non-Management Level	9.6%
Total (weighted average)	**9.2%**

*Scope for this table is the same as in the table "2018 Median Compensation".

The average remuneration of the directors and executives, including the variable remuneration, allowances, indemnities, the payment to the systems of forecast of long-term savings and any other perception disaggregated by sex.

2018 Average Compensation (in EUR)

	Female	Male
Board of Directors:		
- External Directors	123,495	114,275
- Executive Director	-	5,035,718
Executives*	393,159	360,762

* Includes the Company's Executive Committee as well as other individuals with senior leadership responsibilities.

Work Disconnect policy

Work life balance is embedded in our culture and promoted across the organization. The diversity in our culture drives to have different laws and policies applicable in the different sites being adapted to the local regulations. All of our main sites promote teleworking and flexible working hours opportunities, as well as 2 of our main sites, NICE and NORAM, (39% of overall population) recently implemented policies related to labor disconnection.

This policy confirms that employees have the right to disconnect outside of working hours (except for on-call periods), during their statutory daily and weekly rest periods, and during leave and periods when the contract is suspended.

Consequently, mobile equipment and email and other messaging systems should not be used during employees' rest periods (of all kinds); periods when the employment contract is suspended must be observed by all parties.

Disabled employees

At Amadeus, our culture of inclusivity is shaped by our people: a global community of over 140 different nationalities. But diversity means more than simply being a group of people from different backgrounds and places. We are actively committed to promoting a welcoming, inclusive and supportive atmosphere across every office – a shared culture of respect, openness and thoughtfulness, underpinned by our collective enthusiasm for technology, travel and innovation.

Our commitment is to accept and respect differences between and within cultures, and acknowledge and endorse differences based on gender, age, race, ethnicity, beliefs, sexual orientation and disabilities, as well as diversity of thoughts and experiences.

To make this commitment effective, we regularly review our progress in order to identify opportunities for improvement and to provide direction for our long-term diversity and inclusion strategy. Our activities this year aimed to promote diversity and inclusion within the company and also in the communities where we operate. The key diversity dimensions we focused on were gender, LGBTI and people with disabilities.

Our largest site, in Nice, took the lead on inclusion of people with disabilities, hosting disability awareness training sessions and other activities in honor of European Disability Employment Week. We constantly review accessibility to our sites, equipment is available, and offer diversity awareness training for managers. In addition, we engage with schools, universities and job fairs to promote the hiring of people with disabilities.

	Employees with disabilities
Total	186

*Scope for this table included all employees in fully owned companies, excluding new acquisitions in 2018, as they are not fully integrated in our corporate classifications.

Work-life balance and absenteeism

At Amadeus we believe A good work/life balance c

an enable employees to feel **more in control of their working life** and lead to:

- increased productivity
- lower absenteeism
- a happier, less stressed workforce
- improvements in employee health and well-being
- a more positive perception of you as an employer

- greater employee loyalty, commitment and motivation
- a reduction in staff turnover and recruitment costs

In Amadeus we have implemented in the last few years a number initiatives to support and embrace work-life balance. As a latest example in our Headquarters in Madrid we implemented the “smart work” program. The aim of this policy is to allow more flexibility to those employees who are willing to perform part of their working activities outside the ºAmadeus premises. The independent Smart Work days allow the employee to better engage with personal needs, without having to commit to a fixed teleworking regime.

*Scope for this table included all employees in fully owned companies, excluding new acquisitions in 2018, as they are not fully integrated in our corporate classifications.

	Male	Female	Totals
Number of Absentees hours (In the case of more than one office / site, please sum the total from each office / site)	222,983	214,788	437,771

Health and safety

Amadeus is firmly committed to a work environment where all activities are carried out safely, and with all possible measures taken to remove (or at least reduce) risks to the health, safety and welfare of employees, contractors, authorized visitors, and anyone else who might be affected by our operations.

Injuries per type	Male	Female
Neck or back	7	4
Bone	9	4
Soft Tissue	4	3
Burns	-	2
RMI	1	-
Other	62	49
Totals	83	62

	Male	Female
Total Injuries	83.00	62.00
Injury Rate	5.27	6.34
Occupational Disease Rate	0.01	0.01
Lost Day Rate	0.08	0.11

*Scope for this table included all employees in fully owned companies, excluding new acquisitions in 2018, as they are not fully integrated in our corporate classifications.

Relationship with employees

We have a culture of open, transparent and inclusive employee communications. Our goal is to help our people connect what they do individually with the company vision and strategy, to be more engaged in their day to day work, and to build a sense of belonging to one global team.

Good communications drive performance: we inform our employees about our business strategy, our customers, the market and technology landscape and key events both external and internal. We work to make relevant resources and information accessible through a variety of channels. We build a sense of belonging by sharing stories that unite us as a global workforce with common values. And we work to empower our employees at all times by encouraging greater exchange, input and dialogue.

Each and every employee makes a unique contribution to Amadeus' goals. We take pride in delivering better journeys, helping our customers be successful, innovating and giving back to our communities and society. This is brought to life by the personal experiences, perspectives and stories shared on a daily basis with colleagues around the world. In 2018 our most popular communications were '5-minute jabbers' with senior leaders, and stories on the following topics: diversity and gender equality, our employee home and language exchange program, GDPR readiness, employee relocation experiences, and customer first stories from around the world.

The internal communications team also played an important role in informing employees during key Mergers & Acquisitions developments and business transformation programs that took place across the company in 2018.

During 2018, we ran our 5th employee survey in 2018 which was answered by Over 12,500 employees – (86% of the Amadeus population).

We had 5th consecutive year of improvement in overall company score (graph of five waves) with a 0.04 score increase since our last survey, which is in line with Gallup norms.

In 2018, we ran our very first company-wide broadcasting, called Amadeus Live. The purpose is to strengthen the sense of belonging and connect every single employee with the strategy of the company. The format allows us to align the entire company on strategic topics in one single day, across the globe. The topics vary from business to people and culture and anything in between. The results were impressive: more than 7,700 people registered, and there were more than 6,300 live connections throughout the day from 80 countries.

A European Work Council agreement is available for AMADEUS companies located in member states of the European Union and states signatories of the European Economic Area, and non-members of the EU including Switzerland, on the provision of consultation and information sharing on transnational matters affecting employees within those companies defined later on.

The parties recognise this Agreement as a negotiated agreement under Spanish law 10/1997 of April 24, as amended by the Act 10/2011 of 19 May 2011implementing the Council Directive 2009/38/EC of 6 May 2009.

This Agreement will apply to all AMADEUS companies located in member states of the European Union and states signatories of the European Economic Area and non-members of the European Union including Switzerland, and it does not exclude any European country where an Amadeus Company with majority shareholding exists.

The scope of the Amadeus European Employee Council consists of significant subjects of a transnational nature based on a Central Management report and relating to the following:

- Information shall be provided regarding, but not limited to, the following subjects:
    - the structure of the business;
    - the economic and financial situation and forecast of the Company, including likely business forecasts and activities of the undertaking;
    - the development of the business;
    - production and commercial activities and sales;
    - employment trends;
    - Company strategy and investments;
    - establishment of undertakings;
    - exceptional events affecting any of the above;
    - Headcount evolution and forecasts;
    - Corporate Policies;
    - Employees' financial participation in the Company (eg. Future share options).
- Consultation shall be undertaken regarding, but not limited to, the following subjects:
    - Substantial changes of organisation such as mergers, cut-backs, closures or relocation of tasks resulting in collective redundancies;

- Cost reduction programs impacting staff;
- New working methods;
- Significant transfers of production;
- Environmental issues;
- Outsourcing plans of a transnational nature;
- Costs and benefits of transnational issues.

If the local regulation across the agreement requires additional details or procedures, the local law will always prevail.

Total Workfoce by main countries/ regions covered with collective agreements 2018*	
Asia- Pacific	19%
India	0%
Germany	69%
Spain	100%
Middle east and Africa	0%
France	95%
North America	0%
South America	0%
Rest of Europe	26%
Totals	**47%**

*Scope for this table included all employees in fully owned companies, excluding new acquisitions in 2018, as they are not fully integrated in our corporate classifications.

An overall population of 47% worldwide is covered by collective agreements, however most of European sites like Madrid (Spain), Nice (France) or Erding (Germany) the percentage of workforce increases significantly.

The health and safety of our employees is a matter of the utmost importance for us. In order to ensure all local regulations are complied with, each Amadeus office coordinate this activity at local level.

Training and development

Learning and Development are the two essential ingredients needed to keep the teams mobile and actively engaged. A Competency Model is available to all employees to give them an excellent insight and overview of what key behaviors and required skillsets are essential at every level of the business.

Every employee is considered as unique, with their own set of special aspirations, suite of skillsets and bank of knowledge. Whether they want to pursue a career in leadership, or try their hand at becoming a technical expert, the Competency Model can point them in the right direction.

We have a decentralized learning program in which each site and company of the group manages their own training budget and policies based on market requirements. We provide available corporate training tools which gives employees empowerment to decide on their own training demands.

Employee category total number of hours	Male	Female	Total
SVPs, EVPs and VPs	89.02	19.34	108.36
Directors	1,802.44	400.16	2,202.60
Associate directors	1,873.47	618.59	2,492.06
Senior managers	10,547.78	4,650.49	15,198.27
Managers	31,510.87	17,407.50	48,918.37
Staff	179,871.85	101,497.48	281,369.33
			350,289

*Scope for this table included all employees in fully owned companies, excluding new acquisitions in 2018, as they are not fully integrated in our corporate classifications. The figures show training average per employee category.

Employee category	Male	Female	Total
SVPs, EVPs and VPs	3.87	6.45	4.17
Directors	13.76	12.51	13.51
Associate directors	10.13	11.90	10.52
Senior managers	14.51	16.04	14.94
Managers	11.21	20.46	20.35
Staff	25.18	21.21	23.59

*Scope for this table included all employees in fully owned companies, excluding new acquisitions in 2018, as they are not fully integrated in our corporate classifications. The figures show training average per employee category. GRI 404-1

Amadeus invests heavily in training specially for woman, which is showed evident on the higher average number of training hours they received compared to the male average.

Accessibility

For Amadeus, developing an accessible workplace is an imperative to help expand workplace diversity, and ultimately improve the hire, retention of employees with disabilities. Therefore, in sites like Madrid we develop individualized accessibility actions for each employee with disabilities, providing the required tools and support for their daily activities. In the USA we participate in the equal employer opportunity (EEO) program.

In accordance with the Americas with disabilities Act of 1990 (ADA), Amadeus prohibits any form of discriminations against individuals with physical or mental disabilities in hiring as well as in all terms and conditions of employment.

Equity

Amadeus works to help everyone shape their own journeys, creating value for customers, travelers and society. Our culture promotes respect, fairness, equal opportunity and dignity for everybody and allows our people to be the best version of themselves.

At Amadeus, we accept and respect differences between and within cultures, and acknowledge and endorse differences based on gender, age, race, ethnicity, beliefs, sexual orientation and disabilities, as well as diversity of thoughts and experiences.

To make this commitment effective, we regularly review our progress in order to identify opportunities for improvement and to provide direction for our long-term diversity and inclusion strategy. Our activities this year aimed to promote diversity and inclusion within the company and also in the communities where we operate. The key diversity dimensions we focused on were gender, LGBTI and people with disabilities.

We work to build a workplace with equal opportunity for all employees. We regularly review our selection processes for bias and ensure our job offers are gender neutral. We closely monitor remuneration processes for gender bias. Women at Amadeus are further empowered through cross mentoring programs, and the work of the employee-led Amadeus Women’s Network which operates at many of our offices.

We’re also focusing on encouraging girls and young women to pursue careers in STEM fields through our support of Inspiring Girls (see below) in Spain and our sponsorship of the Code First: Girls conference in London.

Amadeus was proud to show its commitment to the LGBTI community this year as the 150th company to support the UN Standards of Conduct for Business for tackling discrimination against Lesbian, Gay, Bi, Trans, & Intersex people. Amadeus also joined other leading Spanish companies to create REDI (Red Empresarial por la Diversidad y la Inclusion LGBTI) to promote best practices in the workplace for LGBTI diversity and inclusion. Our LGBTI employee resource group, Amadeus Proud, opened a chapter at our Madrid headquarters, increasing visibility and expanding the LGBTI and Ally network.

We were proud to support the work of Inspiring Girls, an organization that provides female professional role models to 11-15 year old girls. The girls have an opportunity to meet women in a variety of non-traditional professions so that they can expand their view of available professions, ask questions, and see that the women who work in these fields are not outliers. Amadeus was delighted to host one of these sessions at our Madrid office

Amadeus is fully committed to comply with all appropriate laws and regulations in all countries and jurisdictions in which we operate. This includes, but is not limited to, laws and regulations pertaining to health and safety, labour, discrimination, insider trading, taxation, data privacy, competition and anti-trust, the environment, public tenders, anti-bribery and anti-money laundering. Madrid headquarters complies with the legal obligations stated in Law 3/2007 of effective equality between women and men.

Compliance alone, however, is not enough. Consistent with the values and principles set forth in this Code, we are guided by the highest ethical standards and are firmly committed to excellence in the fields of corporate governance, social responsibility and environmental sustainability.

Human Rights Policy

Amadeus is committed to developing an organizational culture and structure that supports human rights policies all around the world. Amadeus aims to clearly set out its views on potential issues surrounding human rights such as fair wages and compensation, freedom of association and collective bargaining, health and safety, migrant workers, and non-discrimination of the workforce.

Amadeus, and its global group of companies worldwide, is committed to developing an organizational culture and structure based upon the principles set forth in The Universal Declaration of Human Rights, The International Covenant on Civil and Political Rights, The International Covenant on Economic, Social and Cultural Rights and The International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

We seek to establish relationships with entities and organizations that share the same principles and values as Amadeus. It is expected from our partners to respect and not infringe upon human rights. Within our company, should any employee believe that someone is violating the Human Rights Policy or the legislation, they are asked to immediately report it to their manager, to the Human Resources department or to the Ethics Committee.

Our senior management has the responsibility for ensuring adherence to these commitments as well as for overseeing their implementation and guaranteeing that any breaches are investigated.

Amadeus adheres to national law and regulation in each market in which it operates. In situations where Amadeus faces conflicts between internationally recognized human rights and national regulations, the company will follow processes that seek ways to honor the principles of international human rights.

In addition to working within the respect for human rights, we also pursue opportunities to support human rights in areas where we can make a positive impact, in local communities, through our CSR initiatives.

Child labor

There is no child labor in Amadeus, therefore it is excluded from any recruitment activity. This statement uses the applicable local legislation to determine the definition of a child.

Fair wages/compensation

Every Amadeus employee has the right to a fair compensation for his/her work. The company is committed to remunerating employees in line with the labor market best practices and local legislation.

Freedom of association/collective bargaining

Amadeus reaffirms its support to the freedom of association and the right to collective bargaining. In that regard, the company is committed to complying with the ILO Conventions with respect to freedom of association and trade union rights, fully acknowledging the right to organize and the right of unions to represent and negotiate on behalf of the employees, without prejudice to existing local legislation.

Health and safety

Amadeus is firmly committed to a work environment where all activities are carried out safely, and with all possible measures taken to remove (or at least reduce) risks to the health, safety and welfare of employees, contractors, authorized visitors, and anyone else who may be affected by our operations. Amadeus' Health and Safety policy requires that each of its companies or legal entities develops and approves a Health and Safety Policy. Programs and procedures in line with this policy are developed and implemented at local level following the approval of the General Manager/Site Manager.

Migrant workers

All of Amadeus employees, including migrant workers, are provided wages, benefits and working conditions that are fair and in accordance with local legislations. We do not permit holding workers' passports to keep them from leaving, charging any type of fee or deposit for employment, or any other unfair practice. Amadeus repudiates human trafficking.

Non-discrimination

At Amadeus, we value and respect the differences of our workforce. We are committed to ensuring that every single employee is treated with respect, dignity and fairness and that he/she is given equal opportunity. This means that throughout all our HR processes - recruitment, compensation and benefits, training, development, promotion, transfer, mobility and termination -, individuals are solely assessed based on their merit and their ability to meet the requirements and standards of the role and that they are not discriminated against. For our company, valuing diversity and inclusion means accepting and respecting differences between and within cultures, while acknowledging and endorsing differences based on gender, age, race, ethnicity, beliefs, sexual orientation and disabilities. We respect everybody's rights and we have a zero tolerance policy to discrimination.

Non Compliance with Policy and consequences

Non-compliance with this policy will not only violate Amadeus values, but it may also have a wider socio-economic impact on the Amadeus company as a whole. Negative press and links with human rights violations can be very damaging to a company's reputation and can lead to loss of customer trust and engagement.

Reporting violations will be treated as highly confidential and will be recorded anonymously. All reports will be taken seriously and will be treated on a case by case basis, with adequate escalation to relevant governing bodies if needed.

Escalation Procedure

The members of the Ethics Committee responsible of the compliance of the Human rights policy can be reached through direct contact, or through a confidential email sent to ethics@amadeus.com. Whenever necessary and appropriate, Amadeus will establish alternative means of communication outside of normal email to ensure confidentiality.

In 2018 we have not received any complaints related to Human Rights violations.

Social commitment

Our goal in relation to social responsibility is to improve our contribution to society by engaging the unique resources that Amadeus has to make a real difference in the countries where we operate.

Amadeus' Community Support program aims to improve the living standards of disadvantaged people through initiatives with non-profit organizations and local authorities across the markets we serve.

Under this program, Amadeus staff funds the work of around 100 non-profit organizations. Through sports for charity, fundraising and cash donations, our people found creative ways to help in their local communities. Amadeus staff also dedicated more than 16,000 hours to volunteering in 2018.

In addition, Amadeus business teams found ways to include a responsible component in their activities: volunteering in the local community as part of leadership development and team-building activities; using donations to incentivize survey and campaign responses; rewarding competition winners with donations to a charitable cause; and dedicating their customer Christmas present budget to a non-profit. The funds raised this way grow continuously, reflecting staff's enthusiasm to make a difference.

In relation to the impact on local development and communities, one of our principal contributions is based on the provision of high-quality jobs that generate local positive direct and indirect impact. Out of the total workforce of close to 19,000 FTEs, more than 90% are outside Spain and spread across more than 70 countries. In this respect, our historical growth and positive economic results has resulted in a significant total tax contribution.

Through Amadeus' Community Support program, we support people in need in our local communities with a particular focus on children, youth and women. In 2018, we collaborated on 125 projects with 107 non-profit organizations and local authorities in 30 countries.

Sports for charity, food and clothes collection and local fundraising and cash donations are some of the creative ways our people find to help in their local communities. Amadeus staff also dedicated 16,738 volunteer hours.

In addition, Amadeus business teams found ways to include a responsible component in their activities: volunteering in the local community as part of leadership-development and team-building activities; using donations to incentivize survey and campaign responses; and through leading social responsibility projects of their own.

Relationship with providers

Amadeus expects all internal and external participants in the purchasing process to observe the highest standards of ethical conduct. We expect business to be conducted in accordance with the Amadeus Code of Ethics and Business Conduct (CEBC) (available at www.amadeus.com) and with Amadeus' Purchasing Ethics as stated in the Amadeus corporate purchasing policy.

We expect all Amadeus Employees involved in the purchasing process to maintain the highest level of integrity and objectivity in the decision-making process; therefore, we discourage Employees and vendors from doing anything to compromise or appear to compromise objectivity.

All Amadeus employees will have to adhere to the provisions included in the Amadeus Code of Ethics and Business Conduct (CEBC).

All Amadeus employees, especially the ones involved on the procurement process, have to develop plans to ensure that all potential vendors are in line with the Amadeus Code of Ethics and Business Conduct (CEBC). At least preferred vendors for each Amadeus Company will have to explicitly adhere in writing to the Amadeus CEBC extract for suppliers.

_ In case any of those vendors are having their own documented CEBC in place (which Amadeus has the right to ask for and/or audit) and it is demonstrated that their own CEBC is at least as strict as the Amadeus one, it will be accepted that they adhere to their own CEBC, but this has to be confirmed in writing.

_ For the rest of the vendors, and in order to optimize efforts the following is proposed:

- Wording referencing to vendor adherence to CEBC will be included in any contract or Purchase Order that is ruling relationship with such vendor
- Link to CEBC will be included as well
- In case vendor is not in agreement with this wording , it is vendor's responsibility to explicitly say if they are not adhering to CEBC ,which are the reasons that motivate this and then the respective Purchasing Department will decide how to move forward in each specific case

_ The Amadeus CEBCPB has to be attached in all requests for information and proposal and contract renewals

The aim of Amadeus is to ensure that all the participants involved in the procurement of goods and services consider social & environmental responsibility as a factor of their purchasing decisions. Amadeus as a corporate organization requires contributing to better, environmentally and social friendly performance and minimize our company carbon foot-print, when possible and economically viable, we must take into consideration certain environmental requirements, and in particular Amadeus requires:

_ Only buy goods and services that are truly necessary (e.g. avoiding internal storage, making an evaluation first on whether internal resources can be used as an alternative,…)

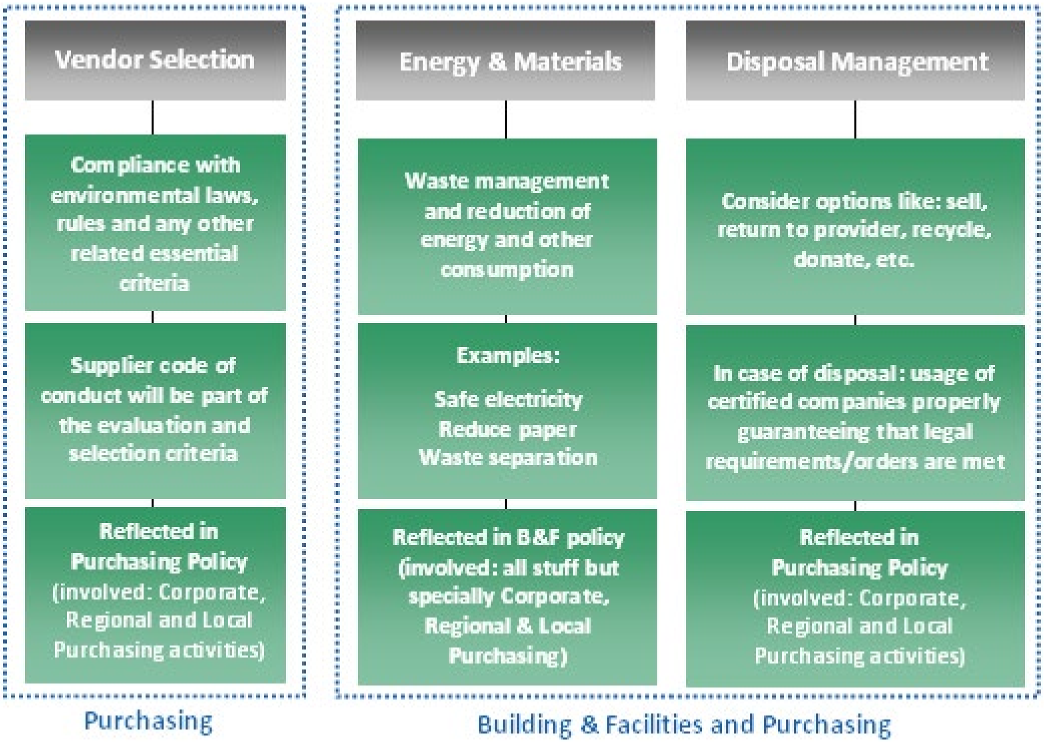
_ Prioritize goods which are produced in an eco-friendly way.

_ Prioritize goods which can be disposed on in an environmental responsible way (fully of partly recycled or reused).

_ Prior to purchase, consider the energy usage/cost of operating equipment.

Consider "whole life" cost and impact when assessing equipment for purchase.

_ Amadeus commitment is reflected in various programs and policies/ guidelines which could be summarized as follows:



When it comes to deal with vendors and their environmental responsibility, Amadeus has to:

_ Favour vendors which are committed to environmental responsibility by having an environmental policy in place and demonstrate ability and willingness to comply with environmental obligations, in all cases were requirements are equally fulfilled and commercial proposal more or less identical.

_ At least preferred vendors for each Amadeus Company will have to explicitly adhere in writing to the Amadeus Environmental Policy (available at www.Amadeus.com)

_ In case any of those vendors are having their own documented Environmental Policy in place (which Amadeus has the right to ask for and/or audit) and it is demonstrated that their own is at least as strict as the Amadeus one, it will be accepted that they adhere to their own Environmental Policy, but this has to be confirmed in writing.

_ In case vendors do not have an Environmental Policy in place, they will have to be compliant with the Amadeus one (attached below)

- Wording referencing to vendor adherence to Environmental Policy will be included in any contract or Purchase Order that is ruling relationship with such vendor
- Link to Environmental Policy will be included as well
- In case vendor is not in agreement with this wording , it is vendor's responsibility to explicitly say if they are not adhering to Environmental Policy ,which are the reasons that motivate this and then the respective Purchasing Department will decide how to move forward in each specific case

_ In case the vendors do have an Environmental Policy in place, Amadeus has the right to ask for and/or audit it.

_ Ensure that potential vendors and contractors are aware of and understand our environmental responsibility and requirements (via Requests for information or proposal, meetings with existing vendors, etc.).

_ Ensure that our vendors are compliant with environmental laws and regulations (written confirmation; copy of certificates, etc.) Ensure that, in the course of their business activities, vendors shall duly consider.

the need to conserve ecosystems as well as local and global environment and strive to prevent the occurrence of any environmental pollution.

As part of the Amadeus Corporate Social Responsibly initiatives (which fall under the Code of Ethics and Business Conduct), during the procurement process, all Purchasing departments will try to ensure that:

_ Vendors respect the human rights of employees, and never treat employees in an inhuman manner

_ Vendors prevent forced labour or child labour

_ Vendors not practice discrimination in hiring and employment

_ Vendors prevent unfair low-wage labour

_ Vendors respect the right of employees to organize, for smooth negotiation between labour and management.

_ To create and maintain healthy and safe work conditions for all their employees.

_ Vendors strive provide employees with a safe and healthy work environment

_ Vendors observe all related laws and international rules, and ensure fair transactions and prevent corruption

_ Vendors disclose information regarding the above items in a timely and appropriate manner

_ Vendors are aware of the Amadeus Corporate Social Responsibility (CSR) standards and comply with them.

Vendor evaluation process

A vendor evaluation process related to the most relevant vendors will be executed at least once a year by Corporate Purchasing Unit together with Local Purchasing Organizations permanently involved in the procurement process. All other locations are invited to join.

Objective of the activity is to monitor and review if each Vendor fulfils the Amadeus requirements. Corporate Purchasing (CPU) will inform those departments early in advance when this process should take place (as a rule once a year in the 1st Quarter of the following year). CPU will analyse and summarize all results and create a consolidated document of the evaluation per vendor which will be properly stored and communicated.

In addition, there has to be always a notification to CPU in case of any problems with those vendors which cannot be solved on local/ regional level. The feedback from the local organizations enables CPU to determine if the supplier achieves (or keeps) a positive performance ranking. In case of a negative ranking CPU will take action towards vendor. If it makes sense, this task can be delegated to a local purchasing department.

The final result and possible feedback from the vendor will be distributed to all participated departments and published in the CPU community.

Besides the Evaluation Process for all those Vendors under Group/ Regional agreements, all locations have to establish as well their evaluation processes (monitoring of KPIs/ SLAs etc.) for local / regional vendors. In case there is no local process/ template, they can use the corporate template as attached. Depending on the item/service this evaluation may include the monitoring of SLAs/ KPIs according to agreed levels and frequencies.

Locations without a professional purchasing department have to nominate the persons who are responsible for that process.

Customer services

Amadeus operates a business to business model and therefore it is not directly involved with consumers. Our customer service and support delivers a wide range of learning, support, automation, content and security management services.

In order to ensure proximity to our customers, we have built a strong local, regional and global customer service presence.

_ Level 1 customer support is provided to our distribution customers by our local and regional helpdesk organizations. Customers have the support close to them, in the local language and with knowledge of market-specific products. Airlines can opt for an in-house helpdesk or outsource their Level 1 support to our Amadeus customer services experts.

_ Level 2 support is provided by the Amadeus Service Management Centers, which form a virtual support network distributed across the globe.

Amadeus employs a follow-the-sun approach that provides seamless 24/7 service from our Service Management Centers. The structure of this network is designed to guarantee technical and functional support at any time for all our customers worldwide.

Our Service Management Centers located in Miami and Nice serve our travel agency, corporate and airlines customers, while those in Bangkok and San José (Costa Rica) serve travel agencies and corporations.

We also have dedicated service centers for airline customers in Dallas, London, Istanbul, Dubai, Bangalore, Manila, Tokyo and Sydney.

_ Level 3 support. Our expert teams collaborate closely with Amadeus' R&D, product management and operations teams to minimize R&D incident resolution time, reduce incident backlogs and improve the accuracy of responses. The synergies of their expertise allow for continuous improvement of the investigation and recovery of non-code-related incidents in complex areas.

In addition, our Voice of the Customer program monitors customer loyalty and evolves to open new feedback sources and channels between customers and Amadeus.

The main purpose of the program is to transform customer feedback into insights that teams across Amadeus will use to improve our performance. This helps us to continually revisit our way of doing things and focus on the areas that are priorities for our customers. This feedback is also key to defining Amadeus' strategic investments.

Customers actively participate in the design of our action plans, and we keep them informed regularly of the progress made. This communication is always carried out face to face via our teams in the regions or the different customer forums organized throughout the year.

In 2018, nearly 100 customer sessions were held with travel agencies to understand their internal processes and how they interact with Amadeus.

Amadeus has been working actively toward the new General Data Protection Regulation (GDPR) enforcement introduced in May 2018 by the European Community regarding data privacy. A global review of the compliance of all our systems and processes pertaining to personal private information (PII) has taken place with the support of specialized consulting firms. All immediate actions have been implemented, and a detailed plan has been laid down for further evolutions.

Industry relations

In the vast landscape of different private sector and trade industry stakeholders in travel and tourism, Amadeus engages with selected players in an open and constructive dialogue on industry issues. We collaborate in our own trade associations and partner with our airline and travel agency customer organizations to work toward common public policy goals. As an active partner, we have strong relations and work closely with institutional stakeholders, consumer advocates and many other travel and tourism associations across the globe.

Fiscal information

The tax contribution provided by the Group through compliance with its fiscal duties, in relation to both taxes paid directly by the Group companies and those collected from third parties but derived from the Group´s activities, is part of its core contribution to the sustainability of public finances and the development of the communities in which it operates.

The tax strategy of Amadeus IT Group, S.A. (“Amadeus” or the “Company”) is aimed at the full and strict compliance with all appropriate tax laws and regulations in every country and jurisdiction in which it operates. Moreover, Amadeus strives to follow the best standards in the business community and aims to be recognized for its practices and programs on corporate and tax governance. Amadeus tax policy is publicly available at: https://corporate.amadeus.com/documents/en/corporate-sustainability/report/tax-strategy.pdf

Fiscal information 2018 (all figures in Euros) *

Country	Pre-Tax Results ***	Tax Cash Paid ****
Albania	5,130.79	16,593.00
Angola	127,600.36	N/A*****
Argentina	(524,266.00)	534,783.00
Australia	6,691,808.77	1,112,694.00
Austria	746,240.28	217,213.00
Barbados	6,434.92	3,689.92
Belgium	1,864,393.41	406,559.00
Bolivia	48,880.76	5,271.00
Bosnia	46,749.86	4,993.00
Brazil	67,629.90	24,898.00
Bulgaria	157,136.93	8,692.00
Cameroon	41,045.42	26,806.38
Canada	692,770.87	189,528.00
Cape Verde	9,097.78	11,051.76
Chile	152,429.49	214,188.00
China	5,579,955.42	372,629.00
Colombia	1,120,622.30	45,630.00
Congo Republic	14,168.27	2,923.64
Costa Rica	586,485.72	99,028.83

Czech Republic	(118,732.71)	71,468.00
Denmark	633,653.71	131,333.00
DRC	(966.27)	13,337.52
Dubai **	2,756,079.43	0
Ecuador	35,655.23	65,135.00
El Salvador	50,286.05	15,735.91
Estonia	(131,959.51)	125,404.00
France	435,288,792.13	84,624,942.00
Gabon	21,909.50	3,376.85
Germany	167,702,074.49	46,880,347.00
Ghana	88,568.20	43,535.00
Greece	327,673.93	2,676.00
Guam	4,104.69	N/A*****
Guatemala	71,750.66	80,562.60
Honduras	37,060.34	N/A*****
Hungary	108,092.18	7,841.00
India	9,566,111.33	5,118,009.00
Indonesia	(183,929.38)	8,236.00
Ireland	43,506.44	44,247.00
Israel	291,247.70	83,960.00
Italy	2,445,608.51	298,485.00
Ivory Coast	154,316.92	10,079.65
Japan	916,305.07	600,365.00
Kazakhstan	(52,122.02)	237,047.00
Kenia	419,819.55	411,346.16
Korea	198,489.29	54,439.00

Latvia	1,136,537.43	47,465.00
Lebanon	(2,738.76)	12,131.00
Lithuania	214,781.96	N/A*****
Luxembourg	79,664.13	22,371.00
Macedonia	2,652.19	12,093.00
Malaysia	115,373.22	158,785.00
Malta	22,876.00	9,938.00
Mauritius	11,798.05	N/A*****
Mexico	136,634.81	147,301.00
Mozambique	7,492.44	N/A*****
Netherlands	(3,900,230.43)	21,412.00
New Zealand	600,161.00	158,831.00
Nicaragua	12,661.85	4,124.27
Nigeria	376,284.23	N/A*****
Norway	467,005.53	98,183.00
Panama	23,178.48	12,566.71
Paraguay	37,761.93	N/A*****
Peru	(161,712.16)	N/A*****
Philippines	783,764.52	93,548.00
Poland	701,155.07	227,372.00
Portugal	(91,427.46)	79,762.00
Puerto Rico	275.75	165.11
Dominican Republic	53,260.49	38,525.67
Romania	178,911.79	31,643.00
Russia	933,170.83	182,605.00
Senegal	114,906.60	55,843.46

Singapore	3,564,354.09	N/A*****
Slovenia	36,897.95	(41,632.00)
Southafrica	1,032,807.59	277,811.00
Spain	646,317,740.17	94,390,591.00
Sweden	2,344,272.87	889,968.00
Switzerland	493,729.24	364,653.00
Taiwan	314,086.79	42,849.00
Tanzania	23,516.34	13,968.58
Thailand	4,246,634.42	872,493.00
Trinidad	21,648.11	10,420.33
Turkey	121,378.90	23,764.00
Uganda	16,635.15	16,765.26
UK	8,552,231.56	998,299.00
Ukraine	1,294,897.17	139,304.00
Uruguay	(240,577.93)	57,528.00
US	119,424,316.97	7,249,007.65
Venezuela	6,439.53	10,985.00
Yemen	(25,372.63)	N/A*****

Notes:

*Tax Cash Paid information about the recent acquisition Travelclick is not material and has not been included in this report.

** Dubai: Amadeus operates in Dubai through a branch of Amadeus IT Group, S.A. (Spanish Head Office).

*** Pre-tax results are calculated under IFRS accounting principles

**** Tax Cash Paid applies on tax basis calculated under domestic accounting legislation

***** N/A means no cash payment during year 2018 (no tax exemption from Corporate Income Tax).

Amadeus has not received any subsidy from any public institution during year 2018

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KPMG Asesores, S.L.
Pº de la Castellana, 259 C
28046 Madrid

Independent Assurance Report on the Consolidated Non-Financial Information Statement of Amadeus IT Group, S.A. and its subsidiaries for the year 2018

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

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

Pursuant to article 49 of the Spanish Code of Commerce, we have provided limited assurance on the consolidated Non-Financial Information Statement (hereinafter NFIS) for the year ended 31 December 2018, of Amadeus IT Group, S.A. (hereinafter the "Company") and its subsidiaries (hereinafter the "Group") which forms part of the Group's 2018 consolidated Directors' Report.

The contents of the consolidated Directors' Report includes additional information to that required by prevailing mercantile legislation on non-financial information which it is not possible to provide assurance. In this regard, our assurance work was limited only to providing assurance on the information contained in the Annex 1 "Table of contents required by Law 11/2018" of the accompanying the consolidated Directors´ Report.

Directors' responsibilities

The Company's Board of Directors is responsible for the preparation and presentation of the NFIS included in the Group's Consolidated Directors' Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), in accordance with that mentioned for each subject in the Annex 1 "Table of contents required by Law 11/2018"of said Consolidated Directors' Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Company's directors are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for preparing the NFIS was obtained.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed that refers exclusively to the year 2018. The data for previous years were not subject to the assurance foreseen in the mercantile legislation in force.

We conducted our review engagement in accordance with International Standard on Assurance Engagements, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Performance Guide on assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units and responsible areas of the Group that participated in the preparation of the NFIS, in the review of the processes for compiling and validating the information presented in the NFIS and in the application of certain analytical procedures and sample review testing described below:

- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these questions and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS based on the materiality analysis performed by the Group y described in section "Non-financial reporting scope and methodology" considering the content required in prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the Non-Financial Information Statement for year ended 31 December 2018.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for the year ended 31 December 2018 and whether it has been adequately compiled based on data provided by internal and external information sources or third party reports.
- Procurement of a representation letter from the Society´s Directors and management

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Amadeus IT Group, S.A. and its subsidiaries for the year ended 31 December 2018 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and the content of the selected GRI Standards, in accordance with that mentioned for each subject area in the Annex 1 "Table of contents required by Law 11/2018"included in the Consolidated Directors' Report.

Use and distribution

This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

(Signed)

Patricia Reverter Guillot

27 February 2019

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

Clara Furse
David Webster
Francesco Loredan
Nicolas Huss
Peter Kuerpick
Pierre-Henri Gourgeon
Pilar García Ceballos-Zúñiga
Stephan Gemkow

SECRETARY (non-Director)

Tomás López Fernebrand

VICE-SECRETARY (non-Director)

Jacinto Esclapés Díaz

Madrid, February 27, 2019