Management Review H1 2015

July 31, 2015

amadeus.com

Index

1 Summary

1.1 Introduction

Highlights for the first six months, ended June 30, 2015

- **In Distribution, our travel agency air bookings increased 10.0%, to 265.9 million**
- **In IT Solutions, our total Passengers Boarded increased 7.8%, to 354.2 million**
- **Revenue increased by 14.2%, to €1,976.8 million**
- **EBITDA increased by 10.8%, to €778.8 million**
- **Adjusted profit[1] increased by 10.3%, to €419.6 million**
- **Covenant net financial debt was €1,645.5 million (1.19 times to covenant last twelve months' EBITDA) at June 30, 2015**

We have continued to make positive progress in 2015. In the first six months of the year, Revenue and EBITDA increased by 14.2% and 10.8%, respectively, driving Adjusted Profit growth of 10.3%. These results were supported by the successful performances of our Distribution and IT Solutions businesses, by the contribution from our 2014/15 acquisitions and by a sustained positive foreign exchange impact.

In Distribution, we successfully renewed or signed content agreements with 7 airlines during the second quarter, including 2 new low-cost carriers, securing comprehensive content for our travel agency subscribers. Our air volumes continued expanding driven by a 1.4 p.p. global market share gain in the quarter, further widening our global reach. We continued to benefit from the enlargement of our addressable market in Asia through our expansion in South Korea in 2014. Additionally, North America was our fastest-growing region in the quarter, with a continued double-digit rate growth, supported by market share gains. Our global market share reached 42.2% over the first six months of 2015, representing a 1.9 p.p. market share increment over last year, supporting air volume growth for Amadeus of 10.0% and a Distribution Revenue increase of 11.3%.

The airline Distribution industry continues to evolve and Amadeus is committed to supporting its airline partners in realising their full revenue potential. Merchandising solutions represent a key area of focus for airlines. Our Amadeus Ancillary Services solution continues to expand and is enabling airlines to deploy ancillary services today in 105 markets. Our customer base for Amadeus' leading merchandising technology also continues to grow, now including 124 contracted airlines of which 78 have been implemented. Additionally, Amadeus' Fare Family Solution, which allows airlines to distribute branded fares, has attracted to date 20 airline customers of which 13 have been implemented. Swiss International Air Lines became the first airline to launch Lufthansa Group branded fares across both the direct and indirect channels.

In turn, our IT Solutions revenue expanded by 22.3% in the first half of the year. This growth was supported by PB growth of 7.8%, positively impacted by Korean Air's migration in the latter part of 2014 and the migration of All Nippon Airways (international business), completed in the second quarter of 2015. A number of large contracted migrations such as Southwest (domestic), Japan Airlines, Thomas Cook, China Airlines and Swiss International Air Lines will continue to support growth. All our activities within Airline IT had a positive evolution in the quarter, supported by successful upselling activity resulting in new customers for DCS, e-commerce and standalone solutions as well as by overall organic growth. Additionally, our efforts to expand into other verticals (airport IT) or into additional transversal areas (payments) continue to deliver growth.

Our Revenue and EBITDA generation is typically impacted by a high number of foreign exchange fluctuations given our revenue and cost base exposures (see section 4.1). In the first half of 2015, Revenue and EBITDA

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1. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) changes in fair value of interest rate hedging agreements and non-operating exchange gains (losses) and (iii) other non-recurring items.

growth experienced a positive foreign exchange impact continuing the trend we saw in the first quarter. As costs experienced a significantly higher negative impact than the positive foreign exchange effect on revenues, foreign currency fluctuations have continued to drive margin dilution across our businesses.

We have also made steady progress in all our new business initiatives within the IT Solutions segment. In our Hotel IT area, we are advancing together with InterContinental Hotels Group (IHG) in the development of a new-generation Guest Reservation System. In other areas, such as Airport IT, we continued to see positive traction in the market. Most recently, the Avinor Group, operating 46 airports in Norway, has signed an agreement with Amadeus to adopt its cloud-based Airport Common Use Service (ACUS) platform, a next-generation common use solution which enables passenger processing systems to be accessed and deployed anywhere on demand.

We remain highly focused on technology. Our investment in R&D reached 15.6% of our revenue in the first half of 2015. It was dedicated to supporting Amadeus' growth potential in the long-term, primarily through new customer implementations, product evolution, portfolio expansion, investment in new businesses areas and further TPF decommissioning.

During the first half of 2015, our free cash flow grew 8.4% and consolidated covenant net financial debt as of June 30, 2015 was €1,645.5 million, representing 1.19 times last twelve months' EBITDA.

In June 2015, our shareholders approved a gross dividend of €0.70 per share for the results pertaining to year 2014, representing a 50% pay-out ratio, amounting to a total dividend of €313.3 million, which grew 12% over last year. An interim dividend of €0.32 per share was paid on January 30, 2015 and the complementary dividend of €0.38 per share was paid on July 30, 2015.

On May 12, 2015, we completed our share repurchase programme initiated in December 2014. We invested a total amount of €320m (including fees) and repurchased 8,759,444 shares (1.957% of share capital). The share capital reduction through the amortization of the repurchased shares was approved by the General Shareholders Meeting on June 25, 2015.

Post-closing of the second quarter, we were pleased to announce, on July 1, our agreement to acquire Navitaire. Navitaire is a US-based Passenger Service Systems provider, which focuses on the low-cost and hybrid-carrier segments of the airline industry. The addition of Navitaire's portfolio of products and solutions for the low-cost segment will complement Amadeus' offering for its largely full-service carrier customer base, providing Amadeus with the ability to serve a wider group of airlines more effectively.

Subsequently, on July 21, we announced our acquisition of Netherlands-based Itesso, a property management systems solutions provider. With its new cloud-native Itesso Enterprise Lodging System (Itesso ELS), Itesso is leading the industry toward a new generation of property management solutions. Property management technology is a critical component of our strategy in Hotel IT and we assessed numerous options to extend our capabilities in this area. Itesso's new technology stands out and as a cloud-native PMS it can be tightly integrated with our overall offering. Through Itesso's acquisition, we are accelerating our strategy in Hotel IT.

1.2 Summary of operating and financial information

Summary of KPI *Figures in million euros*	**Jan-Jun 2015**	**Jan-Jun 2014**	**% Change**
Operating KPI			
Air TA Market Share	**42.2%**	**40.3%**	**1.9 p.p.**
Air TA bookings (m)	265.9	241.8	10.0%
Non air bookings (m)	32.2	30.3	6.4%
Total bookings (m)	**298.1**	**272.1**	**9.6%**
Passengers Boarded (m)	**354.2**	**328.5**	**7.8%**
Financial results			
Distribution Revenue	1,415.1	1,271.5	11.3%
IT Solutions Revenue	561.7	459.4	22.3%
Revenue	**1,976.8**	**1,730.9**	**14.2%**
Distribution Contribution	632.2	584.0	8.3%
IT Solutions Contribution	367.0	315.7	16.3%
Contribution	**999.2**	**899.6**	**11.1%**
EBITDA	**778.8**	**702.6**	**10.8%**
EBITDA margin (%)	39.4%	40.6%	(1.2 p.p.)
Adjusted profit[1]	**419.6**	**380.6**	**10.3%**
Adjusted EPS (euros)[2]	**0.96**	**0.86**	**12.1%**
Cash flow			
Capital expenditure	251.7	198.4	26.9%
Free cash-flow[3]	338.7	312.4	8.4%
	30/06/2015	**31/12/2014**	**% Change**
Indebtedness[4]			
Covenant Net Financial Debt	**1,645.5**	**1,738.5**	**(5.4%)**
Covenant Net Financial Debt / LTM Covenant EBITDA	1.19x	1.32x	

1. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) changes in fair value of interest rate hedging agreements and 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.
3. Calculated as EBITDA less capital expenditure plus changes in our operating working capital less taxes paid less interests and financial fees paid.
4. Based on the definition included in the senior credit agreement covenants. Covenant net financial debt includes debt relating to the share buy-back programme announced on December 11, 2014 amounting to €288.8 million at December 31, 2014.

2 Operating Review

2.1 Key business highlights for the first half

The following section includes selected business highlights for the first half of 2015.

Distribution

- Airlines with which Amadeus has a content agreement represent over 80% of the airline bookings made through the Amadeus system worldwide. During the first half renewals or new signings of such content agreements were reached with 17 full-service carriers, including Czech Airlines. Contracts were also signed with two low-cost Carriers, including Interjet, and bookings through travel agencies using Amadeus increased 16% for this growth area year-on-year during the first half. Already many low-cost carriers, including Ryanair, have become Amadeus distribution partners.
- Merchandising solutions attracted further customers and currently a total of 124 airlines have agreements in place for Amadeus Airline Ancillary Services (of which 78 have already been implemented), which is supporting airlines to deploy ancillary services in 105 markets worldwide. Meanwhile, Amadeus Fare Family Solution, which allows airlines to distribute branded fares, has now attracted 20 airline customers to sign-up and already 13 of those have been implemented.
- Swiss International Air Lines, the national airline of Switzerland that carries over 16 million passengers a year, became the first airline to launch Lufthansa Group’s branded fares across the direct and indirect channels. The airline uses the Amadeus Fare Families solution to increase multichannel merchandising opportunities and maximise exposure of its Light, Classic and Flex fares.
- Further extending its partnership with Amadeus, Southwest Airlines signed a multi-year global agreement to allow users of Amadeus' e-Travel Management and i:FAO's cytric corporate booking tools access to Southwest´s fares and inventory. More than 8,000 corporations worldwide use Amadeus e-Travel Management and 3,600 corporations use i:FAO's cytric, offered by i:FAO Group (which Amadeus acquired in 2014).
- Leading hybrid (online/traditional) travel agency CheapOair.com became the first online distribution partner using Amadeus’ technology to enable users to book paid airline seats using graphical seat map displays with prices.
- Deutsche Bahn, one of the leading transportation and logistics companies worldwide that carried 4.3 billion passengers in 2014, renewed its existing agreement with Amadeus for another three years. With this new agreement online travel agencies worldwide can now access Deutsche Bahn’s full range of routes and fares via Amadeus Rail Web Services, whilst corporate and traditional travel agencies continue to do so via Amadeus Rail Display and Amadeus eTravel Management. Amadeus’ rail platform provides online travel agencies with a one-stop-shop to market-leading rail content with over 10 providers including Deutsche Bahn.

IT Solutions

Airline IT

- On July 1, 2015, Amadeus announced an agreement to acquire Navitaire, a U.S-based Passenger Service Systems provider, from Accenture for US$830 million. Navitaire focuses on the low-cost and hybrid-carrier segments of the airline industry and has a global customer base of more than 50 operators; it provides revenue-generation and cost-streamlining solutions in the areas of reservations, ancillary sales, loyalty, revenue management, revenue accounting and business intelligence. The addition of Navitaire’s portfolio of products and solutions for the low-cost segment will complement Amadeus’ Altéa suite of offerings for its largely full-service carrier customer base, giving the company the ability to serve a wider group of airlines.

Amadeus intends to market and sell the two product portfolios separately and will continue to invest in both platforms, enhancing the services and functionality availability to all types of carriers.

- China Airlines, the largest airline and flag carrier of the Republic of China (Taiwan), along with its subsidiary, Mandarin Airlines, will adopt the full Amadeus Altéa suite of solutions. The deal is the first Amadeus offering of a Chinese language airline IT service and will make Altéa Taiwan´s leading passenger service system.
- Scandinavian Airlines (SAS) migrated to Amadeus Altéa Revenue Management Suite, laying the foundation for the most accurate and intelligent pricing of airline packages and offers. This followed a strategic partnership established in 2013 that saw SAS' highly experienced revenue management experts join Amadeus to create a ground-breaking 'Centre of Competence'. The Amadeus Altéa Revenue Management Suite is specifically designed to counter the 'buy-down effect' generated by traditional revenue management practices, whereby systems cannot adequately understand travellers that buy low price flight tickets.
- As of the close of the first half, 132 airlines globally were contracted for both Altéa Reservation and Altéa Inventory, 119 of which were contracted to use the full Altéa Suite. Of the airlines contracted, 123 were already migrated to both Altéa Reservation and Altéa Inventory, and 100 of those were using the full Altéa Suite. The service facilitates closer integration between partner airlines that need to share availability, fares, customer and booking information, thus enabling a seamless customer experience across alliance members.
- Lufthansa became the first airline to select Altéa Corporate Recognition, which allows airlines to identify corporate travellers at the moment of reservation. By providing tailor-made offers across all stages of the journey and enhancing both total spend and improved travel experience, airlines can actively focus on the needs of corporates and offer services such as additional baggage and preferential seat options. This service is complemented by Amadeus' existing loyalty and personalisation solutions, Loyalty Management Suite and Altéa Awards Suite.
- Amadeus Customer Experience Management, the flagship Amadeus personalisation solution, was launched in Bangkok. This enterprise level, end-to-end solution helps airlines manage and personalise offers and services by integrating valuable customer knowledge and personalisation logic into the travel life cycle, all the way from pre-shopping inspiration to the post-travel servicing. The service will integrate completely both non-Amadeus applications and Amadeus applications, including the Altéa Suite and Amadeus Merchandising Platform.

Airport IT

- In the Airport IT business, Amadeus accelerated its expansion in the largest airport IT market globally, North America, through the acquisition of Florida-based based Air-Transport IT Services Inc. (AirIT). Currently 30 of the top 50 busiest airports in the US use Air IT's solutions, along with a strong customer base of more than 115 airlines and 120 airports in the US, Canada, and the Caribbean. Outside of North America, Amadeus will be able to complement its existing offering with the AirIT PROPworks® portfolio, which is already used by four of the five busiest airports in the United States.
- The Avinor Group, which operates 46 airports in Norway with over 50 million travellers, has signed an agreement with Amadeus to adopt its cloud-based Airport Common Use Service (ACUS) platform, a next-generation common use solution which enables passenger processing systems to be accessed and deployed anywhere on demand. The solution will offer cost-effective, customised and flexible passenger processing to Avinor's airports nationwide, initially in eight airports and leading up to a total of 46 – offering both Avinor and its airline partners a significant cost reduction for common use IT services.
- Amadeus contributed to Munich Airport reducing runway waiting time by 50% and inbound delays by 24%, whilst improving flight slot adherence by 22%, through the adoption of Amadeus Airport Sequence Manager. The solution is part of the Amadeus cloud-based Airport-Collaborative Decision Making Portal (A-

CDM) launched last year; it improves flight departure planning and runway capacity to reduce environmental impact and bring benefits to the whole airport ecosystem.

_ An agreement with Innsbruck Airport saw the first complete cloud-based common use environment in an airport. Amadeus will deliver a range of new airport solutions, including ACUS, Airport Baggage Reconciliation System, and Airport Passenger Verification. Thanks to the launch of ACUS last year, Innsbruck is now pioneering the implementation of new technology in the airport ecosystem, moving towards the next generation of Common Use platforms.

Hotel IT

_ In the Hotel IT sector, InterContinental Hotels Group PLC and Amadeus announced a partnership to develop a next-generation Guest Reservation System that will revolutionise the technological foundations of the global hospitality industry. Working on a new cloud-based 'Community Model' similar to the model Amadeus developed for the global airline industry, the system will be a first in the hotel sector.

Payments

_ Elavon, a leading global payments provider that works with more than 50 of the world's leading airlines and the top global acquirer for the global travel industry, will integrate its payment processing solutions into the Amadeus Payments Platform, which is used by more than 300 airlines and ensures a fast and easy authorization process integrated into ticketing and selling.

Additional news from the first half

_ At the Shareholders' General Meeting held on June 25, 2015 shareholders approved the reduction in share capital through the redemption of the 8,759,444 shares purchased by the company during the share buyback period, which began in December of last year and ended in May.

_ In April 2015, Future Traveller Tribes 2030: understanding tomorrow's traveller – a report commissioned by Amadeus and written by global consumer trends consultancy The Future Foundation – identified the six different traveller personalities and segments the industry can expect to emerge and become prominent over the next fifteen years. This was followed-up in June by Future Traveller Tribes 2030: Building a more rewarding journey – commissioned by Amadeus and written by Frost & Sullivan – offering practical advice for airlines and other travel providers seeking to develop strategies to create a more rewarding journey for emerging traveller segments.

_ Norwegian Air Shuttle, UNICEF, and Amadeus extended their long-term cooperation through the launch of an Amadeus donation engine, provided free of charge, that allows travellers to donate funds to UNICEF's work for children when purchasing tickets on Norwegian Air Shuttle's website.

2.2 Key ongoing R&D projects

R&D investment in the first half of 2015 relates primarily to:

_ Customer implementation efforts:

- Migration development work in relation to Altéa implementations in 2015, such as All Nippon Airways (the international passengers business) migrated in the second quarter and Thomas Cook Group scheduled for year-end, as well as to Altéa implementations in the coming years (such as Southwest –the domestic passengers business-, Japan Airlines and Swiss International Air Lines). Additionally, implementation costs in relation to new customers adopting Altéa Departure Control System, e-commerce and standalone solutions.

- Implementation and development of our new Revenue Accounting module in our launch customer British Airways and in South African Airways, the latter having completed the implementation in the second quarter of 2015.
- Implementation efforts in relation to our DCS solution for ground handlers.
- Implementation of customers to our portfolio of solutions for airlines, travel agencies, and corporations, including the implementation of low cost carriers to ticketless access, the expansion of our customer base in ancillary services products, as well as the migration of corporations to our self-booking tool.

_ Product portfolio expansion:

- For airlines, including the new Altéa Revenue Management Suite, whose implementation with our launch partner Scandinavian Airlines (SAS) was announced in June 2015, and solutions related to XML development in compliance with NDC standards, availability and e-retail.
- For travel agencies, travel management companies and corporations, such as a new generation selling platform, search engines, front-office customisation and mobile tools.
- Investment in our Global Merchandising Platform, including the expansion of merchandising capabilities, ancillary services (fare families) and enhanced shopping and booking solutions.
- Regionalisation investment, with the aim to better adapt part of our product portfolio to specific regions.

_ Increased resources dedicated to our new initiatives (hotel, rail, airport IT, payments and travel intelligence) to expand our current portfolio of solutions:

- Development of new modules of our airport management solutions portfolio, including those contracted by Copenhagen and Munich airports.
- Development costs associated with our agreements with IHG and Bene Rail within the scopes of our hotel and rail businesses, respectively.
- Enhanced distribution capabilities for hotel and rail.
- Investment in payments and travel intelligence, where we continue to work with different industry partners.

_ Ongoing TPF decommissioning, which implies the progressive migration of the company's platform to next-generation technologies and open systems, system performance projects aiming to optimise service levels and system reliability and performance, as well as other cross-area technologies such as the Amadeus Collaborative Technology (a corporate program aiming at building a new software components architecture that improves efficiency and provides greater flexibility).

3 Presentation of financial information

The consolidated financial information included in this document has been prepared in accordance with International Financial Reporting Standards (IFRS) and has been subject to a limited review by the auditors.

Certain amounts and figures included in this report have been subject to rounding adjustments. Any discrepancies in any tables between the totals and the sums of the amounts listed are due to rounding.

3.1 Acquisitions completed in 2014

- ### Acquisition of Newmarket

On February 5, 2014 Amadeus acquired, 100% of the voting rights of NMTI Holdings, Inc. and its group of companies ("Newmarket"). The cash paid was €333.2 million. The transaction was fully financed by a new bank loan facility (this facility was refinanced in December 2014 with a Euro denominated bond issuance). The Newmarket results were consolidated into Amadeus' books from February 5, 2014.

A purchase price allocation exercise in relation to the consolidation of Newmarket into Amadeus' books was carried out in the fourth quarter of 2014.

- ### Acquisition of i:FAO

On June 23, 2014 Amadeus acquired 69.07% of the voting rights of i:FAO AG and its group of companies ("i:FAO") through a public takeover offer, for a total consideration paid in cash of €55.8 million. The transaction was fully financed with cash. The i:FAO results were consolidated in our income statement from July 1, 2014.

The purchase price allocation exercise in relation to the consolidation of i:FAO into Amadeus' books was carried out in the first quarter of 2015. The extraordinary costs of €1.6 million associated with the acquisition prior to the transaction were reported as indirect costs as of year-end 2014.

- ### Acquisition of UFIS

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

A purchase price allocation exercise in relation to the consolidation of UFIS into Amadeus' books was carried out in the fourth quarter of 2014.

3.2 Acquisitions completed in H1 2015

- ### Acquisition of AirIT

On April 21, 2015, Amadeus acquired 100% of the voting rights of Air-Transport IT Services, Inc (AirIT). The purchase consideration paid in cash was US$13.9 million. The transaction was fully financed with cash. The AirIT results were consolidated into Amadeus' books from April 30, 2015.

A purchase price allocation exercise in relation to the consolidation of AirIT into Amadeus' books will be carried out in the second half of 2015.

3.3 Subsequent events

- **Navitaire**

On July 1, 2015, Amadeus announced an agreement to acquire Navitaire, a U.S-based Passenger Service Systems provider in the Airline IT space, from Accenture for US$830 million. The acquisition is expected to have a limited impact on Amadeus' 2015 financial performance as the transaction is subject to customary regulatory approvals and is expected to close during the fourth quarter of 2015. The acquisition will be partially financed with a new bank loan facility of €500 million, structured as a "club deal" financing entered into with twelve banks. The facility has a five year term (July 3, 2020) with maturity dates in 2019 and 2020.

- **Itesso**

On July 21, 2015, Amadeus announced the acquisition of Itesso BV, a provider of cloud-based property management systems, to expand its technology offering to the hotel industry. The acquisition was funded with cash. Given the size of the acquired business, Itesso will have a limited impact on our P&L although the transaction is immediately accretive.

4 Main financial risks and hedging policy

4.1 Foreign exchange rate risk

Our reporting currency is the Euro. However, as a result of Amadeus' global activity and presence, part of our results are generated in currencies different from the Euro and therefore are impacted by foreign exchange fluctuations. Similarly, part of our cash inflows and outflows are denominated in non-Euro currencies.

Our revenue is mostly generated either in Euro or in US Dollar (the latter representing 25%-30% of our total revenue). Revenue generated in currencies other than Euro or US Dollar is negligible.

In turn, 35%-45% of our operating costs[2] are denominated in many currencies different from the Euro, including the USD which represents 20%-25% of our operating costs. The rest of the foreign currency operating expenses are denominated in a variety of currencies, GBP, AUD, SEK, THB and INR being the most significant. A number of the currencies in this basket (e.g. HKD, SAR and THB) tend to fluctuate vs. the Euro similarly to the US Dollar - Euro fluctuations, although the degree of this correlation may vary with time.

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

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

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

In the first six months of 2015, revenue and EBITDA growth were positively impacted by foreign exchange effects. However, impacts from currency fluctuations drove margin dilution in Distribution, IT Solutions and group EBITDA (as the negative impact on costs was higher than the positive impact on revenues).

4.2 Interest rate risk

Our target is to reduce the volatility of the net interest flows payable. In order to achieve this objective, Amadeus may enter into interest rate hedging agreements (interest rate swaps, Caps, Collars) to cover the floating rate debt.

At June 30, 2015, 19%[3] of our total covenant financial debt was subject to floating interest rates, indexed to the EURIBOR or the USD LIBOR. With our hedging arrangements in place, this percentage is reduced to 16%.

2. Including Cost of revenue, Personnel expenses and Other operating expenses. Excludes Depreciation and amortisation.
3. This percentage includes the short term financing that we obtain under our European Commercial Paper (ECP) Programme. The interest rate of this commercial paper is fixed, however, given that it has to be refinanced very frequently, we deem that this type of financing is subject to interest rate risk and therefore for risk management purposes we include it under the floating rate debt category.

4.3 Own shares price evolution risk

Amadeus has three different staff remuneration schemes which are settled with Amadeus' shares.

According to the rules of these plans, when they mature their beneficiaries will receive a number of Amadeus shares which for the outstanding plans will be (depending on the evolution of certain performance conditions) between a maximum of 1,795,000 shares and a minimum of 310,000 shares, approximately. It is Amadeus' intention to make use of its treasury shares to settle these plans at their maturity.

5 Operating and financial performance by business

EBITDA *Figures in million euros*	**Jan-Jun 2015**	**Jan-Jun 2014**	**% Change**
Distribution revenue	1,415.1	1,271.5	11.3%
IT Solutions revenue	561.7	459.4	22.3%
Group Revenue	**1,976.8**	**1,730.9**	**14.2%**
Distribution contribution	632.2	584.0	8.3%
Distribution contribution margin (%)	44.7%	45.9%	(1.3 p.p.)
IT Solutions contribution	367.0	315.7	16.3%
IT Solutions contribution margin (%)	65.3%	68.7%	(3.4 p.p.)
Total Contribution	**999.2**	**899.6**	**11.1%**
Net indirect costs	(220.4)	(197.0)	11.9%
EBITDA	**778.8**	**702.6**	**10.8%**
EBITDA Margin (%)	39.4%	40.6%	(1.2 p.p.)

In the first half of the year we experienced strong underlying business growth, supported by robust volume increases, particularly, through continued market share gains in Distribution, as well as, yield expansion, driven by upselling activity in Airline IT and high growth in our new areas such as airport IT and payments. In addition, we benefited from positive foreign exchange effects on revenues (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations) and also from the contribution of our 2014-15 acquisitions.

As such, Revenue increased 14.2%, to €1,976.8 million, in the first half of 2015. This increase was driven by solid performance of both our businesses: (i) growth of €143.6 million, or 11.3%, in our Distribution business, and (ii) an increase of €102.3 million, or 22.3%, in our IT Solutions business.

Our costs in the period grew at a faster pace than revenues, mainly driven by a sharp foreign exchange effect on operating costs, throughout our businesses.

Other than that, cost growth in Distribution has also been impacted by the mix of markets where we operate and travel agencies generating our bookings as well as competitive pressure on unit incentives paid. In IT Solutions, the increased contribution of the services activity, plus the incorporation of the companies we have acquired, that have lower margins, further produce margin reduction. In addition, the new businesses such as airport IT and payments are at initial stages, with growing revenues, but not yet profiting from the operational leverage that our community model brings as it scales with volumes.

Lastly, our cost base has also been negatively impacted by a number of one-off and extraordinary items, such as, some accruals for the receivables in Venezuela or higher fees related to M&A activity.

For the first half period, reported EBITDA amounted to €778.8 million representing a 10.8% increase vs. the first half of 2014 and an EBITDA margin of 39.4%. As in the first quarter of 2015, EBITDA margin dilution was driven mainly by foreign exchange impacts.

5.1 Distribution

Distribution *Figures in million euros*	Jan-Jun 2015	Jan-Jun 2014	% Change
Operating KPI			
Air TA market share	42.2%	40.3%	1.9 p.p.
Total bookings (m)	298.1	272.1	9.6%
Financial results			
Revenue	1,415.1	1,271.5	11.3%
Net operating costs	(782.9)	(687.5)	13.9%
Contribution	**632.2**	**584.0**	**8.3%**
As % of Revenue	**44.7%**	**45.9%**	**(1.3 p.p.)**

Our Distribution business continued delivering growth during the first half of 2015, driven by higher booking volumes, fuelled by strong market share gains and an increase in non-booking revenue, as well as by the acquisition of I:FAO, consolidated in our income statement from July 1, 2014 and foreign exchange impacts.

As a result, our Distribution revenue increased by 11.3% to €1,415.1 million in the first half of 2015. Contribution grew by 8.3% to reach €632.2 million in the period. As a percentage of revenue, this represented 44.7% in the first half of 2015, impacted negatively by foreign exchange effects (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations).

5.1.1 Evolution of operating KPI

During the second quarter of 2015, the volume of air bookings processed through travel agencies connected to Amadeus increased by 8.3%. Our global market share[4] increased by 1.4 p.p. in the second quarter and reached a global share of 42.1%, supported by the migration of the travel agencies previously connected to Topas in South Korea to the Amadeus platform, as well as our continued market share gains in North America. The air TA booking industry[4], in turn, grew by 4.8% in the quarter.

For the first half of 2015, our air bookings grew by 10.0% and our market share gain was 1.9 p.p.

[4] The air TA booking industry is defined as the total volume of travel agency air bookings processed by the global or regional CRS. Excludes air bookings made directly through in-house airline systems or single country operators, the latter primarily in China, Japan and Russia. Also excludes bookings of other types of travel products, such as hotel rooms, car rentals and train tickets. Since the end of the third quarter of 2014, it includes the bookings processed by the travel agencies connected to the Amadeus platform, which were previously connected to the local CRS Topas in South Korea. Our market share is calculated as our estimated share over the air TA booking industry, as defined in this note.

Operating KPI	Apr-Jun 2015	Apr-Jun 2014	% Change	Jan-Jun 2015	Jan-Jun 2014	% Change
Air TA booking Industry growth[4]	**4.8%**	**0.7%**		**4.9%**	**2.6%**	
Air TA market share[4]	**42.1%**	**40.7%**	**1.4 p.p.**	**42.2%**	**40.3%**	**1.9 p.p.**
Air TA bookings (m)	126.0	116.3	8.3%	265.9	241.8	10.0%
Non air bookings (m)	15.7	14.8	6.0%	32.2	30.3	6.4%
Total bookings (m)	**141.7**	**131.1**	**8.1%**	**298.1**	**272.1**	**9.6%**

Air TA booking Industry

Air travel agency bookings grew by 4.9% in the first half of 2015, with a similar trend in both quarters globally. The industry growth in Asia and Pacific was significant, benefitting from the migration of travel agencies from Topas in South Korea to Amadeus at the end of the third quarter of 2014 and supported by positive underlying evolution. All remaining regions have performed positively in the period, except the Middle East and Africa which was still significantly affected by geopolitical issues. European regions experienced a moderate growth overall in the first half, in part thanks to the softening of the impact from issues in Russia and Ukraine. Latin America, though still experiencing a decline in Venezuela, recovered nicely in the second quarter mainly thanks to Argentina and Colombia.

Amadeus bookings

Our air TA bookings increased by 8.3% in the second quarter of 2015, driving our first half growth to 10.0%, thanks to strong market share gains of 1.9 p.p. and industry growth, leading to a global market share of 42.2% as of June 30, 2015. In particular, our bookings in both Asia and Pacific and North America benefitted significantly from the addition of bookings from travel agencies in South Korea and market share gains in North America. As a result, our relative exposure to these regions has increased significantly. Our bookings in Western Europe and Latin America continued growing while Central, Eastern and Southern Europe has performed positively in the second quarter leading to a 2.1% growth in the first half. Finally, in Middle East and Africa, in line with the industry decline, our bookings have decreased in the period.

Amadeus Air TA Bookings *Figures in million*	Jan-Jun 2015	% of Total	Jan-Jun 2014	% of Total	% Change
Western Europe	105.1	39.5%	102.1	42.2%	3.0%
North America	45.1	17.0%	33.8	14.0%	33.3%
Asia & Pacific	42.4	15.9%	33.0	13.7%	28.3%
Middle East and Africa	32.5	12.2%	33.2	13.7%	(2.1%)
Central, Eastern and Southern Europe	24.1	9.1%	23.6	9.8%	2.1%
Latin America	16.7	6.3%	16.1	6.7%	3.9%
Total Air TA Bookings	**265.9**	**100.0%**	**241.8**	**100.0%**	**10.0%**

Regarding non-air distribution, bookings increased by 6.0% in the second quarter of 2015 and 6.4% in the first half of 2015, driven mainly by the positive performance of rail bookings.

5.1.2 Revenue

Revenue in the Distribution business grew 11.9% in the second quarter, leading to a 11.3% growth in the first half of 2015. This increase was driven by growth in both booking and non-booking revenue.

Booking revenue growth, was driven by volume growth (9.6% increase in total bookings), partly offset by (i) lower underlying pricing, resulting from our growth in lower-yield markets due to a higher weight of local bookings (North America, South Korea) and (ii) a negative product mix in the non-air volumes, as the contribution of rail bookings, with low unit booking fee, to the total non-air volumes increased in the first half vs. previous year.

Non-booking revenue, increased in the period, supported by higher revenue from products and services sold to travel agencies (such as solutions for corporations), search solutions provided to metasearch engines, data and advertising revenue from airlines or third-party operators, as well as the contribution of i:FAO.

Revenue growth was also positively impacted by the foreign exchange effects.

5.1.3 Contribution

The contribution of our Distribution business amounted to €632.2 million in the first half of 2015, an increase of 8.3% vs. the same period in 2014. The increase in the contribution of the business was the result of the combination of 11.3% revenue growth, as explained in section 5.1.2 above, and an increase of 13.9% in our net operating costs. The increase in operating costs was mainly attributable to:

- A negative foreign exchange impact, particularly on incentives.
- Higher incentive costs, driven by higher volumes (air TA bookings increased by 10.0% in the period) as well as an increase in the unit incentive fee paid to travel agencies, as expected, due to the competitive situation and the mix of travel agencies generating our bookings.
- Higher distribution fees, driven by volume growth in countries where we operate through third party distributors, such as South Korea or India.
- An increase in R&D expenditure devoted to new products and solutions for travel agencies, corporations and airlines, including sophisticated booking and search engines, enhanced merchandising capabilities, and front-office customisation solutions as well as XML-connectivity efforts, most of which is subject to capitalisation.
- An increase in our commercial support, driven by the consolidation of i:FAO, the expansion of our product portfolio (e.g. new solutions for corporations and travel management companies and within the new businesses), customer base and geographic reach as well as higher costs linked to services activities (consulting, training).
- Certain provisions reflecting potential collection risks in countries in difficulties, mainly Venezuela.
- The annual salary reviews.

5.2 IT Solutions

IT Solutions *Figures in million euros*	Jan-Jun 2015	Jan-Jun 2014	% Change
Operating KPI			
Passengers Boarded (PB) (m)	354.2	328.5	7.8%
Financial results			
Revenue	561.7	459.4	22.3%
Net operating costs	(194.7)	(143.7)	35.5%
Contribution	**367.0**	**315.7**	**16.3%**
As % of Revenue	**65.3%**	**68.7%**	**(3.4 p.p.)**

Our IT Solutions business posted significant growth in the first half of 2015. Revenue grew by 22.3% in the first half of the year, supported by the increase in both transactional revenue, in turn mainly fuelled by growth in PB volumes and upsell activity, as well as non-transactional revenue. Revenue was also positively impacted by the contribution from our acquisitions (Newmarket, UFIS, AirIT) and foreign exchange fluctuations (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations).

Contribution increased by 16.3%, to €367.0 million in the period. As a percentage of revenue, this represented 65.3% in the first half of 2015, a decrease relative to prior year, impacted negatively by foreign exchange effects.

5.2.1 Evolution of operating KPI

Total number of passengers boarded increased by 7.3% to 188.9 million in the second quarter of 2015 vs. the second quarter of 2014. The increase in the period was driven by the full year impact of the Altéa migrations implemented in 2014 (mainly Korean Air) as well as All Nippon Airways (the international passengers business) migrated in the second quarter of 2015 and organic growth.

During the first half of 2015, the volume of passengers boarded reached 354.2 million, 7.8% higher than the first half of 2014, fuelled by the above mentioned Altéa migrations and organic growth (+1.9%).

Operating KPI	Apr-Jun 2015	Apr-Jun 2014	% Change	Jan-Jun 2015	Jan-Jun 2014	% Change
Passengers Boarded (PB) (m)	188.9	175.9	7.3%	354.2	328.5	7.8%
Airlines migrated (as of June 30)[1]				123	119	

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

As of June 30, 2015, the weight of Asia and Pacific increased by 3.9 p.p. vs. the same period in 2014 to reach 27.4% of our total PB, driven by the contribution of airlines which migrated to the Altéa platform in the last twelve months (mainly Korean Air and All Nippon Airways - the international passengers business) as well as strong organic growth partly offset for some carriers by the MERS[5] outbreak in South Korea in May 2015. North America has also increased its share as we implemented Southwest (the international passengers business),

[5] Middle East Respiratory Syndrome

Seaport and Cape Air last year. Both regions will continue raising their weight in the coming years with the migration of Japan Airlines and Southwest (the domestic passengers business), among others. Latin America has performed very well thanks to new migrations and organic growth. In turn, Middle East and Africa has been negatively impacted by political instability and to a lesser extent by the seasonality of the Ramadan (earlier this year). Certain strikes and adjustments in strategy of some carriers have affected Western Europe and Eastern Europe was impacted by a specific airline absorbed by a non-Altéa customer.

Amadeus PB ***Figures in million***	**Jan-Jun 2015**	**% of Total**	**Jan-Jun 2014**	**% of Total**	**% Change**
Western Europe	151.7	42.8%	151.4	46.1%	0.2%
Asia & Pacific	97.0	27.4%	77.2	23.5%	25.7%
Middle East and Africa	49.8	14.1%	49.5	15.1%	0.5%
Latin America	37.7	10.6%	34.1	10.4%	10.5%
Central, Eastern and Southern Europe	16.2	4.6%	16.3	5.0%	(0.4%)
North America	1.8	0.5%	0.0	0.0%	n.m.
Total PB	**354.2**	**100.0%**	**328.5**	**100.0%**	**7.8%**

5.2.2 Revenue

Our IT Solutions business continued its growth trend, with a 20.7% increase in revenue during the second quarter of 2015, reaching 22.3 % growth in the first half of the year.

The underlying growth in IT Solutions has been the result of the positive performance of all revenue lines, in particular:

- Altéa revenue increase, driven by volume growth (Altéa PB growth of 7.8%) resulting from customer migrations carried out since last year and the organic growth of our existing customer base as well as upselling activity which generated growth in the e-commerce and standalone revenue lines.
- Revenue growth from our airport IT and payments new businesses.
- Growth in revenue from Services (for example bespoke services related to e-commerce)
- Increase in revenue from implementation fees, mostly driven by deferred revenues which start to be recognised after the customer implementation takes place.

Revenue increase was also supported by the contribution from Newmarket, UFIS and AirIT and a positive foreign exchange impact.

5.2.3 Contribution

The contribution of our IT Solutions business increased by 16.3%, to €367.0 million in the first half of 2015. This increase was driven by a 22.3% revenue increase, as explained in section 5.2.2 above, partially offset by an increase of €51.0 million or 35.5% in net operating costs. The increase in operating costs was mainly due to:

- A highly negative foreign exchange impact.
- An increase in our R&D expenditure in new initiatives (hotel, rail and travel intelligence), customer implementations and investment in portfolio evolution and expansion, part of which is subject to capitalisation. However, the capitalisation ratio in the period slowed down, impacted by the intensity of the development activity, the mix of projects undertaken, and the different stages in which the ongoing projects are placed.

_ An increase in commercial support driven by the expansion of the offering and the intense commercial activity undertaken during the period, particularly for the new initiatives.
_ An increasing weight of our new initiatives, most of which are in development mode or still at an early stage and may generate costs at a faster pace than revenues. As some products enter into commercialization phase, the capitalisation ratio will tend to slow down while the commercial efforts increase in order for the revenue ramp-up to materialize. In addition, these new initiatives do not have the operational leverage of our more mature Airline IT business.
_ Costs related to Services, a lower margin activity, have also increased in the period as we expand progressively this activity.
_ The consolidation of our acquisitions (Newmarket, UFIS and AirIT) with lower margins.
_ The annual salary reviews.

5.3 EBITDA

In the first half of 2015, our EBITDA grew by 10.8%, to €778.8 million, driven by the positive underlying performance of our Distribution and IT Solutions businesses, as well as by the contribution from our acquisitions and a positive foreign exchange impact (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations).

EBITDA growth was partially offset by higher net indirect costs, which grew by 11.9% in the first half of 2015 vs. 2014, mainly due to:

_ A negative foreign exchange impact.
_ An increase in expenses related to cross-area development and our data centre, mainly focused on maximising our system reliability and security, whilst achieving optimal levels of system performance. In addition, continued TPF decommissioning, nearly finalized, as well as expenses related to the development of our own highly available, self-service, automated cloud platform.
_ Additional FTEs in the corporate function to support our business expansion (e.g. new initiatives), and geographical expansion (e.g. North America) as well as some computing expenses driven by new internal solutions implementations in part to adapt to latest technologies.
_ Legal costs linked to our M&A activity and bonds’ refinancing, as well as integration costs related to the past acquisitions.
_ Reduced R&D subsidies vs. prior year in the period.
_ The annual salary reviews.

EBITDA represented 39.4% of revenue in the first half of 2015. As in the first quarter of 2015, EBITDA margin dilution was driven by foreign exchange impacts.

6 Consolidated financial statements

Group income statement

Income Statement *Figures in million euros*	Apr-Jun 2015	Apr-Jun 2014	% Change	Jan-Jun 2015	Jan-Jun 2014	% Change
Revenue	**987.4**	**863.3**	**14.4%**	**1,976.8**	**1,730.9**	**14.2%**
Cost of revenue	(255.1)	(219.2)	16.4%	(526.6)	(445.9)	18.1%
Personnel and related expenses	(280.6)	(239.4)	17.2%	(549.6)	(464.1)	18.4%
Other operating expenses	(60.4)	(52.0)	16.1%	(116.6)	(115.3)	1.1%
Depreciation and amortisation	(96.5)	(79.5)	21.4%	(192.9)	(154.4)	24.9%
Operating income	**294.8**	**273.3**	**7.9%**	**591.1**	**551.2**	**7.2%**
Net financial expense	(24.2)	(14.9)	62.0%	(25.4)	(32.6)	(21.8%)
Other income (expense)	1.1	(1.0)	n.m.	0.3	(0.5)	n.m.
Profit before income taxes	**271.8**	**257.3**	**5.6%**	**565.9**	**518.1**	**9.2%**
Income taxes	(84.3)	(81.1)	3.9%	(175.4)	(163.2)	7.5%
Profit after taxes	**187.5**	**176.3**	**6.4%**	**390.5**	**354.9**	**10.0%**
Share in profit from associates and JVs	1.5	0.9	71.5%	1.1	1.4	(22.4%)
Profit for the period	**189.0**	**177.1**	**6.7%**	**391.5**	**356.3**	**9.9%**
Key financial metrics						
EBITDA	**389.1**	**351.3**	**10.8%**	**778.8**	**702.6**	**10.8%**
EBITDA margin (%)	39.4%	40.7%	(1.3 p.p.)	39.4%	40.6%	(1.2 p.p.)
Adjusted profit[1]	**209.7**	**189.2**	**10.8%**	**419.6**	**380.6**	**10.3%**
Adjusted EPS (euros)[2]	**0.48**	**0.43**	**12.6%**	**0.96**	**0.86**	**12.1%**

1. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) changes in fair value of interest rate hedging agreements and non-operating exchange gains (losses) and (iii) other non-recurring items.
2. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

6.1 Revenue

Revenue in the second quarter of 2015 increased by 14.4%, from €863.3 million in the second quarter of 2014 to €987.4 million. For the first half of 2015, revenue increased 14.2%, to €1,976.8 million. Revenue growth was driven by the strong performance of both our businesses as well as positively impacted by the contribution from our acquisitions and foreign exchange effects (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations).

Revenue increase was driven by:

- Growth of €73.6 million, or 11.9%, in our Distribution business in the second quarter of 2015, leading to a 11.3% increase for the first half period. The underlying growth was mainly driven by higher booking volumes, fuelled by market share gains and an increase in non-booking revenue.
- An increase of €50.5 million, or 20.7%, in our IT Solutions business in the second quarter of 2015, leading to a 22.3% increase for the first half period, driven by the increase in both (i) transactional revenue, in turn mainly fuelled by growth in PB volumes and upsell activity relating to e-commerce, standalone and new

businesses revenue growth particularly from airports and payments, as well as (ii) non-transactional revenue. The consolidation of our acquisitions and foreign exchange impacts also contributed positively to the growth.

Revenue ***Figures in million euros***	**Apr-Jun 2015**	**Apr-Jun 2014**	**% Change**	**Jan-Jun 2015**	**Jan-Jun 2014**	**% Change**
Distribution	693.4	619.8	11.9%	1,415.1	1,271.5	11.3%
IT Solutions	294.0	243.5	20.7%	561.7	459.4	22.3%
Revenue	**987.4**	**863.3**	**14.4%**	**1,976.8**	**1,730.9**	**14.2%**

6.2 Group operating costs

6.2.1 Cost of revenue

These costs are mainly related to: (i) incentive fees per booking paid to travel agencies, (ii) distribution fees per booking paid to those local commercial organisations which are not majority owned by Amadeus, (iii) distribution fees paid to Amadeus Altéa customers for certain types of air bookings made through their direct sales channels, and (iv) data communication expenses relating to the maintenance of our computer network, including connection charges.

Cost of revenue increased by 16.4%, from €219.2 million in the second quarter of 2014 to €255.1 million in the second quarter of 2015, driving growth for the first half of the year to 18.1% (from €445.9 million in the first half of 2014 to €526.6 million in the first half of 2015), highly negatively impacted by foreign exchange impact in the period (see explanation about exposure to foreign exchange fluctuations in section 4.1).

The underlying increase in the period was mainly due to (i) higher air booking volumes in the Distribution business (+10.0%), (ii) growth in distribution fees, driven by the higher weight over our total volumes of some of the countries where Amadeus has non-fully owned ACOs (third party distribution), in particular South Korea and India, and (iii) an increase in our average unit incentive, driven by client mix and competitive pressure.

6.2.2 Personnel and related expenses and other operating expenses

A large proportion of Amadeus' employees are software developers. Amadeus also hires contractors to support its development activity, complementing the permanent staff. The overall ratio of permanent staff vs. contractors devoted to R&D fluctuates depending on business needs and project mix, therefore impacting the evolution of both "Personnel expenses" and "Other operating expenses" captions in our income statement.

Our combined operating expenses cost line, including both Personnel expenses and Other operating expenses, increased by 17.0% in the second quarter of 2015 vs. the same quarter of 2014, reaching €341.0 million. For the first half period, the combined operating expenses amounted to €666.3 million, an increase of 15.0% vs. the same period of 2014.

Personnel expenses + Other operating expenses ***Figures in million euros***	**Apr-Jun 2015**	**Apr-Jun 2014**	**% Change**	**Jan-Jun 2015**	**Jan-Jun 2014**	**% Change**
Personnel expenses + Other operating expenses	**(341.0)**	**(291.4)**	**17.0%**	**(666.3)**	**(579.4)**	**15.0%**

The growth in these cost lines in aggregate resulted from the combination of:

- An increase of 8% in average FTEs (permanent staff and contractors), impacted by the consolidation of the acquisitions made in 2014 (Newmarket, UFIS and i:FAO) and 2015 (AirIT).
- The annual salary reviews.
- A negative foreign exchange impact.
- Growth in computing expenses for our data centre in Erding in order to achieve optimal levels of system performance and adapt to the growing transaction levels processed on a daily basis.
- An increase in consultancy costs driven by our M&A activity and bonds' refinancing as well as integration costs related to our past acquisitions.
- Higher travel and building & facilities costs driven by the overall business and geographical expansion.
- Certain provisions reflecting potential collection risks in countries in difficulties, mainly Venezuela.

The organic growth in average FTEs was mainly driven by:

- Higher headcount in R&D, driven by investment in portfolio expansion and product evolution, the progress achieved in the new initiatives and increased resources devoted to the implementation of our contracted pipeline and system performance projects (see further detail in sections 2.2 and 7.1).
- Reinforcement of our commercial, technical and corporate support, driven by the expansion of our customer base, geographical reach (such as Asia and Pacific and North America) and product portfolio (including the new initiatives).

6.2.3 Depreciation and Amortisation

Depreciation and amortisation (including capitalised D&A) increased by 20.9% in the second quarter of 2015 vs. the same period in 2014, or 23.9% in the first half period.

Ordinary D&A increased by 21.5% in the second quarter of 2015, leading to a 23.5% growth in the first half of 2015. This increase is mainly driven by higher amortisation of intangible assets, in turn mostly linked to the amortisation of capitalised development expenses on our balance sheet, as the associated product / contract started generating revenues during the prior twelve months (for example, previously capitalised costs related to migration of customers which have been implemented in the last twelve months, as well as to certain projects related to product development). Depreciation expense was also higher in the period, mostly driven by (i) additions to PP&E, including data processing hardware and software acquired for our data processing centre in Erding (Germany), (ii) finance lease agreements for office buildings in Nice (France) signed in March 2014 and Bad Homburg (Germany) in April 2015 as well as their associated new equipment. Finally, the consolidation of the acquisitions made in 2014 and 2015 also contributed to D&A growth.

Amortisation derived from PPA also increased in the first half (+29.0%) due to the consolidation of the acquired companies in 2014: Newmarket, UFIS and i:FAO. (See further explanation on the PPA exercises in section 3).

Depreciation and Amortisation *Figures in million euros*	**Apr-Jun 2015**	**Apr-Jun 2014**	**% Change**	**Jan-Jun 2015**	**Jan-Jun 2014**	**% Change**
Ordinary depreciation and amortisation	(74.1)	(60.9)	21.5%	(145.6)	(117.9)	23.5%
Amortisation derived from PPA	(22.4)	(18.6)	20.3%	(47.2)	(36.6)	29.0%
Impairments	(0.1)	0.0	n.m.	(0.1)	0.0	n.m.
Depreciation and amortisation	**(96.5)**	**(79.5)**	**21.4%**	**(192.9)**	**(154.4)**	**24.9%**
Capitalised depreciation and amortisation[1]	2.2	1.5	50.2%	5.2	3.0	74.9%
Depreciation and amortisation post-capitalisations	**(94.3)**	**(78.0)**	**20.9%**	**(187.7)**	**(151.5)**	**23.9%**

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

6.3 EBITDA and Operating income

EBITDA grew 10.8% both in the second quarter and in the first half of 2015, reaching an EBITDA for the first half period of €778.8 million. The growth was achieved thanks to the positive underlying performance of our Distribution and IT Solutions businesses as well as positively impacted by the contribution from the 2014-15 acquisitions and foreign exchange effects (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations).

EBITDA margin in the first half of 2015 represented 39.4% of revenues. As in the first quarter of 2015, EBITDA margin dilution was driven by foreign exchange impacts.

Operating Income for the second quarter of 2015 increased by 7.9%, driving our Operating Income in the first half to €591.1 million, 7.2% higher than that of 2014. The increase is a result of EBITDA growth offset by higher D&A charges.

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

EBITDA ***Figures in million euros***	**Apr-Jun 2015**	**Apr-Jun 2014**	**% Change**	**Jan-Jun 2015**	**Jan-Jun 2014**	**% Change**
Operating income	**294.8**	**273.3**	**7.9%**	**591.1**	**551.2**	**7.2%**
Depreciation and amortisation	96.5	79.5	21.4%	192.9	154.4	24.9%
Capitalised depreciation and amortisation	(2.2)	(1.5)	50.2%	(5.2)	(3.0)	74.9%
EBITDA	**389.1**	**351.3**	**10.8%**	**778.8**	**702.6**	**10.8%**
EBITDA margin (%)	39.4%	40.7%	(1.3 p.p.)	39.4%	40.6%	(1.2 p.p.)

6.4 Net financial expense

Net financial expense ***Figures in million euros***	**Apr-Jun 2015**	**Apr-Jun 2014**	**% Change**	**Jan-Jun 2015**	**Jan-Jun 2014**	**% Change**
Financial income	0.7	0.4	73.4%	0.7	1.0	(24.9%)
Interest expense	(15.0)	(16.6)	(9.7%)	(31.8)	(33.4)	(5.0%)
Other financial expenses	(1.0)	(0.7)	39.6%	(1.8)	(1.5)	16.4%
Exchange gains (losses)	(9.0)	1.9	n.m.	7.3	1.4	n.m.
Net financial expense	**(24.2)**	**(14.9)**	**62.0%**	**(25.4)**	**(32.6)**	**(21.8%)**

Net financial expense increased by 62.0% in the second quarter of 2015, though decreased by 21.8% in the first half, from €32.6 million in the first half of 2014 to €25.4 million in the same period of 2015.

This trend in the first half was largely explained by exchange gains, mainly a consequence of the significant appreciation of the US Dollar vs. the Euro in the first half of 2015, impacting our USD-denominated assets and liabilities on our balance sheet which are not linked to the operating activity of the company.

In turn, due to the refinancing we undertook in the first quarter of 2015 (a new revolving credit facility of €1.000 million, see appendix 10.2 for further information), extending previous maturities and decreasing our average cost of debt, we recognised outstanding deferred financing fees amounting to €1.6 million linked to the previous revolving credit facility which was cancelled in March 2015. Excluding this impact, and driven by a lower average cost of debt, interest expense in the first half of 2015 declined by 9.8% vs. 2014.

6.5 Income taxes

Income taxes for the first half of 2015 amounted to €175.4 million, vs. €163.2 million for the same period in 2014. The income tax rate for the first half of 2015 was 31.0%, lower than the 31.5% income tax rate in the same period of 2014. The reduction in the income tax rate was mainly due to the new (lower) corporate tax rate in Spain.

6.6 Profit for the period. Adjusted profit

6.6.1 Adjusted profit

As a result of the above, reported profit in the first half of 2015 amounted to €391.5 million, an increase of 9.9% vs. the reported profit of €356.3 million in the first half of 2014.

Adjusted profit *Figures in million euros*	Apr-Jun 2015	Apr-Jun 2014	% Change	Jan-Jun 2015	Jan-Jun 2014	% Change
Reported profit	**189.0**	**177.1**	**6.7%**	**391.5**	**356.3**	**9.9%**
Adjustments						
Impact of PPA[1]	15.2	12.7	19.7%	32.1	24.9	28.8%
Non-operating FX results and mark-to-market[2]	6.2	(1.3)	n.m.	(5.0)	(1.0)	n.m.
Non-recurring items	(0.7)	0.7	n.m.	0.9	0.3	n.m.
Impairments	0.1	0.0	n.m.	0.1	0.0	n.m.
Adjusted profit	**209.7**	**189.2**	**10.8%**	**419.6**	**380.6**	**10.3%**

1. After tax impact of accounting effects derived from purchase price allocation exercises.
2. After tax impact of changes in fair value of interest rate hedging agreements and non-operating exchange gains (losses).

After adjusting for (i) non-recurring items and (ii) accounting effects related to the purchase price exercises and other non-operating mark-to-market items, adjusted profit increased by 10.8% in the second quarter of 2015 vs. the same period in 2014, and by 10.3% (to €419.6 million) in the first half of 2015.

6.6.2 Earnings per share (EPS)

Earnings per share	Apr-Jun 2015	Apr-Jun 2014	% Change	Jan-Jun 2015	Jan-Jun 2014	% Change
Weighted average issued shares (m)	447.6	447.6		447.6	447.6	
Weighted average treasury shares (m)	(10.6)	(2.9)		(11.0)	(2.9)	
Outstanding shares (m)	**437.0**	**444.6**		**436.5**	**444.6**	
EPS (euros)[1]	**0.43**	**0.40**	**8.4%**	**0.89**	**0.80**	**11.7%**
Adjusted EPS (euros)[2]	**0.48**	**0.43**	**12.6%**	**0.96**	**0.86**	**12.1%**

1. EPS corresponding to the Profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
2. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

The table above shows EPS for the period, based on the profit attributable to the parent company (after minority interests), both on a reported basis and on an adjusted basis (adjusted profit as detailed above). In the first half of 2015, our reported EPS grew by 11.7% and our adjusted EPS by 12.1 %.

On December 11, 2014 the Board of Directors agreed to undertake a share buy-back programme. The programme was completed on May 12, 2015 as the maximum planned investment of €320 million was reached. A total of 8,759,444 own shares were acquired, representing 1.957% of share capital. The share capital reduction through the amortization of the repurchased shares was approved by the General Shareholders Meeting on June 25, 2015 though the capital reduction will only be effective on the capital reduction deed registration date and subsequent cancellation of the repurchased shares.

The maximum investment under the share buy-back programme (€320 million) was recognised in the statement of financial position as a reduction of equity, as if it had already been carried out on the date of the announcement of the programme, as well as the corresponding treasury shares under the programme.

7 Other financial information

7.1 R&D investment

R&D investment (including both capitalised and non-capitalised expenses) increased by 20.2% in the second quarter of 2015 vs. the same period in 2014, and by 18.2% in the first half, impacted by negative foreign exchange effects as well as by reduced R&D subsidies. As a percentage of revenue, R&D investment amounted to 15.6% in the first half of 2015.

The increase in R&D is explained by:

- Higher investment in (i) portfolio expansion and product evolution initiatives, such as merchandising, availability, adoption of NDC and XML connectivity, as well as (ii) customer implementation activity related to the contracted pipeline in Altéa, standalone and e-commerce solutions, and (iii) services (for example bespoke services related to e-commerce).
- Increased resources devoted to the new initiatives, in particular (i) hotel, including resources dedicated to our agreement with IHG, (ii) rail, with teams dedicated to our partners, such as Bene Rail, (iii) and travel intelligence, and (iv) additional R&D investment from the consolidation of our acquisitions, mainly Newmarket.
- Increased efforts on system performance projects to sustain the highest possible reliability, service and security levels to our client base as well as the ongoing investment in TPF decommissioning, which implies the progressive migration of the company's platform to open systems through next-generation technologies.

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

R&D investment *Figures in million euros*	Apr-Jun 2015	Apr-Jun 2014	% Change	Jan-Jun 2015	Jan-Jun 2014	% Change
R&D investment[1]	**163.4**	**135.9**	**20.2%**	**308.8**	**261.2**	**18.2%**
R&D as of % of Revenue	16.5%	15.7%	0.8 p.p.	15.6%	15.1%	0.5 p.p.

1. Net of Research Tax Credit.

7.2 Capital expenditure

The table below details the capital expenditure in the period, both in property, plant and equipment ("PP&E") and intangible assets. Based on the nature of our investments in PP&E, the figures may show variations on a quarterly basis, depending on the timing of certain investments. The same applies to our investments in contractual relationships where payments to travel agencies may take place in different periods, based on the timing of the negotiations. In turn, our capitalised R&D investment may fluctuate depending on the level of capitalisation ratio, which is impacted by the intensity of the development activity, the mix of projects undertaken and the different stages in which the ongoing projects are.

Capex in the second quarter of 2015 amounted to € 114.7 million, 19.7% higher than in the second quarter of 2014. For the six month period, capex increased by €53.3 million or 26.9% vs. the same period in 2014. As a percentage of revenue, capex represented 12.7% in the first half of 2015.

The growth in capex was the result of:

- An increase of €24.2 million in capex in PP&E, mainly as a result of (i) an increase in hardware and software purchases for our data centre to support a higher transaction processing activity and enhance system agility, flexibility and security, and (ii) purchase of equipment for our new buildings in Nice (France) and Bad Homburg (Germany).
- A 17.4% growth in capex in intangible assets, mostly driven by: (i) higher software capitalisations, due to higher R&D investment (as detailed in section 7.1), (ii) the consolidation of the acquisitions of 2014 and (iii) higher signing bonuses in the period. Capex in intangible assets represented 10.0% of revenue, broadly in line with the first half of 2014.

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

Capital Expenditure ***Figures in million euros***	**Apr-Jun 2015**	**Apr-Jun 2014**	**% Change**	**Jan-Jun 2015**	**Jan-Jun 2014**	**% Change**
Capital Expenditure in PP&E	23.6	18.8	25.2%	54.8	30.7	78.8%
Capital Expenditure in intangible assets	91.1	77.0	18.3%	196.9	167.7	17.4%
Capital Expenditure	**114.7**	**95.9**	**19.7%**	**251.7**	**198.4**	**26.9%**
As % of Revenue	11.6%	11.1%	0.5 p.p.	12.7%	11.5%	1.3 p.p.

8 Investor information

8.1 Capital stock. Share ownership structure

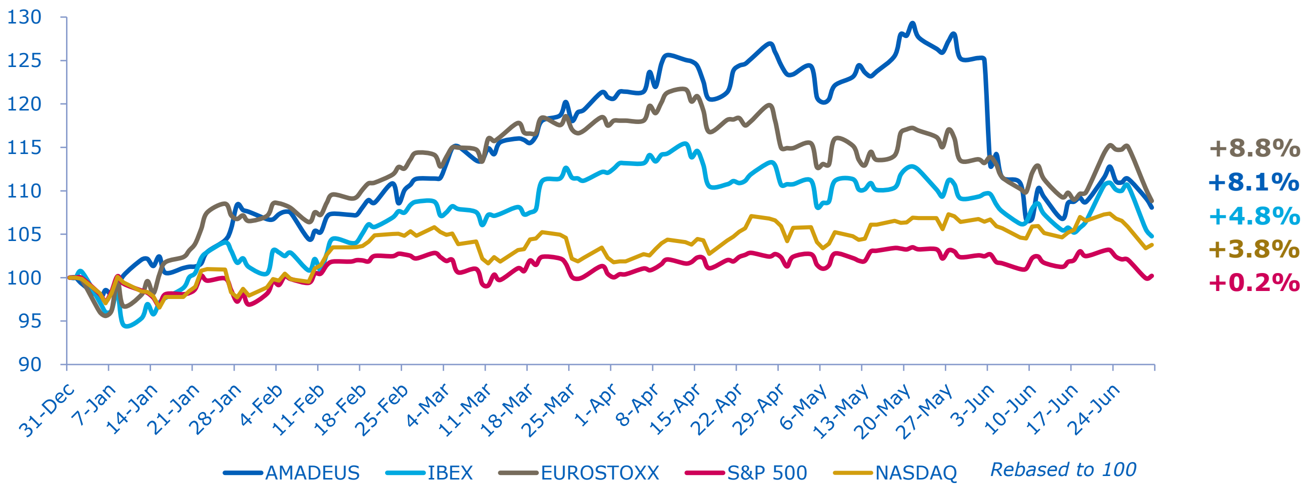
As of June 30, 2015 the capital stock of our company is €4,475,819.5 represented by 447,581,950 shares with a nominal value of €0.01 per share, all belonging to the same class, fully subscribed and paid in.

The shareholding structure as of June 30, 2015 is as described in the table below:

Shareholders	Shares	% Ownership
Free float	436,137,848	97.44%
Treasury shares[1]	11,038,848	2.47%
Board members	405,254	0.09%
Total	**447,581,950**	**100%**

1. Voting rights suspended for as long as the shares are held by the company. Includes treasury shares, acquired under the share buy-back programme and pending cancellation as explained in section 8.3.2.

8.2 Share price performance in 2015



Amadeus	
Number of publicly traded shares (# shares)	447,581,950
Share price at June 30, 2015 (in €)	35.76
Maximum share price in Jan - Jun 2015 (in €) (May 21, 2015)	42.79
Minimum share price in Jan - Jun 2015 (in €) (Jan 5, 2015)	32.36
Market capitalisation at June 30, 2015 (in € million)	16,003
Weighted average share price in Jan – Jun 2015 (in €)[1]	37.74
Average Daily Volume in Jan - Jun 2015 (# shares)	3,108,606

1. Excluding cross trades.

8.3 Shareholder Remuneration

8.3.1 Dividend payments

At the Shareholders' General Meeting held on June 25, 2015 our shareholders approved the annual gross dividend from the profit of the year 2014. The total value of the dividend was €313.3 million, representing a pay-out of 50% of the 2014 reported profit for the year, or €0.70 per share (gross). Regarding the payment, an interim amount of €0.32 per share (gross) was fully subscribed and paid up on January 30, 2015 and the complementary dividend of €0.38 per share (gross) was fully subscribed and paid up on July 30, 2015.

8.3.2 Share buy-back programme

The Board of Directors of Amadeus at the meeting of December 11, 2014 agreed to undertake a share buy-back programme, in accordance with the authorisation granted to it by the General Shareholders Meeting held on June 20, 2013, to reduce the share capital of the Company (subject to approval granted at the General Shareholders Meeting on June 25, 2015).

The programme was completed on May 12, 2015 as the maximum planned investment of €320 million was reached. A total of 8,759,444 own shares were acquired, representing 1.957% of share capital. All own share acquisitions under the share buy-back programme were regularly disclosed in accordance with Article 4.4 of Regulation 2273/2003 and were carried out in accordance with the terms and conditions thereof.

The share capital reduction through the amortization of the repurchased shares was approved by the General Shareholders Meeting on June 25, 2015 though the capital reduction will only be effective on the capital reduction deed registration date and subsequent cancellation of the repurchased shares.

The share repurchase programme constituted an extraordinary shareholder remuneration event which together with the annual ordinary dividend brought substantial shareholder remuneration growth. Since our IPO, Amadeus' shareholder remuneration has grown consistently, evidencing its importance within the Amadeus capital allocation process.

9 Key terms

_ "ACDM": refers to "Airport Collaborative Decision Making"
_ "ACUS": refers to "Airport Common Use Service"
_ "CRS": refers to "Computerised Reservation System"
_ "DCS": refers to "Departure Control System"
_ "EPS": refers to "Earnings Per Share"
_ "EIB": refers to "European Investment Bank"
_ "FTE": refers to "Full-Time Equivalent" employee
_ "FX": "Foreign Exchange"
_ "GDS": refers to a "Global Distribution System", i.e. a worldwide computerised reservation system (CRS) used as a single point of access for reserving airline seats, hotel rooms and other travel-related items by travel agencies and large travel management corporations
_ "IPO": refers to "Initial Public Offering"
_ "JV": refers to "Joint Venture"
_ "KPI": refers to "Key Performance Indicators"
_ "LCC": refers to "Low-Cost Carriers"
_ "LTM": refers to "Last Twelve Months"
_ "n.a.": refers to "not available"
_ "NDC": refers to "New Distribution Capability" as defined by IATA
_ "n.m.": refers to "not meaningful"
_ "PB": refers to "Passengers Boarded", i.e. actual passengers boarded onto flights operated by airlines using at least our Amadeus Altéa Reservation and Inventory modules
_ "p.p.": refers to "percentage point"
_ "PPA": refers to "Purchase Price Allocation"
_ "PP&E": refers to "Property, Plant and Equipment"
_ "RTC": refers to "Research Tax Credit"
_ "TA": refers to "Travel Agencies"
_ "TPF": refers to "Transaction Processing Facility", a software license from IBM
_ "USD": refers to "United States Dollar"
_ "XML": refers to "eXtensible Markup Language"

10 Appendix: Financial tables

10.1 Statement of financial position (condensed)

Statement of Financial Position *Figures in million euros*	**30/06/2015**	**31/12/2014**
Property, plant and equipment	435.5	359.0
Intangible assets	2,482.5	2,352.9
Goodwill	2,381.6	2,379.1
Other non-current assets	147.3	150.7
Non-current assets	5,446.9	5,241.7
Current assets	665.4	550.7
Cash and equivalents	393.7	373.0
Total assets	**6,506.1**	**6,165.4**
Equity	2,131.1	1,867.4
Non-current debt	1,569.8	1,528.9
Other non-current liabilities	1,158.7	1,105.7
Non-current liabilities	2,728.6	2,634.6
Current debt	491.2	294.7
Other current liabilities	1,155.2	1,368.6
Current liabilities	1,646.4	1,663.4
Total liabilities and equity	**6,506.1**	**6,165.4**
Net financial debt (as per financial statements)	**1,667.3**	**1,450.6**

10.2 Financial indebtedness

Indebtedness *Figures in million euros*	**30/06/2015**	**31/12/2014**
Covenants definition[1]		
Senior Loan (EUR)	0.0	74.4
Senior Loan (USD)[2]	96.0	157.1
European Commercial Paper	295.7	0.0
Long term bonds	1,150.0	1,150.0
EIB loan	350.0	350.0
Other debt with financial institutions	49.8	46.5
Obligations under finance leases	97.7	44.8
Share buy-back programme	0.0	288.8
Covenant Financial Debt	**2,039.2**	**2,111.6**
Cash and cash equivalents	(393.7)	(373.0)
Covenant Net Financial Debt	**1,645.5**	**1,738.5**
Covenant Net Financial Debt / LTM Covenant EBITDA[3]	**1.19x**	**1.32x**
Reconciliation with financial statements		
Net financial debt (as per financial statements)	**1,667.3**	**1,450.6**
Interest payable	(38.2)	(18.7)
Deferred financing fees	7.9	8.3
EIB loan adjustment	8.5	9.6
Share buy-back programme	0.0	288.8
Covenant Net Financial Debt	**1,645.5**	**1,738.5**

1. Based on the definition included in the senior credit agreement.
2. The outstanding balances denominated in USD have been translated into EUR using the USD / EUR exchange rate of 1.1189 and 1.2141 (official rate published by the ECB June 30, 2015 and Dec 31, 2014, respectively).
3. LTM covenant EBITDA as defined in the senior credit agreement.

Amadeus continued deleveraging in the second quarter of 2015, from 1.25x net debt / LTM EBITDA as of March 31, 2015 to 1.19x as of June 30, 2015.

During the first half of 2015, we made several issuances and drawings:

(i) On March 5, 2015, we issued a new €1,000 million Dual Tranche (each tranche amounting to €500 million) revolving credit facility, substituting the previous €300 million revolving credit facility which was cancelled in March 2015, to be used as (i) a back-stop facility for the refinancing of the €750 million notes maturing on July 15, 2016, and (ii) working capital requirements and general corporate purposes. As of June 30, 2015 this facility was unused.

(ii) We have used the Multi-Currency European Commercial Paper (ECP) programme, set up in December 2014, by an amount of €295.7 million as of June 30, 2015.

In addition to the above, the following effects also had a significant impact on our covenant financial debt in the period:

- Amadeus made a voluntary repayment of €41.3 million from the EUR-denominated loan facility, and repaid €83.9 million from the USD-denominated loan facility. Due to the USD/EUR exchange rate evolution and in accordance with the conditions agreed in the senior credit agreement, Amadeus also paid €22.4 million in the first half of 2015.

- The underlying increase in Euro value in the USD-denominated tranche of the senior loan was due to the appreciation of the USD vs. the Euro at June 30, 2015 vs. December 31, 2014.
- Amadeus entered into a €56.7 million finance lease agreement for a new office building in Bad Homburg (Germany).

Reconciliation with net financial debt as per our financial statements

Under the covenant terms, Covenant Financial Debt (i) does not include the accrued interest payable (€38.2 million at June 30, 2015) which is treated as debt in our financial statements, (ii) is calculated based on its nominal value, while in our financial statements our financial debt is measured at amortised cost, i.e., after deducting the deferred financing fees (that correspond mainly to fees paid upfront in connection with the set-up of new credit agreements and amount to €7.9 million at June 30, 2015), and (iii) does not include an adjustment for the difference between the nominal value of the loan granted by the EIB at below-market interest rate and its fair value (€8.5 million at June 30, 2015).

10.3 Group cash flow

Consolidated Statement of Cash Flows ***Figures in million euros***	**Apr-Jun 2015**	**Apr-Jun 2014**	**% Change**	**Jan-Jun 2015**	**Jan-Jun 2014**	**% Change**
EBITDA	389.1	351.3	10.8%	778.8	702.6	10.8%
Change in working capital	(66.8)	(38.0)	75.8%	(76.7)	(57.7)	32.9%
Capital expenditure	(114.7)	(95.9)	19.7%	(251.7)	(198.4)	26.9%
Pre-tax operating cash-flow	**207.6**	**217.4**	**(4.5%)**	**450.4**	**446.6**	**0.8%**
Taxes	(89.9)	(103.8)	(13.4%)	(100.9)	(121.7)	(17.1%)
Interest and financial fees paid	(3.4)	(6.2)	(45.9%)	(10.8)	(12.5)	(13.4%)
Free cash-flow	**114.3**	**107.4**	**6.5%**	**338.7**	**312.4**	**8.4%**
Equity investment	(12.8)	(41.1)	(68.9%)	(12.8)	(386.3)	n.m.
Cash-flow from extraordinary items	(3.7)	(9.3)	(60.6%)	0.8	(9.8)	n.m.
Debt payment	(67.8)	(174.7)	(61.2%)	125.4	157.5	(20.4%)
Cash to shareholders	(89.6)	(7.2)	n.m.	(431.4)	(140.6)	n.m.
Change in cash	**(59.6)**	**(124.9)**	**(52.3%)**	**20.7**	**(66.7)**	**n.m.**
Cash and cash equivalents, net[1]						
Opening balance	453.0	548.8		372.8	490.6	
Closing balance	393.4	423.9		393.4	423.9	

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

amadeus

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