

# AMADEUS

## Amadeus Capital Markets, S.A., Sociedad Unipersonal

*(incorporated with limited liability in the Kingdom of Spain)*

Guaranteed by

### Amadeus IT Holding, S.A.

*(incorporated with limited liability in the Kingdom of Spain)*

**€3,000,000,000**

### Euro Medium Term Note Programme

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This prospectus has been approved by the United Kingdom Financial Services Authority (the “FSA”), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the “Prospectus Directive”) and relevant implementing measures in the United Kingdom, as a base prospectus (the “Base Prospectus”) issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to Amadeus Capital Markets, S.A., Sociedad Unipersonal (the “Issuer”) and Amadeus IT Holding, S.A. (the “Guarantor”) and the issue of notes (“Notes”) issued under the Euro Medium Term Note Programme (the “Programme”) described in this Base Prospectus during the period of twelve months after the date hereof which, according to the particular nature of the Issuer, the Guarantor and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Guarantor and of the rights attaching to the Notes. Applications have been made for the Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange plc (the “London Stock Exchange”). The Regulated Market of the London Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC on markets in financial instruments. The Programme also permits Notes to be issued on the basis that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer. Unlisted Notes may not be issued under the Programme.

Notes may be issued pursuant to the Programme from time to time that are denominated in any currency agreed between the Issuer, the Guarantor and the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed by Amadeus IT Holding, S.A.

Amadeus IT Holding, S.A. has been assigned a credit rating of BBB- by Standard & Poor’s Credit Market Services Europe Limited (“S&P”) and of Baa3 by Moody’s Investors Service España S.A. (“Moody’s”). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Community and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the “CRA Regulation”) unless the rating is provided by a credit rating agency operating in the European Community before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. Each of S&P and Moody’s is established and operating in the European Union prior to 7 June 2010 and has applied for registration under the CRA Regulation, although at the date of this Base Prospectus notification of the corresponding registration decision has not yet been provided by the relevant competent authority. Any Notes issued under the Programme may be rated or unrated. **A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

*Investing in Notes issued under the Programme involves certain risks. The principal risk factors to be considered in connection with an investment in the Notes and which may affect the abilities of the Issuer and the Guarantor to fulfil their respective obligations under the Notes are discussed under “Risk Factors” below.*

#### Arranger

**Banco Bilbao Vizcaya Argentaria, S.A.**

#### Dealers

**Banco Bilbao Vizcaya Argentaria, S.A.**

**ING Commercial Banking**

**Mitsubishi UFJ Securities International plc**

**Natixis**

**Deutsche Bank**

**J.P. Morgan**

**Morgan Stanley**

**The Royal Bank of Scotland**

## IMPORTANT NOTICES

Each of Amadeus Capital Markets, S.A., Sociedad Unipersonal (the “**Issuer**”) and Amadeus IT Holding, S.A. (the “**Guarantor**”, and together with the Issuer the “**Responsible Persons**”) accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of such information.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under “*Terms and Conditions of the Notes*” (the “**Conditions**”) as amended and/or supplemented by a document specific to such Tranche called final terms (the “**Final Terms**”) or in a separate prospectus specific to such Tranche (the “**Drawdown Prospectus**”) as described under “*Final Terms and Drawdown Prospectuses*” below. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein (see “*Information Incorporated by Reference*” below) and in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

The Issuer and the Guarantor have confirmed to the Dealers named under “*Subscription and Sale*” below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or the Guarantor or such other information as is in the public domain and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer or the Guarantor since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. The Issuer, the Guarantor and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction or pursuant to an exemption thereunder, or assume any responsibility for facilitating any such distribution or offering. No action has been taken by the Issuer, the Guarantor or the Dealers that would permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. In particular, Notes have not been and will

not be registered under the United States Securities Act of 1933 (as amended) (the “**Securities Act**”) and are in bearer form and subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see “*Subscription and Sale*”.

Neither this Base Prospectus nor any Final Terms or any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or as constituting an invitation or offer by the Issuer, the Guarantor or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own independent investigation of the affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor. Potential investors should review, *inter alia*, the most recent financial statements of the Issuer and the Guarantor when deciding whether or not to purchase any Notes. Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes constitutes an offer by or on behalf of the Issuers and/or the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Notes.

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed €3,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under “*Subscription and Sale*”.

In this Base Prospectus, unless otherwise specified, references to a “**Member State**” are references to a Member State of the European Economic Area, references to “**EUR**” or “**euro**” are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws, regulations and rules.**

In respect of any Notes to be admitted to the Official List and to trading on the Regulated Market of the London Stock Exchange, if at any time the Issuer or the Guarantor shall be required to prepare a supplemental prospectus pursuant to Section 87G of the FSMA, the Issuer or the Guarantor will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a further prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Regulated Market of the London Stock Exchange, shall constitute a supplemental base prospectus as required by the FSA and Section 87 of the FSMA.

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## CERTAIN TERMS AND CONVENTIONS

As used in this Base Prospectus:

“**AACO**” refers to Arab Air Carriers Organisation.

“**Abacus**” refers to Abacus International Pte Ltd, an international GDS provider to the travel industry.

“**ACO**” refers to an Amadeus Commercial Organisation.

“**Air France-KLM**” refers to Société Air France.

“**air TA bookings**” refers to air bookings processed and billed using the Group’s GDS platform, for which the Group receives revenue in the form of booking fees. “**Altéa Inventory**” refers to both the Altéa Inventory IT solution and the Altéa Reservation IT solution, taken together, both of which form part of the Group’s Altéa PSS suite of airline IT solutions.

“**Altéa Reservation**” refers to the Altéa Reservation IT solution used on a stand-alone basis.

“**Amadeus Capital Markets**” refers to Amadeus Capital Markets, S.A., Sociedad Unipersonal

“**Amadeus IT Group**” refers to Amadeus IT Group, S.A.

“**Amadeus IT Holding**” refers to Amadeus IT Holding, S.A.

“**Amadeus GTD**” refers to Amadeus Global Travel Distribution, S.A., the parent company of the Group prior to the acquisition of that company by WAM Acquisition, S.A. in 2005.

“**APAC**” refers to the Asia-Pacific region, comprising Australia, Bangladesh, Bhutan, Cambodia Riel, China, the Cook Islands, Fiji, French Polynesia, Hong Kong, India, Indonesia, Japan, the Republic of Korea (South Korea), the Lao People’s Democratic Republic, Macau, Malaysia, the Republic of Maldives, Mongolia, Myanmar, Nepal, New Caledonia, New Zealand, Niue, Norfolk Island, North Korea, the Republic of the Philippines, the Independent State of Samoa, Singapore, Sri Lanka, Taiwan, Thailand, Tonga, Vietnam and the Wallis and Futuna Islands.

“**ARI**” refers to Amadeus Revenue Integrity Inc, US subsidiary of Amadeus IT Holding, S.A.

“**Axess**” refers to Axess International Network Inc., a local CRS provider to the travel industry operating in Japan.

“**BC Partners**” refers to BC Partners Limited.

“**Central and South America**” refers to Central and South America, comprising Anguilla, Antigua and Barbuda, Argentina, Aruba, The Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominica, The Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Montserrat, The Netherlands Antilles, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, St. Kitts and Nevis, St. Lucia, St. Vincent, Trinidad and Tobago, the United States Virgin Islands, Uruguay and Venezuela.

“**CESE**” refers to Central, Eastern and Southern Europe, comprising Albania, Armenia, Azerbaijan, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Cyprus, The Czech Republic, Estonia, Georgia, Greece, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Macedonia, Malta, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Tajikistan, Turkey, Turkmenistan, Ukraine and Uzbekistan.

“**Cinven**” refers to Cinven Limited.

“**CRS**” refers to a computerised reservation system, which operates similar functions to a GDS.

“**euro**” or “**€**” refers to the currency of the member states of the European Union, including Spain, which participated or participates at the relevant time in the Economic and Monetary Union.

“**full-time equivalent**” or “**FTE**” refers to the equivalent of one person working eight hours a day, five days a week and, accordingly, a part-time employee working four hours a day, five days a week



would represent 0.5 FTEs and a part-time employee working eight hours a day, two days a week would represent 0.4 FTEs.

“**GDA**” refers to a global distribution agreement.

“**GDS**” refers to a global distribution system, a worldwide computerised reservation network used as a single point of access for reserving airline seats, hotel rooms, rental cars and other travel-related items by online and offline travel agencies and large corporations.

“**GDS-processed air bookings**” refers to air travel agency bookings processed by the GDS providers operating on a global scale, being Abacus, Sabre, Travelport and the Group, and include all bookings processed by these GDS providers, excluding cancelled bookings. GDS-processed air bookings do not include bookings processed by single country operators, primarily in China, Japan, South Korea and Russia.

“**global booking**” refers to those airline bookings made through the Group’s GDS platform for which the Group charges its highest booking fees under its value-based pricing model because the Group’s GDS platform has added value for the airline by accessing points of sale that the airline is not able to reach cost effectively through direct distribution. A typical example of a global booking would be a flight on a UK airline booked through a travel agent in Hong Kong.

“**Group**” refers to Amadeus IT Holding, S.A. and its consolidated subsidiaries.

“**Guarantor**” refers to Amadeus IT Holding, S.A.

“**IATA**” refers to the International Air Transportation Association.

“**Iberia**” refers to Iberia Líneas Aéreas de España, Sociedad Anónima Operadora, Sociedad Unipersonal.

“**Infini**” refers to INFINI Travel Information, Inc., a local CRS provider to the travel industry operating in Japan.

“**INR**” refers to Indian Rupees the lawful currency of India.

“**Insolvency Law**” refers to Spanish Law 22/2003 dated 9 July 2003 (*Ley Concursal*).

“**Issuer**” refers to Amadeus Capital Markets, S.A., Sociedad Unipersonal.

“**local booking**” refers to those airline bookings made through the Group’s GDS platform for which the Group charges its lowest booking fees under its value-based pricing model because the airline is able to access the point of sale cost effectively via its direct distribution channels. A typical example of a local booking would be a flight on a UK airline booked through a travel agent in London.

“**Lufthansa**” refers to Deutsche Lufthansa AG, the parent company of Lufthansa Commercial Holding.

“**Lufthansa Commercial Holding**” refers to Lufthansa Commercial Holding GmbH.

“**MEA**” refers to the Middle East and Africa, comprising Afghanistan, Algeria, Angola, Bahrain, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, the Central African Republic, Chad, Congo Brazzaville, the Democratic Republic of Congo, Cote d’Ivoire, Djibouti, Egypt, Equatorial Guinea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Iraq, Iran, Israel, Jordan, Kenya, Kuwait, Lebanon, Liberia, Libyan Arab Jamahiriya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Oman, Pakistan, Palestine, Qatar, Rwanda, Sao Tome and Principe Islands, Saudi Arabia, Senegal, Seychelles Islands, Sierra Leone, Somalia, South Africa, Sudan, Syrian Arab Republic, Tanzania, Togo, Tunisia, Uganda, United Arab Emirates, Yemen Arab Republic, Zambia and Zimbabwe.

“**North America**” refers to North America, comprising Bermuda, Canada, Guam, Kiribati, the Marshall Islands, Mexico, Micronesia, the Northern Mariana Islands, Palau, Tuvalu and the United States.

“**OECD**” refers to the Organisation for Economic Cooperation and Development.

“**Opodo**” refers to Opodo Limited.

“**PB**” or “**passengers boarded**” refers to actual passengers boarded onto flights operated by airlines using the Group’s Altéa Inventory and, in some cases, Altéa Departure Control solutions.

“**PCA**” refers to participating carrier agreements.

“**PNRs**” or “**passenger name records**” refer to the reference code for a booking recorded in an airline’s reservation system, and a single PNR may refer to one or more passengers travelling on one or more air segments, although they most frequently relate to a single passenger booked on two air segments (i.e., the outbound and inbound flights).

“**PSS**” refers to passenger service systems.

“**regional booking**” refers to the intermediate category of airline bookings for which the Group charges a booking fee that is higher than the fee charged for local bookings but less than the fee charged for global bookings. A typical example of a regional booking would be a flight on a UK airline booked through a travel agent in Germany.

“**RMS**” refers to the Group’s Hotel Revenue Management System.

“**Sabre**” refers to Sabre Inc., an international GDS provider to the travel industry.

“**SAS**” refers to SAS AB.

“**single country operators**” or “**local CRS providers**” refer to the following CRS providers: TravelSky (China), Axess and Infini (Japan), Topas (South Korea) and Sirena (mainly Russia and the CIS).

“**Sirena**” refers to Sirena-Travel (operated by TAIS, a wholly-owned subsidiary of Ultitek, Ltd.), a local CRS provider operating mainly in Russia and the CIS.

“**TMC**” refers to a travel management company.

“**Topas**” refers to Topas Co., Ltd., a local CRS provider to the travel industry operating in South Korea.

“**Travelport**” refers to Travelport Limited, an international GDS provider to the travel industry.

“**TravelSky**” refers to TravelSky Technology Limited, a local CRS provider to the travel industry operating in China.

“**TravelTainment**” refers to TravelTainment AG.

“**Western Europe**” refers to Western Europe, comprising Andorra, Austria, Belgium, Denmark, the Faroe Islands, Finland, France, French Guiana, Germany, Greenland, Guadeloupe, Iceland, the Republic of Ireland, Italy, Luxembourg, Martinique, Mayotte, The Netherlands, Norway, Portugal, La Reunion, Spain, Sweden, Switzerland and the United Kingdom.

## OVERVIEW OF THE PROGRAMME

*This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC), as amended, in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus, including any information incorporated by reference. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.*

*Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Base Prospectus have the same meanings in this summary.*

<b>Issuer:</b>	Amadeus Capital Markets, S.A., Sociedad Unipersonal
<b>Guarantor:</b>	Amadeus IT Holding, S.A.
<b>Description:</b>	Euro Medium Term Note Programme
<b>Risk Factors:</b>	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantor to fulfil their respective obligations under the Notes are discussed under “ <i>Risk Factors</i> ” below.
<b>Arranger:</b>	Banco Bilbao Vizcaya Argentaria S.A.
<b>Dealers:</b>	Banco Bilbao Vizcaya Argentaria, S.A., Deutsche Bank AG, London Branch, ING Bank N.V., J.P. Morgan Securities Ltd., Mitsubishi UFJ Securities International plc, Morgan Stanley & Co International plc, Natixis, The Royal Bank of Scotland plc and any other Dealer appointed from time to time by the Issuer and the Guarantor either generally in respect of the Programme or in relation to a particular Tranche of Notes.
<b>Fiscal Agent:</b>	Deutsche Bank AG, London Branch.
<b>Final Terms or Drawdown Prospectus:</b>	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus.
<b>Listing and Trading:</b>	Applications have been made for Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange. The Programme also permits Notes to be issued on the basis that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer and the Guarantor. Unlisted Notes will not be issued under the Programme.
<b>Clearing Systems:</b>	Euroclear and/or Clearstream, Luxembourg (together, the “ <b>Clearing Systems</b> ”) and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.



<b>Initial Programme Amount:</b>	Up to €3,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed at any one time.
<b>Issuance in Series:</b>	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches.
<b>Forms of Notes:</b>	Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a “ <b>Classic Global Note</b> ” or “ <b>CGN</b> ”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a “ <b>New Global Note</b> ” or “ <b>NGN</b> ”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.
<b>Currencies:</b>	Notes may be denominated in euro or in any other currency or currencies as may be agreed between the Issuer, the Guarantor and the relevant Dealer, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
<b>Status of the Notes:</b>	The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The obligations of the Issuer in respect of the Notes are subject to Spanish insolvency laws, as further set out in Condition 4 ( <i>Status and Guarantee</i> ).
<b>Status of the Guarantee:</b>	The Notes will be unconditionally and irrevocably guaranteed by the Guarantor pursuant to a deed of guarantee dated 24 June 2011 (the “ <b>Deed of Guarantee</b> ”).

The obligations of the Guarantor under the Deed of Guarantee will constitute direct, general and unconditional obligations of the Guarantor and will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The obligations of the Guarantor are subject to Spanish insolvency laws, as further set out in Condition 4 (*Status and Guarantee*).

**Issue Price:** Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

**Maturities:** Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer.

**Redemption:** Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Final Terms. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Final Terms.

**Optional Redemption:** Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.

**Tax Redemption:** Except as described in “*Optional Redemption*” above, early redemption at the option of the Issuer will only be permitted for tax reasons as described in Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*).

**Change of Control Event:** The Notes may be redeemed either in whole or in part before their stated maturity at the option of the Noteholders to the extent (if at all) specified in the relevant Final Terms, as the result of a Change of Control Event, as described in Condition 9(e) (*Redemption at the option of the Noteholders*).

**Interest:** Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

<b>Denominations:</b>	No Notes may be issued under the Programme which (a) have a minimum denomination of less than EUR100,000 (or such amount in another currency as may be equal to or higher than EUR100,000 if converted to euro), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs. Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Negative Pledge:</b>	The Notes will have the benefit of a negative pledge as described in Condition 5 ( <i>Negative Pledge</i> ).
<b>Cross Default:</b>	The Notes will have the benefit of a cross default as described in Condition 12(c) ( <i>Events of Default – Cross-default of Issuer, Guarantor or Subsidiary</i> ).
<b>Taxation:</b>	Payments in respect of Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer or, as the case may be, the Guarantor will (subject to certain exceptions described below) pay such additional amounts as will result in the holders of Notes or Coupons receiving such amounts as they would have received in respect of such Notes or Coupons had no such withholding or deduction been required. In addition to certain exceptions, no such additional amounts shall be payable to: (a) Individual holders who are resident in Spain; and (b) Holders in respect of whom the Issuer or the Guarantor does not receive such information (which may include a tax residence certificate) concerning such Holder's identity and tax residence as it may require in order to comply with Law 13/1985 of 25 May on investment ratios, capital adequacy and information requirements for financial intermediaries ( <i>Ley 13/1985, de 25 de mayo, de coeficientes de inversión, recursos propios y obligaciones de información de los intermediarios financieros</i> ) as amended (" <b>Law 13/1985</b> ") and any implementing legislation.
<b>Disclosure of Identity of Noteholders:</b>	Under Law 13/1985 as amended by Law 4/2008 the Guarantor is obliged to disclose to the Spanish Tax and Supervisory Authorities the identity of Noteholders of the Notes who are Spanish resident noteholders (individuals or corporates) and non-Spanish resident noteholders operating through a permanent establishment in Spain. The Issuer, the Guarantor, the Fiscal Agent, the common depository for the Notes and the Clearing Systems will follow certain procedures to facilitate the collection of the above details from Noteholders. The implementation of the changes contemplated by Law 4/2008 is subject to the adoption of the relevant secondary legislation, which has not been adopted at the date of this Prospectus. The Clearing Systems are expected to follow certain procedures to assist the Fiscal Agent with the collection of the details of Noteholders. If the Clearing Systems are, in the future, unable to facilitate the collection of such information they may decline to allow the Notes to be cleared through the relevant system.  Pending the enactment of such secondary legislation, and in accordance with consultations from the General Directorate for

Taxation dated 20 January 2009, the current procedures relating to the identity of the Noteholders of the Notes, as laid down in section 44 of Royal Decree 1065/2007, remain applicable irrespective of whether or not the Noteholders of the Notes are resident in Spain, and the clearing systems will continue to require compliance with such procedure.

A summary of those procedures is set out in “*Taxation – The Kingdom of Spain*”.

**Noteholders must seek their own advice to ensure that they comply with all applicable procedures and to ensure that correct tax treatment of their Notes. None of the Issuer, the Guarantor, the Arranger, the Dealers, the Fiscal Agent and the Clearing Systems assume any responsibility therefore.**

**Governing Law:**

The status of the Notes, the capacity of the Issuer and the Guarantor, the appointment of the Commissioner and the constitution of the Syndicate of Noteholders (including any dispute relating to any non-contractual obligations arising out of or in connection any of the foregoing) are and shall be governed by Spanish law. Other than as set out in the previous sentence, the Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.

**Rating of the Notes:**

Although the Guarantor has been assigned a rating by each of S&P and Moody’s, at the date of this Base Prospectus no ratings have been assigned to the Notes to be issued under the Programme. Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

**Enforcement of Notes in Global Form:**

In the case of Global Notes, individual investors’ rights against the Issuer will be governed by a Deed of Covenant dated 24 June 2011, a copy of which will be available for inspection at the specified office of the Fiscal Agent.

**Representation of Noteholders:**

The Fiscal Agency Agreement contains provisions for convening the Syndicate of Noteholders to consider any matter affecting their interests.

**Selling Restrictions:**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the United Kingdom, Spain, Japan and Italy. See “*Subscription and Sale*” below.

## RISK FACTORS

*Prospective investors should carefully consider the following risk factors and the other information set forth in this Base Prospectus, the applicable Final Terms and any documents incorporated by reference into this Base Prospectus, as well as their own personal circumstances, before deciding to invest in any Notes. Prospective investors should have particular regard to, among other matters, the considerations set out in this section of this Base Prospectus. The following is not intended as, and should not be construed as, an exhaustive list of relevant risk factors. Additional risks not presently known to the Group or that the Group currently believes to be immaterial may also adversely affect the Group's business. In addition, there may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.*

*Each of the Issuer and the Guarantor believes that the following factors, many of which are beyond the control of the Issuer and the Guarantor, may affect its ability to fulfil its obligations under Notes issued under the Programme and, as a result, investors may lose all or part of their investment. Neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring. In addition, factors that are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer and the Guarantor do not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus, including the descriptions of the Issuer and the Guarantor, and reach their own views prior to making any investment decisions.*

*Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.*

### **Risks Related to the Group's Industry**

***Substantially all of the Group's revenue is derived from the worldwide travel and tourism industry and factors that negatively impact that industry, particularly the airline industry, could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.***

The worldwide travel and tourism industry, particularly the airline industry, is highly sensitive to general economic conditions and trends, including, but not limited to, trends in consumer and business confidence, the availability and cost of consumer finance, interest and exchange rates, fuel prices, unemployment levels and the cost of travel. The global economy and financial system recently experienced a period of volatility and uncertainty, which contributed towards a global recession affecting all of the Group's markets and resulted in a fall in demand for travel worldwide.

In addition to general economic conditions, the global travel and tourism industry is highly susceptible to other factors that are entirely outside the Group's control, including:

- global security issues, political instability, acts or threats of terrorism, hostilities or war and other political issues;
- increased security measures at ports of travel that reduce the convenience of certain modes of transport;
- world energy prices, particularly fuel price escalations;
- prolonged work stoppages or labour unrest;
- changes in attitudes towards the environmental impact of carbon emissions caused by air travel;
- changes in the laws and regulations governing or otherwise affecting the travel and tourism industry;
- epidemics or pandemics, such as the outbreak of the H1N1 influenza virus;



- natural disasters, such as hurricanes, volcanic eruptions, earthquakes and tsunamis; and
- aircraft, train and other travel-related accidents,

as well as other factors that increase the cost of travel, hotel accommodation and travel-related services or that otherwise adversely affect airline passenger numbers, hotel occupancy rates or domestic, regional and international travel patterns or volumes. The overall impact on the travel and tourism industry of the above and similar factors can also be influenced by travellers' perception of, and reaction to, the scope, severity and timing of such factors.

Substantially all of the Group's revenue is derived from the worldwide travel and tourism industry and because a significant portion of such revenue is derived from fees generated by airline bookings, the Group's earnings are particularly sensitive to factors affecting the volume of air travel. The recent global economic crisis impacted the airline industry. Although the global economy is experiencing a gradual recovery, there can be no assurance as to the ongoing extent or speed of this recovery, that the recovery will be sustained in the short to medium term or that it will continue to result in a corresponding increase in the volume of air travel.

If air and non-air travel volumes become depressed or decline, as a result of any of the factors described above or otherwise, it could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

***Trends in pricing between airlines, competing GDS providers and travel agencies have reduced, and could, in the future, further reduce, the Group's revenue and margins.***

The Group derives a significant majority of its revenue from the booking fees it charges to airlines for reservations made through its GDS platform. As a result of the emergence and growth of low-cost airlines, consolidation in the airline industry and the recent economic downturn, among other factors, airlines are seeking to reduce operating costs, including distribution costs.

Faced with this need to reduce distribution costs, airlines have launched diverse initiatives to reduce the booking fees they pay to GDS providers. Such initiatives include withholding part of their content (fares and associated economic terms) for distribution exclusively through their direct distribution channels (for example, the relevant airline's website) or offering travellers more attractive terms for content available through those direct channels. As a result, new economic models for distribution through GDS providers have arisen in recent years. The acceptance and implementation of such models by GDS providers has been influenced by the specific competitive conditions faced by the airlines in the markets where the GDS providers operate, regulatory changes and the relationships between airlines, GDS providers and travel agencies.

The emergence of these new economic models has led to increased pricing competition among GDS providers in the markets where such models have been widely adopted. Any intensification in the pricing competition in the markets in which the Group operates could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

***Travel providers, particularly low-cost airlines, have sought, and continue to seek, alternative distribution models, including direct distribution models, which may adversely affect the Group's business, prospects, financial condition and results of operations.***

Many airlines and other travel providers have sought, and continue to seek, to decrease their reliance on the indirect distribution channel, such as GDS providers. This trend has been particularly evident among low-cost airlines, some of which sell their tickets exclusively through direct distribution channels, such as their websites. Low-cost airlines have significantly increased their market share over the past decade and their tendency to rely on direct distribution methods has been one of the key factors that has contributed towards an increase, in recent years, in the number of airline bookings made through direct channels.

Travel providers may seek to reduce their reliance on GDS providers and other third-party distributors by:

- establishing or improving their own travel distribution websites, some of which may offer benefits to customers, such as bonus miles or loyalty points, lower or zero transaction and processing fees, priority waitlist clearance, e-ticketing and/or discounted prices for sales through these channels, the benefits of which may not always be available through GDS platforms;



- forming joint ventures and alliances to create multi-supplier travel distribution websites, such as Orbitz in the United States;
- electing to make all or part of their inventory unavailable to GDS providers or available only in exchange for agreed reductions in the booking fees charged by GDS providers, whether through direct reductions, surcharges on travel agencies or otherwise;
- applying alternative global distribution methods developed by new entrants to the marketplace which incorporate new technologies that are purported to be more cost-effective to travel providers because they avoid or reduce the incentive fees paid to travel agencies;
- creating commercial relationships with online and offline travel agencies to increase travel booked with those providers directly, rather than through a GDS platform; and
- working directly with major Internet, social media or/and mobile-based businesses to drive higher booking volumes directly to their own websites or inventories, reducing the volume of business transacted via GDSs and other travel intermediaries.

The Internet has become a major distribution channel for the global travel and tourism industry. This trend is expected to continue going forward. If direct distribution were to account for an increasing proportion of the total number of air bookings made worldwide in the coming years, it could limit the Group's ability to take advantage of organic growth in the worldwide market for air travel and/or cause fewer air TA bookings to be made through its GDS platform, either of which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

***Industry consolidation could affect the Group's business, prospects, financial condition and results of operations.***

Recent years have seen a consolidation in the global travel and tourism industry. As the industry continues to consolidate, the Group may seek to participate in this consolidation and grow its business through acquisitions. The Group can provide no assurance that it will complete any acquisitions or, if it does, that such acquisitions will be successfully managed or integrated with the Group's existing business, will be completed on favourable terms or will fully realise the anticipated benefits. The failure or delay of the Group's management to respond to the challenges of industry consolidation and the risks associated with acquisitions could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

**Risks Related to the Group's Business**

***The GDS market is highly competitive, and the Group is subject to competition from traditional participants in the GDS market, direct distribution by travel providers and new technologies that may challenge the GDS business model.***

The evolution of the global travel and tourism industry, the introduction of new technologies and standards and the expansion of existing technologies in key markets could, among other factors, contribute to an intensification of competition in the business areas and regions in which the Group operates. Any such increase could require the Group to increase spending on marketing activities or product development, to decrease its booking or transaction fees and other charges (or defer planned increases in such fees and charges), to increase incentive or full content payments and/or to take other actions that could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

A GDS provider has two broad categories of customers: (i) travel providers, such as full service and low-cost airlines, hotels, rail operators, cruise and ferry operators, car rental companies and tour operators, and (ii) travel agencies (both online and offline). The competitive positioning of a GDS provider depends on the success it achieves with both customer categories. Other factors that may affect the competitive success of a GDS provider include the timeliness and accuracy of the travel inventory and related information offered, the reliability and ease of use of the technology, the incentives paid to travel agencies, the transaction fees charged to travel providers and the range of products and services available to travel providers and travel agencies. The Group's existing GDS provider rivals could seek to capture market share by offering more competitive terms to travel providers or increasing the incentive fees paid to travel agencies, which would have a material adverse effect on the Group's business, prospects, financial condition and results of operations to the extent

they gain market share from the Group or oblige it to respond by lowering its prices or increasing the incentives the Group pays.

The Group's Distribution business area principally faces competition from:

- its existing international GDS provider rivals, principally Travelport, owner of the Galileo, Apollo and Worldspan GDS platforms, and Sabre, owner of the Sabre GDS, at an international level, and Abacus in the APAC region;
- a number of local CRSs (primarily in China, Japan, South Korea and Russia), which are mainly owned by airlines and which tend to operate exclusively in their home markets (see "Certain Terms and Conventions" above for further details on these single country operators);
- direct distribution and other alternative forms of distribution by travel providers;
- new participants that seek to enter the GDS market, particularly as new channels for travel distribution develop (such as aggregator or "meta-search" sites); and
- software developments, in particular possible multi-GDS software solutions that allow travel agencies to compare the results of some or all GDS providers simultaneously.

The Group can provide no assurance that it will be able to compete successfully against its current and future competitors in the GDS market, some of whom may, in the future, achieve greater brand recognition than the Group enjoys, have greater financial, marketing, personnel and other resources than the Group has or be able to secure services and products from travel providers on more favourable terms than the Group is. If the Group fails to overcome these competitive pressures, it may lose market share, which could, in turn, have a material adverse effect on its business, prospects, financial condition and results of operations.

***The Group's ability to maintain and grow its IT Solutions business area may be negatively affected by competition from existing third-party IT providers, new participants that seek to enter the IT solutions market and by a reluctance on the part of customers to concentrate mission-critical IT solutions with a single supplier.***

The Group's IT Solutions business area, particularly its Altéa product offering for airlines, principally faces competition from existing third-party IT providers, such as Sabre Airline Solutions (a division within the Sabre group), SITA and other vendors, such as Unisys Corporation, ITA Software, Inc., Lufthansa Systems (a subsidiary of Lufthansa), PROS Holdings, Inc. and Datalex (Ireland) Ltd. The Group may also face competition from new participants that seek to enter the airline IT solutions market, such as Hewlett-Packard, which, in 2010, signed an agreement with American Airlines to develop a computerised system for reservations, pricing and ticketing. Factors that may affect the competitive success of the Group's IT Solutions business area generally, and its Altéa product offering specifically, include its pricing structure, its ability to keep pace with technological developments, the effectiveness and reliability of its implementation and system-migration processes, its ability to tailor the Altéa modules for larger airlines and to offer a fully integrated "one-stop" solution for small- and mid-sized airlines, the effectiveness and reliability of the Group's systems, the range of additional "bolt-on" modules offered within the Altéa suite of IT solutions, the cost and efficiency of its system upgrades and customer support services. The Group's failure to compete effectively on price, efficiency, reliability, customer support or other factors upon which its competitors seek to gain market share could have a material adverse effect on its business, prospects, financial condition and results of operations.

Due to competition from third-party providers and the fact that many of the solutions the Group offers through its Altéa suite are deemed critical to the operations of its customers, the Group may have difficulty selling additional IT products and services, such as additional Altéa modules, to such customers if they view the concentration of IT products and services with a single supplier unfavourably. This may inhibit the Group's cross-selling and up-selling efforts. If the Group fails to attract new business for its IT Solutions business area, it would have a material adverse effect on its business, prospects, financial condition and results of operations.

***Travel agencies are the primary channel of distribution for the services offered through the Group's GDS platform, and if the Group is unable to maintain its current base of travel agency customers, attract new customers or if the bargaining position of travel agency customers improves through consolidation within the industry or otherwise, it could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.***

Travel agencies (both online and offline) are the primary channel of distribution for the Group's GDS platform. While the Group's relationships with most travel agencies are managed on a day-to-day basis by its local ACOs, the relationships with certain large multinational travel agency groups and TMCs, such as Carlson Wagonlit Travel, AMT American Express Travel and BCD Travel B.V., are managed centrally by a specialised team dedicated to the management of large client accounts, which is based in Madrid and supported by local units. The agreements between the Group (or the relevant local ACO) and its travel agency customers are generally for a term of three to five years, with a minimum guaranteed term of one year, commencing at the time of connection of the relevant travel agent's systems to the Group's GDS platform. In certain of the countries and regions in which the Group operates, including the European Union, the Group is required to include early termination rights in its agreements with smaller travel agencies and/or are limited in prescribing the penalties to be imposed in the event of early termination. There can be no assurance that the Group will be able to maintain its current base of travel agencies and other customers (such as TMCs and other corporate travel departments), or that it will be able to continue to attract new travel agencies and other customers. Any failure to do so could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

In recent years, travel agencies have been consolidating and forming consortia, thus improving their bargaining position with respect to GDS providers, including the Group, and allowing them to negotiate for improved incentive arrangements, such as reduced subscription fees and the provision of on-site computer equipment. Any significant increase in the incentive arrangements the Group is required to provide to maintain its existing travel agency customers and to attract new travel agency customers would also have a negative impact on the Group's business, prospects, financial condition and results of operations.

***The sales cycle for the Group's IT solutions is between 12 months and several years and may not result in the capture of new business, and the Group's implementation of IT solutions for new and upgrading customers is subject to long lead times and significant risks, the materialisation of which could harm the Group's reputation, business, prospects, financial condition and results of operations.***

The sales cycle for the Group's IT solutions can take between 12 months and several years. During this extended sales cycle, the Group expends resources with a view to obtaining new customers and/or increased sales with no assurance that a sale will be made. The length of the sales cycle for a particular IT product or service depends on a number of factors, many of which are customer specific. These factors include the customer's product and technical requirements and the level of competition the Group faces for that customer's business. Any lengthening of the sales cycle could delay the Group's recognition of revenue and could cause it to expend more resources than anticipated. If the Group is unsuccessful in closing sales or if it experiences significant delays in closing such sales, it could have an adverse effect on the Group's business, prospects, financial condition and results of operations.

Where the Group is successful in capturing new business, the implementation of its IT solutions can involve complex, large-scale projects that require substantial support operations, significant resources and reliance on certain factors that may not be under its control. For example, the success of the Group's implementation projects is heavily dependent upon the stability, functionality, interconnection and scalability of the customer's pre-existing information technology infrastructure, which may involve significant up-front investment of time and financial resources from that customer. If weaknesses or problems in such infrastructure exist, the Group may not always be able to correct or compensate for such weaknesses or problems. In addition, implementation of the Group's IT solutions can be highly complex and can require substantial efforts and cooperation on the part of the customers and the Group. If the Group is unable to manage the implementation of its IT solutions successfully, such that they do not meet customer needs or expectations, its reputation, business, prospects, financial condition and results of operations could be negatively impacted. Moreover, if an implementation project for a large customer were to be substantially delayed or cancelled, the Group may be subject to penalties under the relevant contract and lose revenue, any of which could, in turn, adversely affect the Group's business, prospects, financial condition and results of operations.

In addition, the implementation of the Group's Altéa IT solutions can be lengthy. The length of an airline migration depends on the modules being implemented and the size and complexity of the airline customer. On average, the migration to the Group's Altéa Inventory module takes less than one year from when activities are initiated in the case of small- and medium-sized airlines and between one and three years in the case of large airlines. The migration to the Group's Altéa Departure Control module, which also requires implementation at the airports from which the airline operates, usually takes between nine and 18 months. The financial condition of an airline may change, sometimes significantly, between the date on which they contract for the Group's Altéa solutions and completion of the implementation phase and, as a consequence, an airline may notify the Group that it is no longer able to complete the migration. Although the Group would normally be entitled to recover significant compensation in such circumstances, the inability to complete a contracted migration could adversely affect the Group's business, prospects, financial condition and results of operations.

***The Group's business depends on contracts with travel providers for the provision of distribution services and/or IT solutions and agreements with travel agencies, non-wholly-owned local ACOs and other local third-party distributors, and the termination of any of these contractual arrangements could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.***

The Group's business relies on contracts with travel providers for the provision of distribution services and/or IT solutions, agreements with travel agencies and, in some markets, with non-wholly-owned local ACOs or other local third-party distributors.

In the Group's Distribution business area, for example, the Group typically enters into participating carrier agreements, or PCAs, with airlines for a one-year term subject to automatic renewal at the end of each year until one party terminates giving the requisite notice. In addition, the Group enters into content agreements with selected airlines, typically for a term of three to five years. Similarly, the Group's IT Solutions business area is based on IT contracts with a typical duration of between ten and 15 years. The Group also enters into commercial agreements with travel agencies, for a duration of between three and ten years in the case of centrally-held contracts with major travel agency customers and of between one and five years in the case of contracts with local travel agency offices.

Additionally, the Group uses over 70 local ACOs to establish and maintain commercial and customer service relationships with travel agencies and other customers and to provide customer support and training in the markets they serve. The termination of the contractual arrangements with such local ACOs could impact the Group's ability to market its distribution and IT solutions in the relevant markets.

If the Group is unable to renew or replace on competitive terms any of its agreements with travel providers for the provision of distribution services and/or IT solutions, with travel agencies or with local ACOs on expiry or early termination, it could have a material adverse effect on its business, prospects, financial condition and results of operations. Moreover, if, on any such expiry or termination, the Group were to lose an existing customer to one of its competitors, it would result in a loss of market share which could, in turn, have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

***The Group depends on a relatively small number of airlines for a significant portion of its revenue and may be adversely affected by changes in the financial condition of, by further consolidation of, or by the strengthening of, alliances between one or more of these airlines.***

Adverse economic conditions have in the past contributed towards the financial problems suffered by several major airlines such as Delta Air Lines, Inc. ("**Delta Airlines**"), Northwest Airlines, Inc. ("**Northwest Airlines**"), Swiss Air AG ("**Swiss Air**") and Alitalia-Compagnia Aerea Italia S.p.A. ("**Alitalia**"), and other major airlines may face similar difficulties in the future.

In part as a defensive measure, airlines have in recent years been consolidating and/or strengthening their alliance activities, thus improving their bargaining position with respect to GDS providers and providers of IT solutions, including the Group. Examples of airline consolidation include the merger between Air France and KLM in May 2004, the merger between Delta Airlines and Northwest Airlines in October 2008, which created the world's largest airline, and the business combination of British Airways Plc ("**British Airways**") and Iberia agreed in April 2010. This improved bargaining position has affected the negotiation of the contractual terms governing the relationship between these airlines and their GDS providers. While the recent consolidation in the industry has either benefited



or had no material negative impact on the Group, it can provide no assurance that further consolidation between airlines would not adversely affect its business.

As the Group obtains a significant portion of its Distribution and IT Solutions business areas' revenue from a relatively small number of airlines, if one or more of its airline travel providers were to suffer a business failure, be acquired by or merged with another airline, significantly strengthen its or their alliance activities, or enter into financial difficulties, it could result in the loss of an existing customer and/or an increase in the concentration and bargaining power of the key players in the airline industry, either of which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Any sustained and significant reduction in, or complete withdrawal of, the Group's major air travel suppliers' inventory from its GDS platform or termination or failure to renew significant IT service contracts by such major air travel suppliers could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

***Defects or errors in the Group's distribution and/or IT solutions, particularly its Altéa IT offering for the airline industry, could harm the Group's reputation, impair its ability to sell its products and result in significant costs to the Group, and its insurance coverage may not sufficiently cover such costs.***

The Group's distribution and IT solutions, particularly its Altéa IT offering for the airline industry, are complex and may contain undetected defects or errors, particularly where the product or product enhancement has been more recently developed, as is the case for a number of the Altéa solutions. The Group has not suffered significant harm from any defects or errors to date, but it has found defects in certain of its solutions from time to time, which have been corrected as appropriate. The Group, or its customers, may discover additional defects in the future, and such defects could be material. The Group may not be able to detect and correct defects or errors before the final implementation of its distribution and IT solutions. Consequently, the Group or its customers may discover defects or errors after its distribution and IT solutions have been implemented. The Group may in the future need to issue corrective releases of its products to correct such defects and errors. The occurrence of any defects or errors, even if discovered and resolved in a timely manner, could result in:

- lost or delayed market acceptance and reduced sales of the Group's solutions;
- delays in payments to the Group by customers;
- customer losses and contract cancellations;
- harm to the Group's reputation;
- diversion of the Group's resources;
- legal claims, including product liability claims, against the Group;
- increased maintenance and support expenses; and
- increased insurance costs.

The agreements with the Group's airline customers pursuant to which the Group provides IT solutions or systems typically contain provisions designed to limit its liability for defects and errors and damages relating to such defects and errors, but these provisions may not be enforced by a court or otherwise effectively protect the Group from legal claims. In the event that the Group is required to satisfy a legal claim, its IT liability insurance may not be adequate to cover all of the costs resulting from such legal claims. Moreover, the Group can provide no assurance that its current IT liability insurance coverage will continue to be available on commercially acceptable terms and the insurer may, in any event, deny coverage on any future claim. The successful assertion against the Group of one or more large claims that exceed available insurance coverage or that result in changes to its insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements) could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

***System and technology disruptions or under-performance may cause the Group to lose customers or business opportunities and to incur liabilities.***

Substantially all of the Group's data and transaction processing services are centralised in its data processing facility located in Erding (near Munich, Germany) and the Group operates a disaster recovery centre located approximately 30 kilometres from this core facility, which is designed to ensure the continuity of the relevant services and the recovery of data in the event of a complete systems failure at the Erding facility for those of the Group's customers that have subscribed to use this back-up facility.

The Group's inability to maintain and improve the efficiency, reliability and integrity of its technologies and systems at its Erding facility and elsewhere may result in system disruptions. Delayed response times, unreliable service levels, insufficient system capacity, prolonged or frequent service outages or the Group's inability to retain qualified staff or to avoid system interruptions may inhibit its provision of distribution and/or IT solutions to customers in a timely and cost-effective manner, which could, in turn, result in the Group losing customers or incurring liabilities, which would have a negative impact on its business, prospects, financial condition and results of operations.

In addition to the risks from inadequate maintenance or upgrading, the Group's information technologies and systems (including its disaster recovery centre) are vulnerable to damage or disruption resulting from various causes, including:

- natural disasters, wars and acts of terrorism;
- power losses, computer systems failure, Internet, telecommunications and data network failures, operator error, loss and corruption of data and other similar events;
- sabotage, computer viruses, unauthorised access by individuals seeking to disrupt operations or misappropriate information and other physical or electronic breaches of security; and
- failure of third-party systems, software or services that the Group relies on to maintain its own operations.

Any disaster, calamity or other event, whether natural or man-made, that causes significant damage to, or materially disrupts the functioning of, the Group's data processing facility, disaster recovery centre or other IT infrastructure could significantly curtail the Group's ability to conduct its distribution and IT solutions activities and could have a material adverse effect on its business, prospects, financial condition and results of operations.

Moreover, in the Group's IT Solutions business area, the contracts the Group enters into with its customers typically stipulate minimum service level commitments, with a generally higher degree of specificity regarding systems performance in IT contracts with airline customers. If, as a result of a system interruption at the Group's data processing facility or disaster recovery centre, the Group were to breach one of these minimum service level commitments and fail to remedy that breach within the defined cure period, if any, the relevant counterparty may have the right to terminate the contract under which such services are provided, and the Group would be required to make penalty payments to the relevant counterparty. While the Group seeks to cap its maximum potential liability under each contract, the minimum service level commitments are set at similar levels across the Group's portfolio of contractual arrangements and it is therefore likely that, in the event of a system disruption that is sufficiently severe to cause a breach of service level commitments, the Group would be required to make penalty payments under a significant number of its IT Solutions contracts. If these penalty payments were to result in the loss of a significant customer or group of customers or to materially exceed the Group's available liability insurance coverage, or were to result in material changes to the Group's insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), it would have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

***Any adverse change in, or disruption or interruption to, the Group's relationships with non-air travel providers, such as hotels, could adversely affect the Group's access to travel offerings, reduce the revenue generated by its Distribution business area and adversely affect its growth plans.***

The Group's Distribution business area relies on the relationships it develops and maintains with non-air travel providers, such as hotels, rail companies, cruise and ferry operators, car rental companies



and tour operators. The Group depends on these travel providers to enable it to realise its objective of offering its customers comprehensive access to a wide range of travel services and products. The Group can provide no assurance that it will be able to maintain its existing relationships with non-air travel providers on their current terms (or similar terms) or that it will be able to build new relationships with additional non-air travel suppliers, particularly in the highly fragmented hotel industry and any failure to do so could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group is dependent upon third-party systems and service providers and relies on several communications companies internationally to provide network connections between its data processing facility and its customers.

The Group's businesses are dependent on certain third-party computer systems, service providers and software companies, such as IBM, HP, Microsoft, Oracle, among others, and the Group relies on several communications companies internationally, such as Telefónica, SITA, British Telecom and T-Systems (Deutsche Telekom) to provide network connections between the Group's data processing facility in Erding and its customers.

The Group's success is dependent on its ability to maintain effective relationships with its third-party technology and service suppliers. If the Group's arrangements with any such third party were to be terminated or impaired, the Group may not be able to find an alternative source of technology or systems support on commercially reasonable terms or on a timely basis or at all, which could result in significant additional cost and/or business disruption. In addition, some of the Group's agreements with third-party technology and service providers are terminable at short notice and, in many cases, provide limited recourse for service interruptions. The occurrence of any of the foregoing could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

***The Group is reliant upon information technology and innovation to operate its businesses and maintain its competitiveness, and any inability to adapt to technological developments or industry trends could harm the Group's business.***

The Group develops and sells sophisticated distribution and IT solutions, including those utilised for reservations, passenger management, communications, procurement, administrative systems, hardware platforms and operating systems. The Group continuously needs to improve and upgrade the systems and infrastructure underlying its products and services to remain competitive and to offer customers of its distribution and IT solutions new products and services, while maintaining the efficiency, reliability and integrity of its systems and infrastructure.

The industry in which the Group operates is characterised by rapid technological development and changing customer requirements. The Group must introduce new functionality that enhances its existing distribution products and services, through its GDS platform, and its IT solutions, particularly through its Altéa suite of airline IT solutions, in order to maintain or improve its competitive position, keep pace with technological developments, satisfy the requirements of each customer and to continue promoting brand awareness for the Group's product line. The success of new products is dependent on several factors, including proper identification of the needs of users of the Group's GDS platform and IT solutions, the cost of developing new products, timely completion and implementation of new products, differentiation of new products from those of the Group's competitors and market acceptance of new products. Any technologies and systems the Group does develop may not achieve acceptance in the marketplace sufficient to generate material revenue or may be rendered obsolete or non-competitive by products introduced by the Group's competitors. The Group's competitors may be investing heavily in product development, and they may develop and market new products and services that will compete with, and may reduce the demand for, the Group's distribution and IT solutions.

The Group can provide no assurance that it will be successful in developing or otherwise acquiring, marketing and licensing new functionality, or in delivering updates and upgrades that meet changing industry standards and customer demands. In addition, the Group may experience difficulties that could delay or prevent the successful development, marketing and licensing of such functionality. If the Group is unable to develop or acquire new functionality, enhance its existing GDS platform and IT solutions, particularly its Altéa suite of airline IT solutions, or to adapt to changing industry

requirements to meet market demand, the Group's business, prospects, financial condition and results of operations could be adversely affected.

In addition, because certain of the Group's products are intended to operate on a variety of technology platforms, the Group must continue to modify and enhance such products to keep pace with changes affecting these platforms. Any inability to operate effectively with existing or future platforms could reduce the demand for these products or result in customer dissatisfaction, either of which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

***Interest rate fluctuations may adversely impact the Group's results of operations.***

Fluctuations in interest rates modify the fair value of the Group's assets and liabilities that accrue at a fixed interest rate and the cash flows from assets and liabilities pegged to a variable interest rate and, accordingly, affect the Group's equity and profitability, respectively.

In order to hedge its exposure to interest rate movements and fix the amount of interest to be paid by it in the coming years, the Group typically enters into derivative agreements with financial institutions. By fixing the spread on the Group's debt in this manner, however, its fair value is sensitive to changes in interest rates.

Interest rates are sensitive to numerous factors outside of the Group's control, including, but not limited to, government and central bank monetary policy in the jurisdictions in which the Group operates. An increase in interest rates could have an adverse effect on the Group's business, prospects, financial condition and results of operations.

While the Group seeks to manage its exposure to interest rate risk, it can provide no assurance that its current or future hedging will sufficiently protect it from the adverse effects of interest rate movements. Moreover, the success of the Group's hedging is highly dependent on the accuracy of its assumptions and forecasts. Any errors affecting such assumptions and forecasts and, therefore, the Group's interest hedging strategy, could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

***Fluctuations in the exchange rate of the euro, the US dollar and other foreign currencies may adversely impact the Group's results of operations.***

The Group faces exposure to adverse movements in currency exchange rates as a result of both transaction risk and translation risk.

Transaction risk arises on net cash flows denominated in currencies other than the euro, the Group's functional currency. Although most of the Group's revenue is denominated in euros, the Group is exposed to movements in currency exchange rates due to the fact that a significant portion of its revenue is denominated in currencies other than the euro, with most of the revenue derived from countries in Central and South America, North America and the APAC region being denominated in US dollars. A significant portion of the Group's expenses is also denominated in currencies other than the euro, such as the US dollar-denominated incentive fees the Group pays to certain travel agencies and part of its personnel and social security costs, including the Group's personnel costs for employees in North America. The Group is also exposed, to a more limited extent, to movements in currency exchange rates of other currencies relative to the euro, the most significant being British pounds sterling, Australian dollars and Swedish krona.

The euro and the US dollar are the Group's two most significant surplus currencies, insofar as the net operating cash flows in these currencies are typically positive, with the revenue generated in each currency typically exceeding the Group's operating expenses denominated in such currency. The British pound sterling, Australian dollar and Swedish krona tend to be deficit currencies for the Group meaning that the operating costs exceed revenue in these currencies, with British pounds sterling generally representing the Group's most significant deficit currency. Changes in the exchange rates of these currencies against the euro could result in an increase in the Group's consolidated operating expenses or a reduction in its revenue.

The Group seeks to manage its operating exposure to the US dollar (which has a positive effect when the US dollar appreciates against the euro or a negative effect when the US dollar depreciates against the euro) through the use of a natural hedge by matching future US dollar-denominated net

operating cash inflows with its payments of principal and interest on its US dollar-denominated debt. The principals of its US dollar-denominated debt have been designated as foreign exchange hedges from the accounting perspective, and therefore, compensate the gains and losses produced by the fluctuations of the US dollar-euro exchange rate in the hedged operating exposures to the US dollar. Notwithstanding this natural hedge of its cash flows, the Group's operating profit is exposed to fluctuations in the US dollar-euro exchange rate.

For the deficit cash flow exposures denominated in British pound sterling, Australian dollars and Swedish krona, the Group seeks to cover a significant portion of its exposure by contracting currency derivatives, including foreign exchange forwards and currency options with a hedging horizon of up to three years.

While the Group seeks to manage its foreign exchange risk, it can provide no assurance that its current or future hedging will sufficiently protect it from the adverse effects of currency exchange rate movements. Moreover, the success of the Group's hedging is highly dependent on the accuracy of the Group's assumptions and forecasts. Any errors affecting such assumptions and forecasts and, therefore, the Group's hedging strategy, could have a material adverse effect on its business, prospects, financial condition and results of operations.

***The Group's ability to identify, attract, train, retain and motivate key executives, senior management, consultants and skilled personnel, and to maintain good relations with its employees, is crucial to the Group's profitability and future growth.***

The management of the Group's operations depends on a number of key employees. The loss of the services of certain of these key employees, particularly to competitors, could have a materially adverse effect on the results of operations or financial condition of the Group. In addition, as the Group's business develops and expands, the Group believes its future success will depend on its ability to attract and retain highly skilled and qualified personnel, which is not guaranteed.

The Group believes that it has, in general, good relations with its employees and unions at all of the Group's sites. The degree of unionisation of the Group's workforce varies from country to country (and is only one feature of the Group's employee relationships in Europe). Collective bargaining with members of the unions that represent the Group's employees in Europe takes place on a regular basis and a breakdown in these bargaining processes or other negotiations with employees could disrupt the Group's operations and adversely affect its business performance, particularly if any of the Group's central sites in Madrid (Spain), Sophia Antipolis (France) or Erding (Germany) were to be significantly impacted. The Group's operations have from time to time experienced limited protests and the Group can provide no assurance that it will be able to avoid industrial action in future. Any widespread or drawn out industrial action or dispute could materially affect the Group's business, prospects, financial condition or results of operations.

***The Group's intellectual property rights may not be protected effectively, which could allow the Group's competitors to duplicate its products and services, which could, in turn, make it more difficult for the Group to compete with them effectively.***

The Group's ability to compete successfully depends, in part, upon its technology and other intellectual property, including its brands. Among the Group's significant assets are its software and other proprietary information and intellectual property rights. The Group relies on a combination of copyright, trademark and patent laws, trade secrets, confidentiality procedures and contractual provisions to protect these assets. The Group's software and related documentation, however, are protected principally under trade secret and copyright laws which afford only limited protection. The Group may, from time to time, need to take legal action to enforce its intellectual property rights, to protect its trade secrets or to determine the validity and scope of the proprietary rights of others, and such enforcement actions could result in the invalidation or impairment of the intellectual property rights it asserts.

Unauthorised use of the Group's intellectual property due to its failure to adequately protect such intellectual property or otherwise could result in harm to the Group's reputation or in its competitors offering similar products and services to the Group's own products and services without the investment in product development that the Group has made over the years. In addition, the Group can provide no assurance that any legal remedies available to it would adequately compensate it for the damage caused by such unauthorised use. The unauthorised use of the Group's intellectual

property could have a material adverse impact on the Group's business, prospects, financial condition and results of operations.

***The Group relies on the value of its brands and it may not be successful in maintaining and enhancing awareness of its brands among its existing and target customers.***

The Group believes that maintaining and expanding its portfolio of product and service brands are important aspects of its efforts to attract and expand its customer base. The Group's brands may be negatively impacted by, among other things, unreliable service levels, poor customer support, the loss or unauthorised disclosure of personal data or other bad publicity relating to the Group's business. If the Group were to be unable to maintain or enhance awareness of its brands among its existing and target customers, it could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The Group's international operations may expose it to additional risks not encountered when doing business in Western Europe, the Group's primary market.

Outside of Western Europe, the Group's home and primary market, the Group currently operates in over 170 countries in CESE and the MEA and APAC regions, Central and South America and North America and the Group intends to continue to expand its presence outside of Western Europe in future years. The Group is subject to certain risks as a result of having international operations that are not generally encountered when doing business in Western Europe and which could adversely affect its business, financial condition and results of operations. These risks include:

- preference of local populations for local providers;
- differences in business practices, such as potentially longer payment cycles and differing accounting practices;
- lack of appropriate infrastructure, or delays in the development of such infrastructure, to support the Group's technology, including the Internet as a broadcast, advertising and commerce medium;
- difficulties in staffing and managing operations due to distance, time zones, language and cultural differences, including issues associated with establishing management, distribution and support systems and infrastructure;
- differences in general employment conditions and the degree of employee unionisation and activism;
- increased risk of piracy and limits on the Group's ability to enforce its intellectual property and other contractual rights in foreign jurisdictions;
- differences in, and unexpected changes to, legal or regulatory requirements, including laws on taxation, consumer protection, pricing and discounts;
- restrictive government policies, such as trade protection measures and restrictions on travel generally, more burdensome visa requirements and restrictions and other requirements affecting inward investment;
- currency exchange and other restrictions on the withdrawal of the Group's international investments and earnings, including potentially substantial withholding tax and other tax liabilities or other restrictions on the repatriation of cash generated by the Group's international operations;
- exposure to international diplomatic relations and local economic and political conditions, epidemics, natural disasters or security issues (including terrorism, political instability and war); and
- the risk of nationalisation or expropriation of assets in certain of the countries in which the Group operates.

***The occurrence of any of the risks discussed in this base prospectus, or any other risks, that have a particularly detrimental effect in Western Europe, could result in the Group being more adversely affected than its competitors that are less dependent on the Western European market.***

Western Europe is typically the largest market for the Group's Distribution business area and the majority of the Group's FTEs are currently located in Western Europe. In addition the Group's corporate headquarters is located in Madrid (Spain). The Group's principal product development centre is located in Sophia Antipolis (near Nice, France) and its core data processing centre and back-up facility is located in Erding (near Munich, Germany). Due to this concentration of the Group's revenue, employees and central business operations in Western Europe, the occurrence of any of the risks discussed in this base prospectus, or any other risks, that have a particularly detrimental effect in Western Europe compared with other regions, could result in the Group's business, prospects, financial condition and results of operations being more adversely affected than those of the Group's competitors that are less dependent on the Western European market.

***Third parties may claim, with or without merit, that the Group has infringed their intellectual property rights, which could expose the Group to substantial damages and restrict its operations.***

While the Group does not believe that any of its products or services infringes the proprietary rights of third parties in any material respect, there can be no assurance that the Group will not face intellectual property claims from third parties with respect to current or future products. Any claims against the Group, with or without merit, could require it to spend significant time and money in litigation, to divert management resources, to delay or cancel the development or release of new products or services, to pay damages, to develop new intellectual property or to acquire licences to intellectual property that is the subject of infringement claims, and successful claims could potentially block the Group's ability to use or license products in the EU and elsewhere. The resolution of these matters could result in a loss of intellectual property protections that relate to certain parts of the Group's business. Any of the foregoing could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

#### **Risks Related to the Group's Regulatory Environment**

***The Group's businesses are regulated in several jurisdictions in which the Group operates and any failure to comply with such regulations or material changes to such regulations could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.***

The Group operates in a regulated industry, both in Spain and internationally. It is subject to laws and regulations that significantly affect its activities, including EU and national laws governing (i) specific regulations for the provision of GDS services, (ii) fair competition in the provision of GDS services, (iii) consumer protection, (iv) privacy and data protection, (v) tax matters, and (vi) the sale of "packaged" travel products and services directly to consumers.

Given the international scope of the Group's operations and the nature of the products and services it provides, the various regulatory regimes to which the Group is subject may conflict with one another. Differences between the regulatory requirements in the jurisdictions in which the Group operates can present a significant challenge in operational terms, requiring the Group to tailor its products, services and business practices to different, and sometimes conflicting, regulatory regimes. It may not be possible for the Group, in all circumstances, to ensure full compliance with conflicting regulatory requirements in different jurisdictions. Furthermore, while certain jurisdictions, such as the EU, have opted to continue to regulate the GDS industry, other jurisdictions, such as the United States, have largely deregulated the sector. The Group cannot guarantee that it will be successful in adapting its business policies and practices to all regulated and deregulated environments. Also, while the Group does not, at present, consider that it has a "parent carrier" for the purposes of EU regulation, the Group can provide no assurance that this will remain the case following any future investigation by the EU competition authorities based on the Group's shareholder structure at the time of any such investigation.

While the Group believes that it complies in all material respects with applicable regulations in the EU and the other jurisdictions in which it operates, it may nevertheless be the subject of legal challenges alleging a failure by the Group to comply with such requirements (as interpreted by the relevant regulatory authorities). Any such failure to comply may subject the Group to fines, penalties and potential criminal sanctions, any of which could, in turn, have a material adverse effect on the Group's business, prospects, financial condition and results of operations.



***Regulatory changes in the jurisdictions in which the Group operates could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.***

Regulatory changes in the jurisdictions in which the Group operates could have a negative impact on the Group's business and limit its ability to compete by restricting the Group's flexibility to respond to competitive conditions, which could result in a loss of market share.

In a number of the jurisdictions in which the Group operates, regulations governing CRSs, such as the Group's GDS platform, are, or have recently been, subject to comprehensive review and in some instances this has resulted in a substantial overhaul of the previous regime. In the EU, for example, the Regulation of the European Parliament and of the Council on Code of Conduct for CRSs came into force on 29 March 2009, repealing and replacing the prior CRS Code of Conduct established under Council Regulation (EEC) No. 2299/89.

Additionally, there are, and it is likely that there will continue to be, an increasing number of laws and regulations pertaining to the Internet and e-commerce, which may relate to liability for information retrieved from, or transmitted over, the Internet, user privacy, taxation and the quality of products and services. Furthermore, the growth and development of e-commerce may prompt calls for more stringent customer protection laws that may impose additional burdens on online business generally.

Any unfavourable amendment to, or withdrawal or change in the interpretation of, existing law and regulations applicable to the Group, or any enactment of new law and regulations applicable to the Group, could, among other things, decrease demand for its products and services; increase its costs; subject it to additional liabilities; limit the Group's ability to establish relationships with new customers; impair the enforceability of agreements with its existing customers; prohibit or limit it from offering services or products or establishing or changing its fees; reduce the value of marketing information that the Group sells to airlines; subject the Group to rules that do not apply to its competitors or otherwise generally inhibit its ability to operate its business effectively. Any of the foregoing could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

***The Group's processing, storage, use and disclosure of personal data is regulated and any unauthorised access to, or disclosure of, such data or any failure to comply with industry standards relating to the processing of credit card payments, could adversely affect the Group's business, prospects, financial condition and results of operations.***

In the processing of its transactions, the Group receives and stores a large volume of personally identifiable information, which is increasingly subject to regulation in numerous jurisdictions around the world. Such regulations are typically intended to protect the privacy and security of personal information, including credit card information, that is collected, processed and transmitted in or from the governing jurisdiction. The Group could be adversely affected if it is unable to comply with such regulations, if such regulations were to be expanded to require changes in the Group's business practices or if governing jurisdictions interpret or implement such regulations in a manner that negatively affects the Group's business, prospects, financial condition and results of operations.

The secure transmission of confidential and personally identifiable information over the Internet is essential in maintaining customer and supplier confidence in the Group's Distribution and IT Solutions business areas. The Group receives and handles a large volume of personally identifiable information in the course of its ordinary activities and the Group relies on licensed encryption and authentication technology to effect the secure transmission of this confidential information. It is possible that advances in computer capabilities, new innovations or other developments could result in a compromise or breach of the technology used by the Group to protect customer transaction data. The Group incurs substantial expense to protect against and remedy security breaches and their consequences. However, businesses that handle personal data have been subject to investigations, lawsuits and adverse publicity due to allegedly improper disclosure of personally identifiable information and the Group cannot guarantee that its security measures will prevent all attempted security breaches. A party (whether internal, external, an affiliate or an unrelated third party) that is able to circumvent the Group's security systems could steal proprietary information or cause significant interruptions in the Group's operations. Substantial or ongoing data breaches, whether instigated internally or externally, on the Group's system or other Internet-based systems, could significantly harm the Group's business, damage its reputation, expose it to potential litigation, losses



and liability and/or cause existing customers and prospective customers to lose confidence in the Group's security measures, which would have a negative effect on the value of the Group's brands. These concerns and other privacy and security developments that are difficult to anticipate could adversely affect the Group's business, prospects, financial condition and results of operations.

Finally, participants in the payment card industry have proposed standards related to the processing of credit card payments, as well as target dates by which they require vendors to be compliant. The participants have stated that they may take actions against vendors who are not compliant by the target date, including imposing cash penalties for violations or prohibiting them from processing transactions on participant cards. To the extent any of the Group's businesses are not compliant by the industry-proposed target dates, the Group's business, prospects, financial condition and results of operations could be materially adversely affected.

***Adverse competition law rulings could restrict the Group's ability to expand or to operate its business as it wishes and could expose it to fines or other penalties.***

In its review of the merger of Travelport and Worldspan, L.P., the European Commission (the "Commission") held that there were separate national product markets downstream between GDS providers and travel agencies and a separate Europe-wide product market upstream, between GDS providers and airlines. However, in its decision, the Commission specifically noted that the GDS markets were dynamic and evolving and the decision is not, in any event, binding on any future decisions by the Commission, the national authorities of its member states or any other competition authority. In addition, since that decision, the importance of the direct distribution channel in the travel and tourism industry has continued to grow. That notwithstanding, if the GDS business in the EU were to continue to be considered in this way, the Group would be deemed the largest player in terms of GDS-processed air bookings in a significant number of EU member states in the theoretical national markets between GDS providers and travel agents, and the largest player in terms of GDS-processed air bookings in the theoretical Europe-wide market between GDS providers and airlines. Likewise, based on this analysis, the Group could be deemed the largest player in terms of GDS-processed air bookings in one or both theoretical markets in a number of other jurisdictions outside the EU.

As a consequence, under EU competition law and the competition laws in other jurisdictions (to the extent such laws exist), the Group runs the risk of being deemed to be in a dominant position in those theoretical markets and, therefore, theoretically capable of abusing a dominant position. While the Group is prudent in its competitive behaviour and seeks, at all times, to comply with applicable competition law, it has in the past been subject to, and cannot exclude the possibility of, future litigation and/or investigations by competition authorities or the Commission into its behaviour in any market where it could be considered to hold a dominant position. The Group believes it has strong grounds on which to challenge any finding of dominance or allegation of abuse. Were any finding to be made against the Group, however, it could be required to pay damages and fines, which could be substantial, and/or required to alter any behaviour determined to be abusive or anti-competitive, all of which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Furthermore, the US Department of Justice ("DOJ") has recently launched an investigation into GDSs. While the Group believes it has always complied with the appropriate regulatory requirements in the US and elsewhere and the investigation is focused on the US, where the Group has a limited presence, a negative outcome of such investigation could have a material adverse effect on the Group's business, prospects, financial condition and results of operations, especially in the US.

### **Risks Related to the Group's Financing**

***The Group's leverage could adversely affect its ability to raise additional capital to fund its operations and limit its ability to react to changes in the economy or the Group's industry.***

The current level of indebtedness could have important consequences for the Group, including the following:

- its ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be impaired;

- the requirement to make debt service payments on its amortising and other debt, which will reduce the funds available to fund working capital, capital expenditures, dividend payments and future business opportunities and activities;
- exposure to increased hedging costs as the Group's hedging products are rolled over;
- reduced flexibility in planning for, or responding to, changing conditions in the Group's industry, including increased competition; and
- vulnerability to general economic downturns and adverse developments affecting the Group's industry or its business.

If the Group were to incur additional indebtedness, it could make it more difficult for it to satisfy its debt service and other payment obligations, which could, in turn, increase the severity of these risks.

***The Group may not be able to generate sufficient cash to service all of its indebtedness and may be forced to take other actions to satisfy its obligations in respect of such indebtedness, which actions may be costly and may not succeed.***

The Group's ability to make scheduled payments on or to refinance its debt obligations depends on its financial condition and operating performance, which are both subject to prevailing economic and competitive conditions and certain financial, business and other factors, some of which are beyond the Group's control. Accordingly, the Group can provide no assurance that it will maintain a level of cash flows from operating activities sufficient to permit the making of scheduled payments of interest.

If the Group's cash flows and capital resources are insufficient to fund its debt service obligations, the Group may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance its indebtedness. These alternative measures may be costly, may not be successful and may not permit the Group to satisfy all of its scheduled debt service obligations. If the Group's operating performance and capital resources prove insufficient, the Group could face substantial liquidity problems and might be required to dispose of material assets or businesses to meet debt service and other payment obligations. In such circumstances, there can be no guarantee that the net proceeds from any such disposals would be sufficient to meet any debt service and other payment obligations then due.

Any failure to pay amounts due and payable under the credit documentation would give rise to an event of default, with the same consequences for breach of covenant described below.

The Group's credit documentation contains restrictions that limit the Group's flexibility in operating its business.

The terms of the Group's credit documentation include various covenants that limit its ability to engage in specified types of transactions. Among other things, they limit the Group's ability to:

- incur additional indebtedness in certain circumstances;
- make substantial changes to the general nature of the business of the Group (taken as a whole);
- divest of certain assets or create security interests over the Group's assets to secure other debt obligations; and
- sell or otherwise dispose of all or substantially all of the Group's assets.

In addition, the Guarantor is required to maintain a rating with S&P and/or Moody's for its long-term senior unsecured debt which is not credit enhanced by a third party (on a public or private basis), although this does not have to be an investment grade rating

Under the terms of the Group's credit documentation it is also required to satisfy and maintain certain financial ratios, including a maximum total leverage ratio. The Group's ability to satisfy these ratios can be affected by factors and events beyond its control, and the Group can provide no assurance that it will satisfy each of these ratios on all of the relevant testing dates.

A breach of any of these financial or general covenants could result in a default under the terms of the Group's credit documentation, the occurrence of which could entitle the lenders to declare all

amounts outstanding under the credit documentation to be immediately due and payable and to terminate all commitments to extend further credit. If the Group's lenders were to accelerate the repayment of borrowings under the scenario described above, the Group can provide no assurance that it would be capable of raising funds in the debt or equity markets to refinance such amounts or have sufficient assets to repay all such amounts or that the Group would be able to remain solvent following any such acceleration.

Additionally, certain of the Group's financing agreements contain change of control provisions. If any person or entity (or group of persons or entities acting in concert), were to gain control of the Guarantor through the acquisition of more than 30% of the voting rights exercisable at its general shareholders' meeting, it would also give rise to a mandatory prepayment event under the terms of the Guarantor's credit documentation, with the possible consequences described above.

### **Risks Related to the Group's Relationship with its Principal Shareholders**

*The strategic interests of the private equity funds advised by BC Partners and Cinven and the Group's other principal shareholders may, from time to time, differ from, and conflict with, the interests of the Group and its other shareholders and, the Group's principal shareholders are able to exert significant influence over decisions of the Group's shareholder meetings and, through such shareholders' nominee directors, decisions of the Group's Board of Directors.*

As at 31 May 2011, the Group's principal shareholders were Société Air France with a shareholding of 15.22%, Amadecin, S.à r.l. and Idomeneo, S.à r.l. (Luxembourg entities under the ultimate control of private equity funds managed by Cinven and BC Partners, respectively), each holding 8%, Iberia Líneas Aéreas de España Sociedad Anónima Operadora, Sociedad Unipersonal with a shareholding of 7.50% and Lufthansa Commercial Holding GmbH with a shareholding of 7.61%. Although specific measures have been taken to help ensure that conflicts of interest will be dealt with in accordance with Spanish law, the strategic interests of the funds advised by BC Partners and Cinven and the Group's other principal shareholders may differ from, and conflict with, the interests of the Group and its other shareholders in material respects. For example, the funds advised by BC Partners and Cinven are in the business of making investments in companies and may, from time to time, acquire interests in businesses that directly or indirectly compete with certain areas of the Group's business or that are suppliers or customers of the Group. In addition, the funds advised by BC Partners and Cinven may pursue acquisition opportunities that may be complementary to the Group's business and, as a result, those acquisition opportunities may not be available the Group. So long as Amadecin, S.à r.l. and Idomeneo, S.à r.l. continue to own and control, directly or indirectly, a substantial portion of the Group's voting share capital, even if such portion represents less than half of the Group's total voting share capital, they will continue to be able to exert significant influence over decisions at both shareholder and board level of the Group.

*Any loss or substantial reduction in the Group's revenue from its commercial and contractual relationships with Air France, Iberia and Lufthansa could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.*

Each of Air France, Iberia and Lufthansa has important commercial relations with the Group. Commercial relations between these airlines and the Group are conducted on an arm's length basis. The interests of any of these airlines may conflict with the interests of the Group or its other shareholders, and once such airlines reduce their stake in the Group, they may increase their dealings with the Group's competitors for the provision of IT solutions. The loss or substantial reduction of revenue from these sources could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

### **Risks Relating To The Notes**

*Notes may not be a suitable investment for all investors.*

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to a potential investor's overall portfolio. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

***There is no active trading market for the Notes.***

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and the Guarantor. Although application has been made for the Notes to be admitted to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

***The Notes may be redeemed prior to maturity.***

In the event that the Issuer or the Guarantor would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition the Conditions provide that the Notes are redeemable at the Issuer's option in certain other circumstances and accordingly the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

***Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer and/or the Guarantor.***

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common depository or, as the case may be, common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer and the Guarantor will discharge their payment obligations under the Notes by making payments to or to the order of the common depositary or, as the case may be, common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer or the Guarantor in the event of a default under the Notes but will have to rely upon their rights under the Deed of Covenant.

#### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors may be subject to law or review or regulation by certain authorities. Each potential investor should determine for itself, on the basis of professional advice where appropriate, whether and to what extent (i) the Notes are lawful investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

#### ***Credit ratings may not reflect all risks***

The Guarantor has been assigned a rating of BBB- by Moody's Investors Service España S.A. and of Baa3 by Standard & Poor's Credit Market Services Europe Limited. The ratings of the Guarantor may not reflect the potential impact of all risks related to the Notes issued under the Programme, including the structure, market and other factors that may affect the value of the Notes. Any Notes issued under the Programme may be rated or unrated. There is no assurance that any credit rating assigned to the Guarantor or an issue of Notes will continue for any period of time or that it will not be reviewed, revised, suspended or withdrawn entirely by the relevant credit rating agency. If any credit rating assigned to the Guarantor or an issue of Notes is lowered or withdrawn, the market value of the Notes may be reduced. Future events, including those affecting the Guarantor, its subsidiaries and the Group's industry generally, could have an adverse impact on the ratings of the Guarantor or the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

#### ***Change of law***

Save for those matters which are expressed to be governed by Spanish law in Condition 21(a) (Governing law), the conditions of the Notes, and any non-contractual obligations arising out of or in connection with the Notes, are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English or Spanish law or administrative practice after the date of this Base Prospectus.

#### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the guarantee of the Notes in the currency specified in the relevant Final Terms (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.



### *Interest rate risks*

Investment in Notes that bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of such Notes.

### *Risks related to the structure of a particular issue of Notes*

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

#### *Notes subject to optional redemption by the Issuer*

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### *Index Linked Notes and Dual Currency Notes*

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “**Relevant Factor**”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (a) the market price of such Notes may be volatile;
- (b) they may receive no interest;
- (c) payment of principal or interest may occur at a different time or in a different currency than expected;
- (d) they may lose all or a substantial portion of their principal;
- (e) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (f) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (g) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

#### *Partly-paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of their investment.

#### *Variable rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

#### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate



(and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer convert from a fixed rate to a floating rate, the spread on the Fixed/ Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

#### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### **Risks Relating to Certain Spanish Taxation and Other Matters**

#### ***Risks Relating to Withholding***

Under Spanish law, income in respect of Notes issued by the Issuer will be subject to withholding tax in Spain, currently at the rate of 19 per cent., in relation to payments to (a) individual Holders who are resident in Spain; and (b) Holders in respect of whom the Issuer or the Guarantor does not receive information (which may include a tax residence certificate) concerning such Holder's identity and tax residence as it may require in order to comply with Law 13/1985 and any implementing legislation. Neither the Issuer nor the Guarantor will gross up payments in respect of any such withholding tax in any of the above cases (See Condition 11 (*Taxation*) and "**Taxation**"). Despite the Issuer's and the Guarantor's opinion that the Notes are not placed in Spain (on the basis that there will be no public offer into Spain, as contemplated in "*Subscription and Sale – The Kingdom of Spain*") for the purposes of the exemption from withholding tax on payments to Spanish corporate Holders (as described in "*Taxation – 2. Legal Entities with Tax Residence in Spain*"), the Spanish tax authorities may determine that a Tranche of Notes has been placed in Spain and that the exemption referred to above does not apply to such Notes. If such determination were made, pursuant to Condition 11(a)(iii) (*Taxation*), the Issuer would be required to make a withholding at the applicable rate, currently 19 per cent., on payments of interest under the Notes and no additional amounts will be payable by the Issuer or the Guarantor in such circumstances.

#### ***Risks relating to procedures for collection of Noteholders' details***

Law 4/2008 of 23 December, abolishing the Wealth Tax Levy, generalising the Value Added Tax monthly refund system and introducing other amendments to the tax legal system (Law 4/2008) amends, among other things, Additional Provision Two of Law 13/1985 which was the source of the obligation on Spanish issuers and their parent companies to report to the Spanish tax authorities on the identity and residence of Holders of their debt securities.

Law 4/2008 removes the obligation on Spanish issuers and their parent companies to provide to the Spanish tax authorities the relevant information concerning holders who are not resident in Spain. The amended wording of Additional Provision Two of Law 13/1985 continues to require the Issuer or the Guarantor to disclose to the Spanish tax authorities the identity of certain Noteholders who are Spanish resident holders (individual and corporate) and non-Spanish resident holders operating through a permanent establishment in Spain.

The implementation of the changes contemplated by Law 4/2008 is subject to the adoption of the relevant secondary legislation. At the date of this Prospectus, such secondary legislation had not yet been adopted.

Pending the enactment of such secondary legislation, and in accordance with the consultations from the General Directorate for Taxation dated 20 January 2009, the current procedures relating to the identity of the Noteholders remain applicable, irrespective of whether or not the Noteholders are resident in Spain.

Euroclear and Clearstream, Luxembourg (the “ICSDs”) have established procedures to assist entities in complying with the reporting obligations required by Spanish tax law and regulations and to enable Noteholders to obtain a refund of amounts withheld on interest payments. These procedures were implemented by the European ICSDs in response to certain tax rulings made by the Spanish tax authorities. The procedures which the Issuer and other parties expect to follow are stipulated in the global tax procedures published by the ICSDs, which are also described in the Fiscal Agency Agreement. In this regard, Noteholders should also consult announcements in relation to these global tax procedures published on a periodic basis on the websites of the ICSDs ([www.Euroclear.com](http://www.Euroclear.com), [www.Clearstream.com](http://www.Clearstream.com)).

Noteholders should be aware that these procedures may be revised from time to time in accordance with applicable Spanish laws and regulations, further clarification from the Spanish tax authorities regarding such laws and regulations and the operational procedures of the ICSDs or in the event that the relevant Notes are not bearer Notes in global form which are held by the Fiscal Agent in its capacity as Common Depositary or, as the case may be, Common Safekeeper for Euroclear and Clearstream, Luxembourg. Any revision to the procedures agreed by the Issuer and Fiscal Agent shall be binding on all parties. Noteholders must seek their own advice to ensure that they comply with all applicable procedures and to ensure the correct tax treatment of their Notes. None of the Issuer, the Guarantor, the Arranger, the Dealers, the Fiscal Agent and the ICSDs assumes any responsibility therefor.

#### ***Risks in relation to Notes held by Spanish corporate entities***

Offers of Notes into Spain are not permitted except as contemplated in “*Subscription and Sale – The Kingdom of Spain*”. Notwithstanding this restriction, if Notes are held by Spanish corporate entities there is a risk the Spanish tax authorities may determine that the exemption from withholding tax currently applicable to payments of interest to Spanish corporate holders (as described in “*Taxation – The Kingdom of Spain*”), does not apply to such Notes. If such determination were made, the Issuer would be required to make a withholding at the applicable rate, currently 19 per cent., on payments of interest under the Notes and no additional amounts will be payable by the Issuer in such circumstances, as provided in Condition 11 (*Taxation*).

#### ***Risks Relating to Spanish Insolvency Law***

Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (the “**Insolvency Law**”) provides, among other things, that: (i) any claim may become subordinated if it is not evidenced in the debtor’s records or if it is not reported to the receivers (*administradores concursales*) within one month from the last publication of the court order declaring the insolvency, (ii) provisions in a contract granting one party the right to terminate as a result of the counterparty’s declaration of insolvency would, on its own, not be enforceable, and (iii) interest (other than any interest accruing under secured liabilities up to an amount equal to the value of the security) shall cease to accrue as from the date of the declaration of insolvency and any amount of interest accrued up to such date (other than any interest accruing under secured liabilities up to an amount equal to the value of the security) shall become subordinated.

Certain provisions of the Insolvency Law could affect the claims relating to (i) the Notes issued by Amadeus Capital Markets, S.A., Sociedad Unipersonal in the event of an insolvency of that company, or (ii) the guarantee of the Notes granted by Amadeus IT Holding, S.A. in the event of an insolvency of the Guarantor.

Pursuant to the Insolvency Law, creditors whose rights derive from a Spanish public deed (*escritura pública*) do not rank ahead of other creditors in an insolvency scenario.

#### ***Risks Relating to the Commissioner (Comisario)***

Under Spanish law, the Issuer is required to appoint a commissioner (*comisario*) (the “**Commissioner**”) in relation to the Notes. Pursuant to Spanish law, the Commissioner owes certain obligations to the Syndicate of Noteholders (as described in Schedule 7 (*Syndicate Regulations*) of the Issue and Paying Agency Agreement). However, prospective investors should note that the Commissioner will be an

individual appointed by the Issuer and it is the Issuer's intention that the individual to be appointed will be an employee of the Group.

**EU Savings Directive**

If a payment were to be made or collected through a Member State which has opted for a transitional withholding system as referred to below on page 97 under the heading "*EU Savings Tax Directive*" and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer, the Guarantor, the Fiscal Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by the Fiscal Agent, the Issuer may be required to maintain a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

## INFORMATION INCORPORATED BY REFERENCE

The audited consolidated financial statements (including the auditors' report thereon and notes thereto) of the Guarantor in respect of the years ended 31 December 2010 and 31 December 2009 (set out on pages 2 to 121 and 2 to 134, respectively, of the 2010 and 2009 annual reports of the Guarantor) shall be deemed to be incorporated in, and to form part of, this Base Prospectus.

A Spanish language version of such information has been filed with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*). The information incorporated by reference above consists of an English language translation of such document. Each translation is a direct and accurate translation of the Spanish original. The English language information has been provided for information purposes only and, in the event of any discrepancy, the Spanish version shall prevail.

Any statement contained in a document that is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus. To the extent that any document or information incorporated by reference or attached to this Base Prospectus itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this Base Prospectus for the purposes of the Prospectus Directive, except where such information or documents are stated within this Base Prospectus as specifically being incorporated by reference or where this Base Prospectus is specifically defined as including such information.

Copies of this Base Prospectus, any supplement to the Base Prospectus and each of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, during normal business hours at the registered office of the Issuer and the Guarantor at calle Salvador de Madariaga 1, 28027 Madrid, Spain and the specified office of the Fiscal Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB during the 12 months from the date of this Base Prospectus. Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

## FINAL TERMS AND DRAWDOWN PROSPECTUS

In this section the expression “necessary information” means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantor and of the rights attaching to the Notes and the Guarantee of the Notes (as defined under “*Terms and Conditions of the Notes*”, below). In relation to the different types of Notes which may be issued under the Programme the Issuer and the Guarantor have endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, may be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the Guarantor and the relevant Notes or (2) by a registration document (the “**Registration Document**”) containing the necessary information relating to the Issuer and the Guarantor, a securities note (the “**Securities Note**”) containing the necessary information relating to the relevant Notes and, if necessary, a summary note. In addition, if the Drawdown Prospectus is constituted by a Registration Document and a Securities Note, any significant new factor, material mistake or inaccuracy relating to the information included in the Registration Document which arises or is noted between the date of the Registration Document and the date of the Securities Note which is capable of affecting the assessment of the relevant Notes will be included in the Securities Note.



## FORMS OF THE NOTES

Each Tranche of Notes will initially be in the form of either a temporary global note (the “**Temporary Global Note**”), without interest coupons, or a permanent global note (the “**Permanent Global Note**”), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “**Global Note**”) which is not intended to be issued in new global note (“**NGN**”) form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and/or Clearstream Banking, société anonyme, Luxembourg (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the “**ECB**”) announced that Notes in NGN form are in compliance with the “Standards for the use of EU securities settlement systems in ESCB credit operations” of the central banking system for the euro (the “**Eurosystem**”), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### **Temporary Global Note exchangeable for Permanent Global Notes**

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership provided, however, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form (“**Definitive Notes**”) if the Final Terms specify “in the limited circumstances described in the Permanent Global Note” and if either of the following events occurs:

- (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- (b) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

#### **Temporary Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then

the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

#### **Permanent Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes if the relevant Final Terms specify “in the limited circumstances described in the Permanent Global Note” and if either of the following events occurs:

- (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- (b) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

#### **Rights under Deed of Covenant**

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

#### **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

#### **Legend concerning United States persons**

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.*

### 1. Introduction

- (a) *Programme*: Amadeus Capital Markets, S.A., Sociedad Unipersonal (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €3,000,000,000 in aggregate principal amount of notes (the "**Notes**") guaranteed by Amadeus IT Holding, S.A. (the "**Guarantor**").
- (b) *Final Terms*: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement*: The Notes are the subject of an issue and paying agency agreement dated 24 June 2011 (the "**Agency Agreement**") between the Issuer, the Guarantor, Deutsche Bank AG, London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes).
- (d) *Deed of Guarantee*: The Notes are the subject of a deed of guarantee dated 24 June 2011 (the "**Deed of Guarantee**") entered into by the Guarantor.
- (e) *The Notes*: All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the registered office of the Issuer and the Guarantor at Salvador de Madariaga, 1, 28027 Madrid, Spain, and copies may be obtained from the Fiscal Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.
- (f) *Summaries*: Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Guarantee and are subject to their detailed provisions. The holders of the Notes (the "**holders**" or the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Guarantee applicable to them. Copies of the Agency Agreement and the Deed of Guarantee are available for inspection by Noteholders during normal business hours at the Specified Office of the Fiscal Agent, the initial Specified Office of which is set out below.

### 2. Interpretation

- (a) *Definitions*: In these Conditions the following expressions have the following meanings:

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Business Day**" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and



- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

“**Business Day Convention**”, in relation to any particular date, has the meaning given to it in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
- (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
- (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
- (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) “**No Adjustment**” means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“**Calculation Agent**” means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

“**Calculation Amount**” has the meaning given to it in the relevant Final Terms;

A “**Change of Control**” shall occur in the event that any Person, or number of Persons acting in concert:

- (a) acquires or holds the right to exercise more than 30 per cent. of the voting rights exercisable at a general meeting of the shareholders of the Guarantor; or
- (b) whether by the ownership of share capital or the possession of voting power, contract or otherwise, acquires or has the ability, directly or indirectly, to appoint or dismiss all or the majority of the members of the board of directors or other governing body of the Guarantor;

“**Change of Control Period**” means the period (i) beginning on the earlier of (x) the date of the first public announcement or statement of the Issuer or the Guarantor, any person acting on behalf of the Issuer or the Guarantor, any actual or potential bidder or any adviser acting on

behalf of any actual or potential bidder relating to any potential Change of Control or (y) the date of the first public announcement of the Change of Control having occurred, and (ii) ending on the 120th day (inclusive) after the occurrence of the relevant Change of Control;

“**Coupon Sheet**” means, in respect of a Note, a coupon sheet relating to the Note;

“**Commissioner**” means the Commissioner (*comisario*) in respect of each Syndicate of Noteholders, as that term is defined under the Consolidated Text of the Law on Limited Liability Companies approved by Royal Legislative Decree 1/2010 dated 2 July (*Texto Refundido de la Ley de Sociedades de Capital*) (the “**Spanish Companies Law**”);

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(a) if “**Actual/Actual (ICMA)**” is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(iii) if “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iv) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;

(v) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;

(vi) if “**30/360**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30;

- (vii) if “**30E/360**” or “**Eurobond Basis**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D<sub>2</sub>** will be 30; and

- (viii) if “**30E/360 (ISDA)**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D<sub>2</sub>** will be 30,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

**“Early Redemption Amount (Tax)”** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**“Early Termination Amount”** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

**“Final Redemption Amount”** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**“First Interest Payment Date”** means the date specified as such in the relevant Final Terms;

**“Fitch”** means Fitch Ratings España, S.A.;

**“Fixed Coupon Amount”** has the meaning given to it in the relevant Final Terms;

**“Group”** means the Guarantor and its consolidated Subsidiaries;

**“Guarantee”** means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

**“Guarantee of the Notes”** means the Guarantee of the Notes given by the Guarantor in the Deed of Guarantee;

**“Indebtedness”** means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases; and
- (d) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement, or the sale of receivables and other assets on a “with recourse” basis),

in each case required by the generally accepted accounting principles in Spain to be shown as a borrowing in the audited consolidated balance sheet of the Group;

**“Interest Amount”** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**“Interest Commencement Date”** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

**“Interest Determination Date”** has the meaning given to it in the relevant Final Terms;

“**Interest Payment Date**” means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“**Interest Period**” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“**ISDA Definitions**” means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

“**Issue Date**” has the meaning given to it in the relevant Final Terms;

“**Margin**” has the meaning given to it in the relevant Final Terms;

“**Material Subsidiary**” means, at any time, a Subsidiary of the Guarantor (a) whose net assets represent not less than 10 per cent. of the net consolidated assets of the Group as calculated by reference to the then latest audited accounts (or, as the case may be, consolidated accounts) of such Subsidiary and the then latest audited consolidated accounts of the Group or (b) whose gross revenues represent not less than 10 per cent. of the net consolidated gross revenues of the Group as calculated by reference to the then latest audited accounts (or, as the case may be, consolidated accounts) of such Subsidiary and the then latest audited consolidated accounts of the Group;

“**Maturity Date**” has the meaning given to it in the relevant Final Terms;

“**Maximum Redemption Amount**” has the meaning given to it in the relevant Final Terms;

“**Minimum Redemption Amount**” has the meaning given to it in the relevant Final Terms;

“**Moody’s**” means Moody’s Investors Service España, S.A.;

“**Optional Redemption Amount (Call)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“**Optional Redemption Amount (Put)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“**Optional Redemption Date (Call)**” has the meaning given to it in the relevant Final Terms;

“**Optional Redemption Date (Put)**” has the meaning given to it in the relevant Final Terms;

“**Participating Member State**” means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

“**Payment Business Day**” means:

- (a) if the currency of payment is euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and



- (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**Principal Financial Centre**” means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“**Public Deed of Issuance**” means, in respect of each Tranche of Notes if so required by Spanish law, the public deed of issuance which will be executed by the Issuer before a Spanish notary public and registered with the Mercantile Registry of Madrid on or prior to the issue date, and which shall contain, among other information, the terms and conditions of the relevant Tranche of Notes;

“**Put Option Notice**” means a notice which must be delivered to the Fiscal Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“**Put Option Receipt**” means a receipt issued by the Fiscal Agent to a depositing Noteholder upon deposit of a Note with it by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“**Rate of Interest**” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

“**Rating Agency**” means S&P and/or Moody’s and/or Fitch and/or any other rating agency of equivalent international standing specified from time to time by the Guarantor which has a current rating of the Guarantor or of the Notes, as the case may be, at any relevant time;

A “**Rating Downgrade**” shall occur in respect of a Change of Control if:

- (a) within the Change of Control Period the rating previously assigned to the Guarantor or to the Notes, as the case may be, by any Rating Agency immediately prior to the Change of Control is:
  - (i) withdrawn (other than for administrative reasons of the Rating Agency); or
  - (ii) changed from an investment grade rating (BBB- by S&P or Fitch/Baa3 by Moody’s, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+ by S&P or Fitch /Ba1 by Moody’s, or their respective equivalents for the time being, or worse); or

- (iii) if any such rating was below investment grade rating (as described above), lowered one full notch (for example, from BB+ by S&P or Fitch /Ba1 by Moody's to BB by S&P or Fitch/Ba2 by Moody's, or their respective equivalents); or
- (b) at the time of the occurrence of a Change of Control, the Guarantor or the Notes, as the case may be, have not been rated and no Rating Agency assigns within the Change of Control Period:
  - (i) an investment grade rating (as described above) to the Guarantor or the Notes; or
  - (ii) in the event that a Rating Agency does not assign an investment grade rating to the Guarantor or the Notes after having been requested to do so, a rating at least equal to the lowest rating assigned to the Guarantor or the Notes, as the case may be, at the time of withdrawal of the last of the ratings of the Guarantor or the Notes prior to such Change of Control;

**“Redemption Amount”** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

**“Reference Banks”** has the meaning given to it in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**“Reference Rate”** has the meaning given to it in the relevant Final Terms;

**“Regular Period”** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period .

**“Relevant Date”** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**“Relevant Financial Centre”** has the meaning given to it in the relevant Final Terms;

**“Relevant Indebtedness”** means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

**“Relevant Screen Page”** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information

service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“**Relevant Time**” has the meaning given to it in the relevant Final Terms;

“**S&P**” means Standard & Poor’s Credit Market Services Europe Limited;

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

“**Specified Currency**” has the meaning given to it in the relevant Final Terms;

“**Specified Denomination(s)**” has the meaning given to it in the relevant Final Terms;

“**Specified Office**” has the meaning given to it in the Agency Agreement;

“**Specified Period**” has the meaning given to it in the relevant Final Terms;

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

“**Substantial Part**” means an aggregate amount equal to or greater than 10 per cent. of the aggregate value of the assets or of the net revenues of the Group, as reported in the latest audited consolidated or unaudited consolidated publicly available financial statements of the Guarantor preceding the date of the event described in Condition 12(e);

“**Syndicate of Noteholders**” means the syndicate (*sindicato*) representing the Noteholders of each Series as that term is described in the Spanish Companies Law;

“**Talon**” means a talon for further Coupons;

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

“**TARGET Settlement Day**” means any day on which TARGET2 is open for the settlement of payments in euro; and

“**Treaty**” means the Treaty establishing the European Communities, as amended.

(b) *Interpretation:* In these Conditions:

- (i) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (ii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iii) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (iv) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

- (v) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (vi) if an expression is stated in Condition 2(a) to have the meaning given to it in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes; and
- (vii) any reference to the Agency Agreement or the Deed of Guarantee shall be construed as a reference to the Agency Agreement or the Deed of Guarantee, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

### 3. Form, Denomination and Title

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

### 4. Status and Guarantee

- (a) *Status of the Notes:* The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

*In the event of insolvency (concurso) of the Issuer, under Law 22/2003 dated 9 July on insolvency (“Law 22/2003”) claims relating to the Notes (unless they qualify by law as subordinated credits under Article 92 of Law 22/2003) will be ordinary credits (créditos ordinarios) as defined in Law 22/2003. Ordinary credits rank below credits against the insolvency state (créditos contra la masa) and credits with a privilege (créditos privilegiados). Ordinary credits rank above subordinated credits. Accrued and unpaid interest due in respect of the Notes at the commencement of an insolvency proceeding (concurso) of the Issuer will qualify as subordinated credits. Under Spanish law, no further interest on the Notes shall be deemed to accrue from the date of any declaration of insolvency.*

By acquiring the Notes each Noteholder shall be deemed to have acknowledged that all Notes issued or to be issued by the Issuer under the Programme shall rank *pari passu* among themselves regardless of their respective issue date. By acquiring the Notes, each Noteholder shall be deemed to have waived any priority that may apply to them pursuant to Article 410 of the Ley de Sociedades de Capital (Spanish Mercantile Companies law) and, therefore, to have acknowledged that their rights under the Notes shall rank *pari passu* with rights of holders of other Notes issued by the Issuer under the Programme.

- (b) *Guarantee of the Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This Guarantee of the Notes constitutes direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

*In the event of insolvency (concurso) of the Guarantor, under Law 22/2003, claims relating to the Notes (unless they qualify by law as subordinated credits under Article 92 of Law 22/2003) will be ordinary credits (créditos ordinarios) as defined in Law 22/2003. Ordinary credits rank below credits against the insolvency state (créditos contra la masa) and credits with a privilege (créditos*

*privilegiados*). Ordinary credits rank above subordinated credits. Accrued and unpaid interest due in respect of the Notes at the commencement of an insolvency proceeding (*concurso*) of the Guarantor will qualify as subordinated credits.

## **5. Negative Pledge**

So long as any Note remains outstanding, neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of their respective Material Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by a resolution of the relevant Syndicate of Noteholders, provided that any Material Subsidiary acquired after 24 June 2011 may have an outstanding Security Interest with respect to Relevant Indebtedness (or any guarantee or indemnity in respect of such Relevant Indebtedness) of such Material Subsidiary so long as:

- (a) such Security Interest was outstanding on the date on which such Material Subsidiary became a Subsidiary, was not created in contemplation of such Material Subsidiary becoming a Subsidiary and does not extend to any assets or property of the Issuer or the Guarantor; and
- (b) the nominal amount of the Relevant Indebtedness (or any guarantee or indemnity in respect of such Relevant Indebtedness) is not increased after the date that such Material Subsidiary became a Subsidiary.

## **6. Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Fixed Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

## **7. Floating Rate Note and Index-Linked Interest Note Provisions**

- (a) *Application:* This Condition 7 (*Floating Rate Note and Index-Linked Interest Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable.



- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
    - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
    - (B) determine the arithmetic mean of such quotations; and
  - (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,
- and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.
- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “ISDA Rate” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
  - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) *Index-Linked Interest:* If the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.
- (f) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (g) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (h) *Calculation of other amounts:* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (i) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Fiscal Agent and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (j) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Fiscal Agent, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

## 8. Dual Currency Note Provisions

- (a) *Application*: This Condition 8 (*Dual Currency Note Provisions*) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Rate of Interest*: If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

## 9. Redemption and Purchase

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part:
  - (i) at any time (if neither the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice in accordance with Condition 18 (*Notices*) to the Commissioner and the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (B) (1) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) or the Guarantor has or will become obliged to make any such withholding or deduction as is referred to in Condition 11 (*Taxation*) from any amount paid by it to the Issuer in order to enable the Issuer to make a payment of principal or interest in respect of the Notes, in either case as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes, and (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it,

**provided, however, that** no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts or the Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or the Guarantor would be obliged to pay such

additional amounts or the Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (1) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts or (as the case may be) the Guarantor has or will become obliged to make such withholding or deduction as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) *Redemption at the option of Noteholders:*
- (i) *Put Option – General:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date.
- (ii) *Put Option – Change of Control:* If the Change of Control Put Option is specified in the Final Terms, then if, at any time while any Note remains outstanding:
- (A) there occurs a Change of Control; and
- (B) within the Change of Control Period a Rating Downgrade in respect of that Change of Control occurs ((A) and (B) together, a “**Change of Control Put Event**”),
- each Noteholder will have the option (the “**Change of Control Put Option**”) to require the Issuer to redeem the Notes of that Noteholder on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at their principal amount together with accrued interest to but excluding the Optional Redemption Date (Put).
- (iii) *Notice of Change of Control:* Promptly upon the Issuer or the Guarantor becoming aware that a Change of Control Put Event has occurred, the Issuer, failing whom the Guarantor, shall give notice (a “**Change of Control Put Event Notice**”) to the Noteholders in

accordance with Condition 18 (*Notices*) specifying the nature of the Change of Control Put Event and the circumstances giving rise to it, as well as the procedure for exercising the Change of Control Put Option.

- (iv) *Exercise of Put Option:* In order to exercise either of the options contained in this Condition 9(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with the Fiscal Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from the Fiscal Agent. The Fiscal Agent shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the Fiscal Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by the Fiscal Agent in accordance with this Condition 9(e), the depositor of such Note and not the Fiscal Agent shall be deemed to be the holder of such Note for all purposes.
- (f) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (f) above.
- (g) *Purchase:* The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (h) *Cancellation:* All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

## 10. Payments

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of the Fiscal Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of the Fiscal Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of the Fiscal Agent in New York City if (i) the Issuer has appointed a Fiscal Agent outside the United States with the reasonable expectation that such Fiscal Agent will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of such Fiscal Agent is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.



- (e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
  - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
    - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
    - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.
- Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.
- (f) *Unmatured Coupons void:* If the relevant Final Terms specifies that this Condition 10(f) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (*Redemption at the option of the Issuer*), Condition 9(e) (*Redemption at the option of Noteholders*) or Condition 12 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days:* If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of the Fiscal Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) *Partial payments:* If the Fiscal Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, it will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect

of which claims have already become void pursuant to Condition 13 (*Prescription*). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

## 11. Taxation

- (a) *Gross up*: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:
- (i) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
  - (ii) by or on behalf of a holder in respect of whom the Issuer or the Guarantor, or the Fiscal Agent on their behalf, does not receive such details concerning such holder's identity and country of residence as it requires in order to comply with Spanish Law 13/1985 of 25 May, as amended, Royal Decree 1065/2007 of 27 July, Royal Legislative Decree 4/2004 of 5 March and Order of 22 December 1999 and developing regulations in force or as may be enacted from time to time; or
  - (iii) by or on behalf of a Spanish resident corporate entity if the Spanish tax authorities determine that the Notes do not comply with the exemption requirements specified in the Reply to the Consultation of the General Directorate for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or
  - (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, this Directive; or
  - (v) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another paying agent in a Member State of the EU; or
  - (vi) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.
- (b) *Taxing jurisdiction*: If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than the Kingdom of Spain, references in these Conditions to the Kingdom of Spain shall be construed as references to the Kingdom of Spain and/or such other jurisdiction.

## 12. Events of Default

If any of the following events occurs and is continuing:

- (a) *Non-payment*: the Issuer or, as the case may be, the Guarantor fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes in each case within five days of the due date for payment thereof; or

- (b) *Breach of other obligations*: the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Guarantee of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer and the Guarantor by any Noteholder or by the Commissioner acting on behalf of all the Noteholders of the relevant Series, has been delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent; or
- (c) *Cross-default of Issuer, Guarantor or Subsidiary*:
- (i) any Indebtedness of the Issuer, the Guarantor or any of their respective Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; or
  - (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity as a result of an event of default, howsoever described; or
  - (iii) the Issuer, the Guarantor or any of their respective Subsidiaries fails to pay when due or, as the case may be, within any originally applicable grace period any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds at any time €50,000,000 (or its equivalent in any other currency or currencies); or

- (d) *Unsatisfied judgment*: one or more judgment(s) or order(s) (from which no further appeal or judicial review is permissible under applicable law) for the payment of an aggregate amount in excess of €50,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer, the Guarantor or any of their respective Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, over the whole of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Material Subsidiaries or, if over less than the whole of the undertaking, assets and revenues, then provided that such undertaking, assets and revenues represents a Substantial Part; or
- (f) *Insolvency etc*: (i) the Issuer, the Guarantor or any of their respective Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer, the Guarantor or any of their respective Material Subsidiaries or the whole or any part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Material Subsidiaries is appointed (or application for any such appointment is made), (iii) the Issuer, the Guarantor or any of their respective Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations generally or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer, the Guarantor or any of their respective Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business (in each case, otherwise than for the purposes of or pursuant to an arm's-length disposal to one or more third parties, an amalgamation, a reorganisation or a restructuring, in each case whilst solvent); or
- (g) *Winding up etc*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any of their respective Material Subsidiaries (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (h) *Analogous event*: any event occurs which under the laws of the Kingdom of Spain that has an analogous effect to any of the events referred to in paragraphs (d) to (g) above; or

- (i) *Failure to take action etc*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes and the Deed of Guarantee, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Coupons and the Deed of Guarantee admissible in evidence in the courts of the Kingdom of Spain is not taken, fulfilled or done; or
- (j) *Unlawfulness*: it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its material obligations under or in respect of the Notes or the Deed of Guarantee; or
- (k) *Guarantee not in force*: the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect,

then:

- (i) the Commissioner, acting upon a resolution of the relevant Syndicate of Noteholders, may, by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent, declare the Notes of the relevant Series to be immediately due and payable whereupon all the Notes of the relevant Series shall (to the extent permitted by applicable Spanish law) become immediately due and payable at their Early Termination Amount together with accrued interest (if any) without further action or formality; or
- (ii) any Noteholder (provided such Noteholder does not contravene any resolution of the relevant Syndicate), may, by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent, declare the Notes of such Noteholder to be immediately due and payable, whereupon such Notes shall (to the extent permitted by applicable Spanish law) become immediately due and payable at their Early Termination Amount together with accrued interest (if any) without further action or formality.

### **13. Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

### **14. Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a paying agent in any particular place, the paying agent having its specified office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

### **15. Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Fiscal Agent acts solely as agent of the Issuer and the Guarantor and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Fiscal Agent and its initial Specified Office is listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Fiscal Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer and the Guarantor shall at all times maintain a Fiscal Agent; and
- (b) the Issuer and the Guarantor shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC; and
- (c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and the Guarantor shall at all times maintain a Calculation Agent; and
- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a paying agent in any particular place, the Issuer and the Guarantor shall maintain a paying agent having its specified office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in Fiscal Agent or in its Specified Office shall promptly be given to the Noteholders.

#### 16. **Syndicate of Noteholders; Modification and Waiver**

- (a) *Syndicate of Noteholders:* Meetings of the Noteholders of each Series shall be convened and conducted in accordance with the regulations governing the relevant Syndicate of Noteholders (the “**Regulations**”). The Regulations shall contain the rules governing the functioning of each Syndicate of Noteholders and its relationship with the Issuer and shall be attached to the relevant Public Deed of Issuance. A set of *pro forma* Regulations is contained in the Fiscal Agency Agreement.

A temporary Commissioner will be appointed for each Syndicate of Noteholders. Upon the issuance of each Series of Notes, the temporary Commissioner will call a general meeting of the relevant Syndicate of Noteholders to ratify or reject the acts of the temporary Commissioner, confirm its appointment or appoint a substitute Commissioner and to ratify the Regulations in respect of such Series.

In accordance with Spanish law, a general meeting of the Syndicate of Noteholders shall be validly constituted upon first being convened provided that Noteholders holding or representing two-thirds of the Notes outstanding attend. If the necessary quorum is not achieved at the first general meeting, the general meeting shall be adjourned to a date falling not earlier than one month after the date of the first general meeting and shall be validly constituted regardless of the number of Noteholders who attend. At any such adjourned general meeting, a resolution shall be adopted with the favourable vote of Noteholders holding or representing an absolute majority of the Notes held or represented at such general meeting.

- (b) *Modification:* The Notes, these Conditions and the Deed of Guarantee may be amended with the consent of the Commissioner but without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer and the Guarantor shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties and the Commissioner, not materially prejudicial to the interests of the Noteholders.

No other modification may be made to, or waiver of any breach or proposed breach of, these Conditions except with the approval of the Noteholders of the relevant Series as evidenced by a resolution in favour of such modification or waiver adopted at a meeting of the relevant Syndicate of Noteholders.



## 17. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

## 18. Notices

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

Copies of any notice given to any Noteholders will be also given to the Commissioner of the Syndicate of Noteholders of the relevant Series.

## 19. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

## 20. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## 21. Governing Law and Jurisdiction

- (a) *Governing law*: The status of the Notes, the capacity of the Issuer and the Guarantor, the appointment of the Commissioner and the constitution of the Syndicate of Noteholders (including any dispute relating to any non-contractual obligations arising out of or in connection with any of the foregoing) are and shall be governed by Spanish law. Other than as set out in the previous sentence, the Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.
- (b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).

- (c) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England:* Condition 21(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 21 (*Governing Law and Jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Process Agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to the Issuer’ agent for service of process at Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HS (marked for the attention of the Dispute Resolution Department Managing Partner (matter partner initials: MWT)) or at any address of the Issuer in Great Britain at which service of process may be served on it. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer and the Guarantor, the Issuer and the Guarantor (acting together) shall, on the written demand of any Noteholder addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

## FORM OF FINAL TERMS

*The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**Final Terms dated [●]**

**Amadeus Capital Markets, S.A., Sociedad Unipersonal**  
**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**Guaranteed by**

**Amadeus IT Holding, S.A.**  
**under the €3,000,000,000 Euro Medium Term Note Programme**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 24 June 2011 [and the supplemental Base Prospectus dated [●] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus [as so supplemented].

Full information on the Issuer, the Guarantor and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive].*

1. (i) Issuer: Amadeus Capital Markets, S.A., Sociedad Unipersonal
- (ii) Guarantor: Amadeus IT Holding, S.A.
2. [(i) Series Number:] [●]  
[(ii) Tranche Number:] [●]  
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount: [●]  
[(i)] [Series]: [●]  
[(ii) Tranche: [●]]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]

6. (i) Specified Denominations: [●]  
*[No Notes may be issued which have a minimum denomination of less than EUR100,000 (or nearly equivalent in another currency)]*
- (ii) Calculation Amount: [●]
7. (i) Issue Date: [●]  
(ii) Interest Commencement Date: *[Specify/Issue Date/Not Applicable]*
8. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*  
*[If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” or (ii) another applicable exemption from section 19 of the FSMA must be available.]*
9. Interest Basis: *[[●] per cent. Fixed Rate]*  
*[[Specify reference rate] +/- [●] per cent. Floating Rate]*  
[Index Linked Interest]  
[Other (Specify)]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency]  
[Partly Paid]  
[Instalment]  
[Other (Specify)]  
*[(N.B. If the Final Redemption Amount is an amount other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)]*
11. Change of Interest or Redemption/  
Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]*
12. Put/Call Options: [Investor Put /Change of Control Put]  
[Issuer Call]  
[(further particulars specified below)]
13. (i) Status of the Notes: Senior  
(ii) Status of the Guarantee: Senior  
[(iii)] [Date [Board] approval for issuance of Notes [and Guarantee] [respectively]] obtained: [●] [and [●], respectively]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)]*
14. Method of distribution: [Syndicated/Non-syndicated]

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
- (iii) Fixed Coupon Amount(s): [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other]
- (vi) [Determination Dates: [●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Period(s): [●]
- (ii) Specified Period: [●]  
(*Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"*)
- (iii) Specified Interest Payment Dates: [●]  
(*Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable"*)
- (iv) [First Interest Payment Date]: [●]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (vi) Additional Business Centre(s): [Not Applicable/*give details*]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/ other (*give details*)]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]): [[*Name*] shall be the Calculation Agent (*no need to specify if the Fiscal Agent is to perform this function*)]
- (ix) Screen Rate Determination:
- Reference Rate: [For example, LIBOR or EURIBOR]
  - Interest Determination Date(s): [●]
  - Relevant Screen Page: [For example, Reuters LIBOR 01/ EURIBOR 01]
  - Relevant Time: [For example, 11.00 a.m. London time/Brussels time]
  - Relevant Financial Centre: [For example, London/Euro-zone (*where Euro-zone means the region comprised of the countries whose lawful currency is the euro*)]



- (x) ISDA Determination:
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
- (xi) Margin(s): [ +/- ][●] per cent. per annum
- (xii) Minimum Rate of Interest: [●] per cent. per annum
- (xiii) Maximum Rate of Interest: [●] per cent. per annum
- (xiv) Day Count Fraction: [●]
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
17. **Index-Linked Interest Note/other variable-linked interest Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/Formula/other variable: [give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: [●]
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [●]
- (iv) Interest Determination Date(s): [●]
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
- (vi) Interest or calculation period(s): [●]
- (vii) Specified Period: [●]
- (Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
- (viii) Specified Interest Payment Dates: [●]
- (Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
- (ix) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ other (give details)]
- (x) Additional Business Centre(s): [●]
- (xi) Minimum Rate/Amount of Interest: [●] per cent. per annum
- (xii) Maximum Rate/Amount of Interest: [●] per cent. per annum
- (xiii) Day Count Fraction: [●]
18. **Dual Currency Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]

- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [●]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

**PROVISIONS RELATING TO REDEMPTION**

19. Call Option

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount: [●] per Calculation Amount
  - (b) Maximum Redemption Amount [●] per Calculation Amount
- (iv) Notice period: [●]

20. [Put Option/Change of Control Put Option]

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount

*(If the Change of Control Put Option has been specified, the amount specified here should be equal to the Calculation Amount)*

- (iii) Notice period: [●]

21. Final Redemption Amount of each Note  
 In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

[●] per Calculation Amount

- (i) Index/Formula/variable: [give or annex details]
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: [●]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [●]
- (iv) Date for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable: [●]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
- (vi) Minimum Final Redemption Amount: [●] per Calculation Amount

(vii) Maximum Final Redemption Amount:  per Calculation Amount

22. Early Redemption Amount

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable  
(If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

23. Form of Notes:

Bearer Notes:  
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]  
[Temporary Global Note exchangeable for Definitive Notes]  
[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

24. New Global Note:

[Yes] [No]

25. Additional Financial Centre(s) or other special provisions relating to payment dates:

[Not Applicable/give details.

*Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 15(ii), 16(vi) and 17(x) relate]*

26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. If yes, give details]

27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]:

[Not Applicable/give details]

28. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:

[Not Applicable/give details]

29. Consolidation provisions:

Not Applicable/The provisions in Condition 17 (Further Issues) apply

30. Other final terms:

[Not Applicable/give details]  
[(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

31. Temporary Commissioner:

[ ]

## DISTRIBUTION

32. (i) If syndicated, names and addresses of Managers [and underwriting commitments]: [Not Applicable/give names, addresses [and underwriting commitments, in the case of Notes to which Annex XII of the Prospectus Directive Regulation applies]
- (ii) Stabilising Manager(s) (if any): [Not Applicable/give name]
- (iii) [Date of Subscription Agreement:] [[Date]/Not Applicable]<sup>1</sup>
33. If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
34. [Total commission and concession:] [[●] per cent. of the Aggregate Nominal Amount] [Include if the Subscription Agreement provides for the payment of a commission or concession]
35. U.S. Selling Restrictions: Reg. S Compliance Category 2; [TEFRA C/TEFRA D]
36. Additional selling restrictions: [Not Applicable/give details]

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] admission to trading on the regulated market of the London Stock Exchange of the Notes described herein] pursuant to the €3,000,000,000 Euro Medium Term Note Programme of Amadeus Capital Markets, S.A., Sociedad Unipersonal, guaranteed by Amadeus IT Holding, S.A.

## RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. [(Relevant third party information) has been extracted from (specify source)]. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (specify source), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **AMADEUS CAPITAL MARKETS, S.A., SOCIEDAD UNIPERSONAL:**

By: .....  
Duly authorised

Signed on behalf of the **AMADEUS IT HOLDING, S.A.:**

By: .....  
Duly authorised]

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<sup>1</sup> Insert date in the case of Notes to which Annex XII of the Prospective Directive Regulation applies.

## PART B – OTHER INFORMATION

1. **LISTING** [London/Other(s) (*specify*)]
- (i) Listing and trading Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to [the Official List of the Financial Services Authority of the United Kingdom, and to trading on the regulated market of the London Stock Exchange with effect from [●]/ Other(s) (*specify*)].
- (ii) Estimated total expenses of the admission to trading [●]
- [(iii) Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: [●]]<sup>2</sup>
2. **RATINGS** The Notes to be issued have been rated:
- Ratings: [S & P: [●]]  
[Moody's: [●]]  
[Fitch: [●]]  
[[Other]: [●]]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
- [This credit rating has/These credit ratings have] been issued by [full legal name of the entity which has given the rating], which [is/are][is not/are not] established in the European Union and [have/have not] applied for registration under [Regulation (EU) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies/but is endorsed by an EU registered rating agency] [although notification of the corresponding registration decision has not yet been provided by the competent authority/and/or is certified in accordance with Regulation (EU) No 1060/2009 of the European Parliament and the Council of 16 September 2009 on credit rating agencies].
3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**
- Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:
- “Save as discussed in [“*Subscription and Sale*”], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]
- [(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

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2 Include in the case of Notes to which Annex XII of the Prospectus Directive Regulation applies.



4. **[Fixed Rate Notes only – YIELD**

Indication of yield:

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. ]

5. **[Floating Rate Notes only – HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

**[Index-linked or other variable-linked notes only – PERFORMANCE OF INDEX/FORMULA/ OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

*Need to include details of where past and future performance and volatility of the index/formula/ other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation. ]*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

The Issuer *[intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].*

6. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

7. **OPERATIONAL INFORMATION**

ISIN Code:

Common Code:

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):

[Not Applicable/give name(s) and number(s)]

Delivery:

Delivery [against/free of] payment

Names and addresses of initial Fiscal Agent:

Names and addresses of additional paying agent(s) (if any):

Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes][No][Not Applicable]

*[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by*

the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. *[[include this text if “yes” selected in which case the Notes must be issued in NGN form]*

**[8. TERMS AND CONDITIONS OF THE OFFER<sup>3</sup>**

Conditions to which the offer is subject: [Not Applicable/*give details*]

Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the amount of the offer: [Not Applicable/*give details*]

The time period, including any possible amendments, during which the offer will be open and description of the application process: [Not Applicable/*give details*]

Details of the minimum and/or maximum amount of application (whether in number of Notes or aggregate amount to invest): [Not Applicable/*give details*]

Details of the method and time limits for paying up and delivering the Notes: [Not Applicable/*give details*]

Manner in and date on which results of the offer are to be made public: [Not Applicable/*give details*]

Categories of potential investors to which the Notes are offered and whether Tranche(s) have been reserved for certain countries: [Not Applicable/*give details*]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/*give details*]

Expected offer price of the Notes or the method of determining it and the process for its disclosure: [Not Applicable/*give details*]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/*give details*]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.] [None/*give details*]

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<sup>3</sup> Include in the case of Notes to which Annex XII of the Prospectus Directive Regulation applies.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to “Noteholder” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depository or a common depository, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depository or common depository or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer or the Guarantor to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer or the Guarantor in respect of payments due under the Notes and such obligations of the Issuer and the Guarantor will be discharged by payment to the bearer of the Global Note.

### Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of the Fiscal Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

*Payment Business Day :* In the case of a Global Note, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

*Exercise of put option:* In order to exercise the option contained in Condition 9(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

*Notices:* Notwithstanding Condition 18 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by

delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 18 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

## **USE OF PROCEEDS**

The net proceeds of the issue of each Tranche of Notes will be transferred to the Guarantor and applied to meet part of its and/or the Group's general financing requirements.



## DESCRIPTION OF THE ISSUER

### Incorporation and Status

Amadeus Capital Markets, S.A., Sociedad Unipersonal (“**Amadeus Capital Markets**” or the “**Issuer**”) was incorporated on 28 April 2008 and registered at the Companies Register of Madrid. Its registered office is at 1 Salvador de Madariaga, 28027 Madrid, Spain and the telephone number is +34 91 582 0100.

### Share Capital

The share capital of Amadeus Capital Markets is €250,000 represented by 25,000,000 registered shares with a nominal value of €0.01 per share. The share capital is fully subscribed and paid up.

### Principal Shareholder

The entire share capital of Amadeus Capital Markets is owned by Amadeus IT Holding.

### Principal activities

Within the framework of the 2nd Additional Provision of Law 13/1985 of 25 May, on Investment Ratios (*Coeficientes de Inversión*), Net Equity (*Recursos Propios*) and Information Obligations of Financial Intermediaries, laws 19/2003, of 4 July, and 6/2011, of 11 April, and subject to the provisions of such Law and other applicable rules, the corporate object of Amadeus Capital Markets is to issue bonds, notes and other fixed income instruments, including instruments which are exchangeable or convertible into shares, warrants, promissory notes, preference shares, and/or any other financial debt instruments excluding all such activities in relation to which the law demands certain requirements which Amadeus Capital Markets does not meet. In the event that any administrative approval and/or the filing with public registries were to be necessary, Amadeus Capital Markets may not carry out its activities to the extent it has not obtained such mandatory approval and/or filing.

### Board of Directors

The following table sets forth the name, date of first appointment and title of each member of the Board of Directors of Amadeus Capital Markets as of the date of this base prospectus.

<u>Name</u>	<u>Date of first appointment</u>	<u>Title</u>
Ana de Pro Gonzalo.....	10 June 2011	Chairman
Luis Maroto Camino.....	10 June 2011	Director
Tomás López Fernebrand .....	10 June 2011	Director
Jacinto Esclapés Díaz .....	10 June 2011	Secretary (non-Director)

### Conflicts of Interest

There are no potential conflicts of interest between any duties owed by the Chairman and the Directors of Amadeus Capital Markets to Amadeus Capital Markets and their respective private interests and/or duties.

## DESCRIPTION OF AMADEUS IT HOLDING, S.A.

### **Incorporation and Status**

Amadeus IT Holding, S.A. (“**Amadeus IT Holding**”) was incorporated on 4 February 2005 as a public limited company (*sociedad anónima*) and registered at the Companies Register of Madrid. Its registered office is at 1 Salvador de Madariaga, 28027 Madrid, Spain and the telephone number is +34 91 582 0100.

Amadeus IT Holding is the parent company of the Group.

### **Share Capital**

The share capital of Amadeus IT Holding is €447,581.95, represented by 447,581,950 shares of €0.001 of nominal value each, corresponding to a single class. The share capital is fully subscribed and paid up. The shares of Amadeus IT Holding were admitted to trading on 29 April 2010 and are traded on the Spanish electronic trading system (*mercado continuo*) on the Spanish Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia).

At its annual general meeting on 24 June 2011, it was resolved to increase the share capital of Amadeus IT Holding by €4,028,237.55 through an increase in the nominal value of each share by €0.009. As a consequence of the capital increase, the share capital of Amadeus IT Holding will be €4,475,819.50, represented by 447,581,950 shares with a nominal value of €0.01 per share, represented by book entries and forming a single class. Such capital increase will become effective once all necessary filing and registration requirements have been finalised.

### **Principal Shareholders**

As at 31 May 2011, 53.20% of Amadeus IT Holding’s shares are free float (which includes shares owned by management and board members but does not include treasury shares). The largest principal shareholder was Société Air France with a shareholding of 15.22%, followed by Amadecin, S.à r.l. and Idomeneo, S.à r.l., each holding 8%. Amadecin S.à r.l. and Idomeneo S.à r.l. are Luxembourg entities under the ultimate control of investment funds managed by Cinven and BC Partners, respectively. The remaining shareholders are Iberia Líneas Aéreas de España Sociedad Anónima Operadora, S.A. with a shareholding of 7.50% and Lufthansa Commercial Holding GmbH with a shareholding of 7.61%. Treasury shares were 0.47%.

### **History**

**Foundation and Corporate History.** The former parent company of the Group, Amadeus GTD, was founded in July 1988 by Air France, Iberia, Lufthansa Commercial Holding and SAS AB (“SAS”) as a GDS provider. Over ten years later, in October 1999, Amadeus GTD conducted an initial public offering of its shares, which were admitted to listing and trading on the Madrid, Paris and Frankfurt stock exchanges. After nearly six years of trading, private equity funds advised by BC Partners and Cinven completed their acquisition of a majority stake in mid-2005 and took Amadeus GTD private, creating Amadeus IT Holding.

**Establishment of the Development Function and Operations Platform.** Development of the Group’s GDS platform began in 1987 and, in September 1988, the software design and development centre was opened at Sophia Antipolis, near Nice (France). The Group’s Distribution business area was launched in 1992 and, since then, its product offering has continued to evolve. In 1996, the Group began to use the Internet as a medium of distribution and, the following year, further foundations were laid for next-generation technology by commencing the migration to open systems architecture. The Group has primarily grown its product development capabilities through organic expansion at the Sophia Antipolis primary product development centre and at the regional development centres, such as the one in London (United Kingdom, opened in 2000), which have become increasingly important to product development efforts. Additionally, through certain selective acquisitions of niche businesses the Group now also has product development activities in, among other places, Aachen (Germany), Antwerp (Belgium), Boston (United States), Warsaw (Poland), Bogota (Colombia), Sydney (Australia) and Toronto (Canada). The data centre in Erding, near Munich (Germany), was established in 1989 and, today, the Group’s global operations are supported by strategic ‘Follow-the-Sun’ centres in Miami (United States) and Sydney (Australia), which, along with the Erding data centre, provide 24-hour, seven-days-a-week, around-the-globe support for operations.

**Development of Air Travel Distribution Solutions.** The Group’s GDS platform became fully operational on 7 January 1992, and since then the Distribution business area has been expanding continuously, acquiring System One Information Management LLC from Continental Airlines in 1995. In addition, the Group established and built up its online capabilities, has expanded its offering to include low-cost airlines and, in 2004, it led the industry with the introduction of a value-based pricing structure, which has now largely been adopted industry-wide. In 2008, it entered into an exclusive air distribution agreement with 13 airline members of the Arab Air Carriers Organisation, or AACO.

**Expansion into Non-Air Travel Distribution Solutions.** The Group’s distribution offering to non-airline travel providers has also grown since 1992, when it began to offer hotel and car rental reservation facilities and it has since enhanced its GDS offering to include additional non-air travel content.

**Further Expansion into Airline IT Solutions.** In 2000, the Group commenced its diversification from its existing reservation solution towards a broader IT solutions portfolio, with an initial focus on airline IT through the development of the Altéa PSS platform. British Airways and Qantas Airways were the first Altéa customers, signing ten-year agreements for the full Altéa suite and contracting their core PSSs to the Group in 2000. In addition, in 2005, the 25 leading airlines of the Star Alliance network contracted the Group to build a common IT platform for alliance members.

**Expansion into IT Solutions for Other Travel Providers and Travel Agencies.** Based on the know-how and technology developed by the Group for its airline IT product offering described above, it has developed specific IT solutions for other travel providers, including hotels and rail operators, as well as for travel agencies. Its expansion in these business areas has been supported through its acquisition of niche IT solutions companies, notably ICOSA-T NV (mid- and back-office solutions for travel agencies), TravelTainment (leisure travel) and Onerail Global Holdings Pty. Ltd. (rail IT).

**Sale of Opodo.** On 9 February 2011, Amadeus IT Holding, through its subsidiary Amadeus IT Group, S.A., reached agreement with AXA Private Equity and Permira Funds, for the sale of 100% of the capital of its subsidiary Opodo Ltd, an online travel agency.

## Principal activities

For a description of the principal activities of the Group, please refer to the section titled “Description of the Group” in this base prospectus.

## Management

### Board of Directors

The following table sets forth the name, date of first appointment and title of each member of the Board of Directors of Amadeus IT Holding as of the date of this base prospectus.

<u>Name</u>	<u>Date of first appointment</u>	<u>Title</u>
José Antonio Tazón García.....	2 December 2008	Chairman
Enrique Dupuy de Lôme.....	8 April 2005	Vice-Chairman
Stuart Anderson McAlpine .....	21 February 2005	Director
Francesco Loredan .....	21 February 2005	Director
Clara Furse.....	29 April 2010	Director
David Webster.....	6 May 2010	Director
Guillermo de la Dehesa .....	29 April 2010	Director
Bernard Bourigeaud.....	6 May 2010	Director
Pierre-Henri Gourgeon .....	29 December 2005	Director
Stephan Gemkow .....	31 May 2006	Director
Christian Boireau.....	29 December 2005	Director
Tomás López Fernebrand .....	18 January 2006	Secretary (non-Director)
Jacinto Esclapés Díaz .....	18 January 2006	Vice-Secretary (non-Director)

### Business Address of Board of Directors

The business address of each of the members of the Board of Directors at the date of this Base Prospectus is calle Salvador de Madariaga, 1, 28027 Madrid, Spain.

### *Biographical Information*

Biographical information for each of the current members of the Board of Directors, including a brief description of each Director's business experience and education, is presented below:

#### *José Antonio Tazón García*

Mr. Tazón is a telecommunications engineering graduate and has a degree in computer science from the Universidad Politécnica de Madrid. He was the Group's President and Chief Executive Officer between October 1990 and December 2008. He has also been a member of the board of directors of Expedia Inc. since March 2009. He is also member of the Permanent Commission of the Tourism Board of the Confederation of Spanish Employers (CEOE) since March 2011. On 2 December 2008, he was elected to the Board of Directors of Amadeus IT Holding, of which he is currently Chairman.

#### *Enrique Dupuy de Lôme*

Mr. Dupuy has a degree in mining engineering from the Universidad Politécnica de Madrid, an MBA from IESE and a masters degree from the CEU business school. He was the President, and continues to be a member, of the Financial Committee of IATA. He has been Financial Director of the Iberia Group since 1996, with responsibility for investments, procurement and investor relations. In June 2006, he assumed executive responsibility for corporate strategy as Senior Vice President of Iberia. Mr. Dupuy was elected to the Board of Directors of Amadeus IT Holding on 8 April 2005. He is also a member of the supervisory board of Mapfre Empresas, Compañía de Seguros y Reaseguros, S.A. Before joining the Iberia Group, he occupied various positions at the Spanish National Institute of Industry (INI). Since January 2011, Mr. Dupuy is also the CFO of International Consolidated Airlines Group, S.A. -IAG (the holding company of Iberia Líneas Aéreas de España, S. A. and British Airways plc after their integration process). He was elected to the Board of Directors of Amadeus IT Holding on 8 April 2005.

#### *Stuart Anderson McAlpine*

Mr. McAlpine holds a degree in accounting from Glasgow University. He worked for Ernst & Young, in both Boston and London. Subsequently, he worked for the Royal Bank of Scotland in their Leveraged Finance Group. Currently, he is a partner at Cinven, having joined the firm in 1996, where he is a member of the Healthcare and Business Services sector teams. He was elected to the Board of Directors of Amadeus IT Holding on 21 February 2005.

#### *Francesco Loredan*

Mr. Loredan is a graduate in economics from the London School of Economics and holds an MBA from INSEAD. He worked as a credit officer in the corporate finance department of Bank of America-BAI in Milan for three years. He joined BC Partners in 1989, where he is currently a partner, after four years with the Boston Consulting Group in Paris, where he managed projects in France and Italy. He was elected to the Board of Directors of Amadeus IT Holding on 21 February 2005.

#### *Clara Furse*

Dame Clara Furse has a BSc (Econ) from the London School of Economics. She began her career as a commodities broker, joining Phillips & Drew (now UBS) in 1983 and becoming a director in 1988. She was Group Chief Executive of Credit Lyonnais Rouse from 1998 to 2000. In 2001, she was appointed Chief Executive of the London Stock Exchange and held that position until she stepped down in May 2009. In the last 20 years she has acquired extensive financial services experience on a number of boards. Today, she is an independent non-executive director of Legal & General Group plc, Nomura Holdings Inc. and a number of UK-based Nomura subsidiaries. In 2008, she was appointed a Dame Commander of the British Empire (DBE). Dame Clara Furse was elected to the Board of Directors of Amadeus IT Holding on 29 April 2010.

#### *David Webster*

Mr. Webster is a graduate in law from the University of Glasgow and qualified as a solicitor in 1968. He began his career in finance as a manager of the corporate finance division at Samuel Montagu & Co Ltd. In 1977, he co-founded Safeway (formerly Argyll Group), a FTSE 100 company of which he was executive chairman. He has been a director in numerous business sectors and has a wide range of experience in the hotel industry in particular. He is currently chairman of Intercontinental Hotels Group plc, and non-executive chairman of Makinson Cowell Limited. He is also a director of Temple Bar Investment Trust plc and a member of the appeals committee of the Panel on Takeovers and

Mergers in London. Mr. Webster was elected to the Board of Directors of Amadeus IT Holding on 6 May 2010.

*Guillermo de la Dehesa Romero*

Mr. de la Dehesa Romero is a graduate in law from Madrid's Complutense University. In addition to his law degree, he also studied economics and became a Spanish government economist (TCE) in 1968. In 1975, Mr. de la Dehesa Romero assumed the role as Director General at the Spanish Ministry of Foreign Trade, before moving to the Spanish Ministry of Industry & Energy to assume the role of Secretary General.

In 1980, Mr. de la Dehesa Romero was appointed Managing Director of the Bank of Spain. He then left the Central Bank to assume a role with the Spanish Government and was appointed Secretary of State for Finance at the Spanish Ministry of Economy and Finance, where he was also a member of the EEC ECOFIN.

Mr. de la Dehesa Romero is a member of several renowned international corporate groups and has been both an independent director and an Executive Committee member at Banco Santander since 2002. Mr. de la Dehesa Romero has served on the board of Campofrío Food Group since 1997 and is chairman of Aviva Corporation, an international insurance company, since 2002. He has also acted as an International Adviser for Goldman Sachs since 1988. He was elected to the Board of Directors of Amadeus IT Holding on 29 April 2010.

*Bernard Bourigeaud*

Mr. Bourigeaud graduated in economics and social sciences from the University of Bordeaux and qualified as a chartered accountant at the Institute of Chartered Accountants in France. He is a successful serial entrepreneur with extensive financial and operational experience including restructuring, bolt-on acquisitions and building global businesses – the largest was Atos Origin, a leading global IT services company with more than 50,000 employees worldwide, which Mr. Bourigeaud founded. Mr. Bourigeaud has worked for the French bank CIC, Price Waterhouse and Continental Grain. He also spent eleven years with Deloitte as Managing Partner of French operations. In January 2008, he established his own “CEO to CEO” consultancy business under the name of BJB Consulting. Mr. Bourigeaud is currently an independent director of CGI Group Inc. in Canada, a leading provider of technology and business process services with headquarters in Montreal, and a member of the Supervisory Board of ADVA Optical Networking in Germany, a global provider of telecommunications equipment publicly traded on the Frankfurt exchange. He is also President of CEPS (*Centre d'Etude et Prospective Stratégique*), an independent and multidisciplinary think tank based in France, Affiliate Professor at HEC School of Management in Paris and a member of HEC's International Advisory Board and operating partner with Advent International. Mr. Bourigeaud, who was appointed *Chevalier de la Légion d'Honneur* in 2004, was elected to the Board of Directors of Amadeus IT Holding on 6 May 2010.

*Pierre-Henri Gourgeon*

Mr. Gourgeon holds a degree in engineering from the École Polytechnique de Paris and the École Nationale Supérieure de l'Aéronautique and holds a master of science degree from the Californian Institute of Technology in Pasadena. He has held various positions as an engineer for the French Ministry of Defence, in the technical and aeronautical production departments. He was Director General of the French Civil Aviation Authorities between 1990 and 1993 prior to joining the Air France Group in 1993. Mr. Gourgeon has occupied various positions within Air France since 1998 and is currently the Chief Executive Officer of Air France-KLM. He was elected to the Board of Directors of Amadeus IT Holding on 29 December 2005.

*Stephan Gemkow*

Mr. Gemkow holds a degree in business administration from the University of Paderborn. He began his professional career as a consultant for BDO Deutsche Warentreuhand AG in 1988 before joining the corporate organisation and strategic corporate development department at Lufthansa in 1990. Between 1994 and 1997, Mr. Gemkow worked from Washington, DC, where he was area sales manager and, in 2001, was made Senior Vice President, Corporate Finance. He is currently a member of the Executive Board and Chief Financial Officer of Lufthansa. He is Chairman of the Supervisory Boards of Delvag Luftfahrtversicherungs-AG, Lufthansa Cargo AG, Lufthansa Technik AG, LSG Lufthansa Service Holding AG, Lufthansa Systems AG and Lufthansa AirPlus Servicekarten GmbH. He is also a member of the Supervisory Board of Evonik Industries AG (an industrial group with



operations in chemicals, energy and property), a member of the Supervisory Board of Gfk SE (one of the largest market research groups worldwide) and serves on the board of directors of JetBlue Airways Corporation (a company partly owned by Lufthansa). Mr. Gemkow was elected to the Board of Directors of Amadeus IT Holding on 31 May 2006.

*Christian Boireau*

Mr. Boireau is a graduate in engineering from the École Polytechnique and the École Nationale des Ponts et Chaussées and holds a degree in economics from the Université Paris Assas. He held various positions of responsibility at Air France, including Executive Vice President, Passenger General Management and Executive Vice President of Corporate Development, Air Inter. Currently, he is Executive Vice President in charge of French Sales at Air France Group and Chairman of the Supervisory Board of Transavia France (an affiliate of Air France-KLM (60%) and Transavia-Netherlands (40%) based in Paris and specialising in leisure travel). He was elected to the Board of Directors of Amadeus IT Holding on 29 December 2005.

**Executive Committee**

The Group is managed on a day-to-day basis by its Executive Committee, which comprises members of the senior management team, namely the Group’s Chief Executive Officer, the Chief Financial Officer, three Executive Vice Presidents (Commercial, Global Operations and Development) and two Vice Presidents (Legal and Human Resources). The Executive Committee is supported by a Management Committee of 22 people, comprising all Vice Presidents and more senior categories, and by the Top Management Forum, comprising all of the Group’s managers at the level of director and all senior categories.

The following table sets forth the members of the Group’s Executive Committee and their respective positions as at the date of this base prospectus.

<b>Name</b>	<b>Title</b>
Luis Maroto Camino .....	President and Chief Executive Officer
Ana de Pro Gonzalo .....	Chief Financial Officer
Philippe Chérèque.....	Executive Vice President, Commercial
Eberhard Haag .....	Executive Vice President, Global Operations
Jean-Paul Hamon .....	Executive Vice President, Development
Tomás López Fernebrand .....	Vice President, General Counsel & Corporate Secretary
Sabine Hansen Peck .....	Vice President, Human Resources

*Biographical information*

Biographical information for each of the members of the Group’s Executive Committee, including a brief description of each member’s business experience and education, is presented below:

*Luis Maroto Camino*

Mr. Maroto is a graduate in law from Madrid’s Complutense University and holds an MBA from IESE Business School and further qualifications from Harvard Business School and Stanford University. Prior to joining the Group, he held high-level positions in the marketing, business planning and financial functions at the Bertelsmann Group. Mr. Maroto joined the Group in 2000 as Director, Marketing Finance. In May 2003, he was appointed Vice President, Finance and Chief Financial Officer, with global responsibility for group financial management, although from 1 February 2010, financial management and control passed to the new Chief Financial Officer. Mr. Maroto was the Group’s Deputy Chief Executive Officer from January 2009 before being appointed President and Chief Executive Officer in January 2011.

*Ana de Pro Gonzalo*

Ms. de Pro holds a bachelor of science degree in business studies from Madrid’s Complutense University, with a specialisation in auditing. She also completed the IESE Business School’s PDG executive program. She joined the Group on 1 February 2010 as Chief Financial Officer and is a member of the Executive Committee with responsibility for the areas of finance, treasury, accounts control and investments. Ms. de Pro has over 20 years of experience in finance, having been Deputy General Manager and Finance Director at Metrovacesa for eight years and Corporate General Manager at Sacyr Vallehermoso from 2002 through February 2010.

#### *Phillipe Chérèque*

Mr. Chérèque is a graduate in engineering from the Institut Supérieur d'Électronique de Paris and also holds an MSc degree in electronics from the University of Paris. Prior to joining the Group, Mr. Chérèque was an officer in the French Navy before going on to work between 1974 and 1980 with Télémécanique SA in Grenoble, France, where he was Product Manager of Mini Computer Programming Languages. In 1980, he joined Air France where he held a number of managerial positions in operational research, computer analysis and passenger application software development. He began his career at the Group in the early days of its creation (1987), as Director, Product Definition, based in Miami, United States. He was appointed Senior Vice President, Corporate Strategy at Amadeus GTD in July 1999, with responsibility for driving and coordinating the company's business development, marketing, technical architecture and product plan. Mr. Chérèque has been Executive Vice President, Commercial since 1 January 2009.

#### *Eberhard Haag*

Mr. Haag holds a combined degree in engineering and business economics from the University of Stuttgart. He held managerial positions at Carl Zeiss Inc, a leading optical company, culminating in his appointment as Chief Information Officer in 1991. He joined the Group on 1 January 2000 as Deputy General Manager of Amadeus Data Processing and was appointed Executive Vice President, Global Operations on 1 January 2009. He has overall responsibility for the Group's Operations including its data processing centre located in Erding, Germany.

#### *Jean-Paul Hamon*

Mr. Hamon graduated from l'École des Mines, Paris, and has extensive experience in the travel technology sector. He began his career in Operational Research at the French Defence Operations Centre and subsequently at Air France, where he became director for long-distance crew and cabin staff planning. In 1986, he was a core member of the group that pioneered the creation of the Group, which he joined in 1988. Appointed Senior Vice President, Development, his work grew in line with the Group's success and expansion. In March 1998, he left the Group to become Executive Vice President of Information Technology and Chief Information Officer for Air France, returning to serve on the Group's Board of Directors in 2000. Mr. Hamon was appointed Executive Vice President, Development in March 2004 and is also President of the Group's main development site based in Sophia Antipolis, France.

#### *Tomás López Fernebrand*

Mr. López holds a law degree from the Universidad Autónoma of Madrid and an MBA from Florida International University in Miami. He joined the Group in 1988 as Senior Corporate Counsel and, on 1 January 1999, was appointed Vice President and General Counsel. In December 2000, he became the Group's Corporate Secretary and Chief Legal Officer. He served as the first chairman of the newly created European Technology and Travel Services Association (ETTSA), a Belgian non-profit association based in Brussels with membership composed of global distribution systems, online travel agencies and other industry stakeholders. He remains as a board member in this association.

In addition to his role as Chief Legal Officer, he currently leads the Group's Industry Affairs unit, which also supervises and coordinates the worldwide CSR and sustainability programmes in the Group.

#### *Sabine Hansen Peck*

Ms. Hansen Peck holds a masters degree in organisational psychology from the Catholic University of Eichstätt, Germany, and an MBA in international business management from Thunderbird School of Global Management, United States. Ms. Hansen Peck has over 18 years' experience managing large human resources functions and teams internationally, having worked at Gate Gourmet (Switzerland) as Vice President Human Resources, EMEA and Citigroup where she was Head of Human Resources, EMEA. She was appointed Vice President, Human Resources of the Group in November 2009, with global responsibility for human resources and internal communication.

#### ***Conflicts of Interest***

Although he does not consider that it gives rise to any conflict of interest, José Antonio Tazón García, Chairman of the Board of Directors of Amadeus IT Holding, has declared to us that he is a member of the board of directors of Expedia Inc., and that he has received a first cycle of 14,384 Restricted Stock Units (RSUs) of that company (each representing one share) and a second cycle of

10,000 RSUs; with each cycle being equivalent to an investment value of US\$250,000 at the time of granting. Mr. Tazón has the right to convert one third of the Restricted Stock Units into shares of Expedia, Inc. every year, over a vesting period of three years. The first and second vesting date in respect of 4,794 RSUs each (in respect of the first cycle) occurred in June 2010 and June 2011, respectively and the first vesting date in respect of 3,333 RSUs each (second cycle) occurred in June 2011.

As explained below under “Description of the Group – Litigation and Arbitration – Civil Proceedings – Arbitration with Lufthansa”, in October 2008, Lufthansa brought arbitration proceedings against the Group in London under the procedures of the International Chamber of Commerce, or ICC, in relation to an IT Services Agreement entered into in 2005. As Mr. Gemkow is a Director of Lufthansa, he did not participate in discussions or take part in decisions related to the dispute at the Board of Directors meetings where the dispute was addressed.

Aside from Mr. Tazón and Mr. Gemkow, and based on the representations of our other Directors and officers, as of the date of this base prospectus, we believe there are no other conflicts of interest, real or potential, among the Directors and officers of Amadeus IT Holding and none of such Directors or officers is engaged in any self-dealing or appropriating to themselves any business that could be considered as part of the Group’s operations.

In addition, the Group has a commercial relationship with Intercontinental Hotels Group plc (of which David Webster is currently Chairman), although the impact of this relationship is minimal and the Group does not consider that it interferes in any way with Mr. Webster’s status as a Director. Furthermore, the Group maintains a commercial relationship with Atos Origin, S.A., a French IT services provider set up by Mr. Bernard Bourigeaud, one of the Directors. Mr. Bourigeaud is neither a director nor an employee of Atos Origin, S.A. The Group similarly considers the impact of this relationship to be minimal and does not consider that it interferes in any way with Mr. Bourigeaud’s status as a Director.

## DESCRIPTION OF THE GROUP

### Overview

The Group is a leading transaction processor for the global travel and tourism industry, providing advanced technology solutions to 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 its Distribution business (see “– *Principal Activities – Distribution*”, below) area, and offers travel providers (today, principally airlines) an extensive portfolio of technology solutions which automate certain mission-critical business processes, such as reservations, inventory management and other operational processes, through its IT Solutions business area (see “– *Principal Activities – IT Solutions*”, below). The Group’s transaction-based pricing model allows customers to convert certain of their fixed technology costs into variable costs that vary with passenger volumes and links the Group’s revenue to global travel volumes rather than travel spending, thus reducing the volatility of its results of operations.

The Group has two key categories of customers: (i) travel providers, including airlines, hotels, rail operators, cruise and ferry operators, car rental companies, tour operators and insurance companies, and (ii) travel agencies, including online and offline travel agencies (including Travel Management Companies – “TMCs”). To a more limited extent, the Group also provides certain products and services to travel buyers, including corporate travel departments and to end consumers.

The primary component of the Group’s business is its GDS platform, which connects travel providers including airlines, hotel properties, car rental companies, rail and cruise operators to travel agency locations worldwide. The Group has also leveraged its GDS platform to grow its IT Solutions business area rapidly, particularly in the area of airline IT. A significant component of the Group’s IT Solutions business area is its Altéa suite of airline IT solutions, which automate reservation, inventory, departure control and e-commerce functionalities for the Group’s airline customers.

### Principal activities

Over the past decade, the Group’s business has evolved from its core GDS offering into two highly synergetic business areas, Distribution and IT Solutions, which are dedicated to the global travel and tourism industry. Both of these businesses share a transaction-based revenue model, a fully-hosted technology platform and an overlapping customer base.

### *Distribution*

The Group provides a global network that connects travel providers, such as full service and low-cost airlines, hotels, rail operators, cruise and ferry operators, car rental companies, tour operators and insurance companies, with online and offline travel agencies, facilitating the distribution of travel products and services through a digital marketplace (the distribution of travel provider products via travel agencies or other third parties is sometimes referred to as the “indirect channel”). The Group also offers technology solutions, such as desktop and e-commerce platforms and mid- and back-office systems to certain of its travel agency customers.

The Distribution business area operates within a two-sided network model where success in attracting and retaining customers and breadth of travel provider content create a virtuous cycle. The more comprehensive and competitive the Group’s travel provider content, the more attractive the Group is to travel agencies. Similarly, the more travel agency subscribers the Group has, the more attractive it is to travel providers in offering them enhanced global reach. Accordingly, the Group believes that, in addition to increasing its market share among travel agencies and obtaining as wide a range of relevant travel providers as possible, the securing of full content from providers (i.e., inventory and pricing that is equivalent to the content a travel provider makes available through its own distribution channels, also known as the “direct channel”, such as the travel provider’s website or sales office) is an important measure in ensuring competitiveness against other GDS providers and in counteracting the incursion of direct distribution into the indirect GDS / travel agency space. The Group typically seeks to secure full content from all leading airlines to maintain an attractive and competitive content offering for travel agencies.

One of the key drivers of the profitability of the Group’s Distribution business area is the revenue derived from charging for transactions processed through its GDS platform, principally air TA

bookings. The Group now has a significant presence in the high-growth markets of MEA and APAC, CESE and Central and South America, and the Group believes that this geographic mix will place it in a strong position to capitalise on future air traffic growth in these regions.

The Group's Distribution business area's revenue has also proven to be highly resilient to fluctuations in the revenues of the travel and tourism industry, particularly the airline industry. The booking fees the Group charges airlines are not directly linked to the ticket price or the type of ticket issued (economy, business or first class) but directly to volume. Accordingly, while the Group's revenue will be affected by an overall decrease in air traffic volumes, it is not directly affected by falling ticket prices or a migration of passengers from higher first and business class fares to lower economy fares.

#### *Product Offering*

Through the Group's GDS platform, airlines and other travel providers are able to distribute information regarding their inventory, availability, scheduling and pricing, globally and instantaneously. Online and offline travel agencies are, in turn, able to consult this information in real time to plan and book trip itineraries for their customers. The Group's Distribution business area also offers certain management tools that facilitate sales through its GDS platform in both the online and offline channels and a retailing platform to help airlines increase their revenues from ancillary services, such as advanced boarding, seat selection, baggage check-in, and advertising. In the non-air segment, the Group is operating a platform for rail operators to cover all channels and offering new functionalities for hotels to improve their distribution capabilities via the Group's GDS platform. Additionally, the Group offers travel providers customer helpdesk support, consulting services and certain other services covering indirect distribution functions, such as reporting and training.

Online and offline travel agencies use the Group's GDS platform to search through the content supplied by travel providers, as discussed above, and to book and ticket airline reservations and other travel products and services, benefiting from access to the inventory of the Group's extensive travel provider customer base through a user-friendly interface offering fast and efficient functionality with highly flexible search parameters. In addition to providing access to a broad range of travel provider content, the Group also continues to develop technology solutions designed to meet the specific needs of the travel agency market. The Group's suite of travel agency technology solutions includes tools to facilitate the sales process through both online and offline channels and other front-, mid- and back-office process-management solutions. The Group also offers online and offline sales and distribution platforms for leisure products, in particular to tour operators and large leisure travel agents. The travel agency technology product offering is complemented with a range of customer support and consulting services that enable travel agencies to customise the Group's solutions and integrate its applications with their own internal systems and the Group has also developed a suite of self-booking tools for corporate travel departments.

#### *Key Markets*

The Group operates globally in over 190 countries through a network of over 70 local ACOs, which establish and maintain the Group's relationships with local travel agencies and other subscribers, providing customer support and training in the markets they serve. Initially, some of the local ACOs were operated as joint venture companies with airlines from the countries they served but, over time, the Group has acquired and successfully integrated a substantial majority of these organisations within its operations, strengthening its control over their sales and customer service processes. The local ACOs are, in turn, supported by various regional centres (the main centres are located in Bangkok, Dubai and Miami) that provide commercial management, customer support and development of products for their respective regions.

#### *Customers*

The Group's Distribution customers comprise (i) travel providers, principally full service and low-cost airlines, which are the most significant group of customers and non-air travel providers, such as hotels, rail operators, cruise and ferry operators, car rental companies, tour operators and insurance companies, and (ii) online and offline travel agencies. The Group also obtains additional revenue, to a very limited extent, from corporate travel departments.

**Airlines.** The Group's Distribution business area has a large and widely diversified portfolio of airline customers, including large international airlines, carrying in excess of 70 million passengers each per year, to smaller short-haul carriers with fewer than one million passengers each per year. The Group's Distribution business area's full service airline customers include all of the world's top 50 network



airlines, including Air France, American Airlines, British Airways, Cathay Pacific, Continental Airlines, Delta Airlines, Emirates, Iberia, KLM, Lufthansa, Qantas, Thai Airways, Turkish Airlines and US Airways and its leading low-cost airline customers include easyJet, Go! and Virgin Blue.

**Non-air travel providers.** The Group's Distribution business area also has a broad portfolio of non-air travel providers, comprised of hotel properties, rail operators, cruise and ferry operators, car rental companies, tour operators and insurance companies connected to and bookable through the Group's GDS platform. While the majority of the travel providers connected to the Group's GDS platform take advantage of the global connectivity offered by the platform, certain travel providers (primarily tour operators and rail operators) are connected only at a local or regional level. The Group's leading Distribution customers in the non-air category include Accor, Intercontinental, Carlson Hospitality Group and Marriott International (hotel chains), SNCF and Deutsche Bahn (rail operators) and Avis, Europcar and Hertz (car rental companies).

**Travel agencies.** The Group's travel agency customers include online and offline travel agency locations globally, nationally and/or regionally servicing different customer segments, including both corporate and leisure. Online travel agencies, which principally serve the leisure segment, and TMCs, which principally serve the business segment, are typically the two largest global travel agency segments of the Group. Key travel agency customers include American Express Travel, Hogg Robinson, BCD and Carlson Wagonlit Travel (global TMCs) and a number of leisure-focused travel agencies, both offline, such as TUI and Thomas Cook and online, such as Expedia, Opodo, Go Voyage and eDreams.

**Travel buyers.** The Group offers solutions to corporate travel departments to allow them to manage employee business travel arrangements in-house, and has partnered with relevant industry players, such as SAP AG, to offer seamless integration with business software and systems for a true end-to-end travel management solution. The Group also provides consulting services to corporate travel departments and is expanding its offering to travellers, including enhanced online and mobile access to itinerary information.

#### *Revenue Flows and Pricing*

Under the basic GDS model, when an online or offline travel agency makes a reservation through a GDS platform, the travel provider is charged a booking fee by the GDS provider and the GDS provider pays a portion of that booking fee to the travel agency in the form of an incentive fee. The pricing of the booking fee is dependent upon the type of booking (global, regional, local), the region in which the booking is made, the type of access to the GDS platform employed and the level of functionality which the provider enjoys.

In 2004, the Group pioneered the introduction of a value-based pricing model for airline bookings processed through its GDS platform. The strategic thinking behind this model is to charge an airline a larger booking fee where the GDS platform provides more added value by accessing points of sale that the airline is not able to reach cost-effectively through direct distribution. In broad terms, "local" (lowest) pricing is applied to bookings made in the airline's home country and "global" (highest) pricing is normally applied for bookings made through geographical points of sale that the airline cannot access cost-effectively through direct distribution. For example, a flight on a UK airline booked through a travel agent in London would be categorised as "local". However, the same flight booked through a travel agent in Hong Kong would be categorised as "global". An intermediary "regional" fee is used for certain bookings that fall between these two categories (for example, a flight on an United Kingdom airline booked through a travel agent in France).

#### *IT Solutions*

Through its IT Solutions business area the Group provides a comprehensive portfolio of technology solutions that automate certain mission-critical business processes, such as reservations, inventory management, departure and control and other operational processes, for travel providers, as well as providing direct distribution technologies.

#### *Transactional IT solutions – Altéa PSS*

The Group provides PSS IT solutions to airlines, covering many of an airline's essential technology needs through its Altéa PSS product offering. These solutions provide, among other functions, passenger-related services for use irrespective of whether the booking has been made directly by an

end consumer with the airline (the direct channel) or via a travel agency or other intermediary (the indirect channel).

Altéa PSS offers a high degree of flexibility through standardised, modular products that can be selected by airlines to suit their particular needs. The Group's Altéa PSS solutions are offered on a community-based platform where all of its airline customers share the applications on a single system fully hosted by the Group in-house. The Group believes that this approach enables it to provide users, simultaneously and at a low cost, with upgrades and enhancements made to the platform, incorporating new industry standards or adapting to the changing needs of a dynamic and rapidly evolving market. In addition, this approach facilitates the connecting of new users and adding new functionalities at limited marginal costs, providing the Group with significant operational leverage as it grows its business.

In 2000, the Group began the development of its Altéa suite of airline IT solutions. The Altéa PSS suite comprehensively covers an airline's core IT needs, based on the following five core principles:

- **Single Data Source**
- **Customer Centricity**
- **Automation & Flexibility**
- **Common Platform**
- **Designed for Change**
- Elimination of duplication and inconsistency by sharing a single version between components of all key data.
- Core processes driven by customer value.
- Full customer and journey information captured and made available.
- Business rules drive the main business processes.
- Intuitive graphical user interfaces and customisable workflows facilitate efficiency and consistent service.
- Benefit from the combined input of a community of world-leading airlines.
- Seamless integration with alliances and partners.
- Modular architecture based on next-generation, open-systems technology.
- Highly configurable solution, designed with the latest business concepts, such as self-service and customer value, in mind.

The Group's Altéa suite presently consists of four main modules:

- *Altéa Reservation* offers reservation functionalities to meet the needs of modern airlines. It enables airline customers to manage bookings, fare prices and ticketing through a single interface and is compatible with distribution via direct and indirect channels, both online and offline.
- *Altéa Inventory* addresses an airline's inventory needs, providing functionality to create and manage schedules, seat capacity and associated fares on a flight-by-flight basis. This allows the airline to monitor and control availability and reassign passengers in real time. Altéa Inventory also incorporates a seat-mapping functionality.
- *Altéa Departure Control* covers many aspects of flight departure, including check-in, issuance of boarding passes, gate control and other functions related to passenger flight boarding, while enabling airlines to manage disruptions and other flight events efficiently. In addition, Altéa Departure Control offers aircraft load control functionality, which enables airlines to evaluate and optimise fuel utilisation.
- *Altéa e-Commerce suite* is a complete e-commerce offering that seeks to improve the profitability and efficiency of the airline e-commerce sales and support process. The suite comprises three solutions that can be fully integrated: (i) e-Merchandise, including Flex Pricer (which facilitates the search of fares over a range of dates), for pre-sales faring and multi-currency online shopping, (ii) e-Retail, a sophisticated booking solution for airline websites; and (iii) e-Service, for post-sales servicing, including online award redemptions, online ticket changes and e-vouchers.

**Customers.** The approach the Group has adopted for its Altéa PSS solutions has been mainly to target the large full service airlines that carry more than 15 million passengers per year, as well as the international airline alliances. The Group believes that the growing trend towards consolidation in the airline industry and the emergence of international alliances, reflecting the importance of scale and reach in an increasingly globalised travel community, will result in large airlines and alliances continuing to occupy a key position in the industry in future years. Moreover, due to the size and scope of their network and operations, larger airlines and alliances tend to have more complex operating processes and IT systems that require sophisticated networks, code-sharing and interlining capabilities (to connect to other alliance members, for example). The Group also believes that the growth of its e-Commerce business will help to mitigate the impact on its business of the growth of direct distribution (i.e., the shift of airline bookings to direct channels).

The Group also believes that the breadth of its customer base of airlines connected to its GDS platform offers a significant opportunity to “cross-sell” its Altéa PSS solutions to existing airline customers of the Group’s Distribution business area.

**Revenue flows and pricing.** As with the Group’s Distribution business area, the revenue model used in its Altéa PSS business is transaction-based. This model enables airline customers to convert the fixed costs incurred in operating in-house PSS systems into a variable cost that fluctuates broadly in line with their passengers boarded. The Group’s Altéa suite follows a modular approach, under which each core component (Altéa Reservation, Altéa Inventory and Altéa Departure Control) is conditional upon each other: Customers using the Altéa Reservation module are able to contract the Altéa Inventory module and customers who have contracted both the Altéa Reservation and Altéa Inventory modules are able to contract the Altéa Departure Control module.

The Group’s Altéa e-Commerce business also uses a transaction-based revenue model, generating substantially all of its revenue by charging a transaction fee to its airline customers for each Passenger Name Record (PNR) processed.

By operating a transaction-based revenue model for the Altéa PSS business, its revenue reflects the volume of PBs (in the case of Altéa PSS), of PNRs (in the case of the Altéa e-Commerce module) and of bookings made (in the case of the Altéa Reservation module) and is not directly linked to the Altéa customers’ own revenue. The fees the Group charges airlines are not directly linked to the ticket price or the type of ticket issued. Accordingly, while the Group’s revenue will be affected by an overall decrease in air traffic volumes, it is not directly affected by falling ticket prices or a switching of customers from higher first and business class fares to lower economy fares.

#### *Other Transactional IT Solutions*

The Group’s current portfolio of other transactional IT solutions principally addresses stand-alone IT Solutions for airlines, Non-air IT and a joint venture for the provision of Travel Payment Services to non-air providers.

**Stand-alone IT Solutions for Airlines.** The Group offers a range of stand-alone IT solutions to support airlines in certain critical customer-related processes, including:

- *Ticketing Platform*, a sophisticated ticketing tool that allows airlines to issue all IATA and Air Transport Association, or ATA, standard paper and e-ticket traffic documents, to maintain a ticket database and generate sales and transaction reports, to cross-sell additional content (such as car, hotel and insurance products) and to produce highly customisable revenue accounting reports.
- *Customer Loyalty*, a comprehensive and flexible solution built to support modern airline loyalty programmes and to enable targeted marketing campaigns through a highly customisable solution that can be easily configured to support a variety of loyalty models, such as mileage-, points-, segment- or revenue-based schemes.
- *Revenue Integrity*, a revenue management tool designed to assist airlines to increase capacity utilisation through the reduction of no-shows and cancellations and to eliminate distribution costs associated with non-productive bookings.
- *Payment Solutions*, a sophisticated IT solution to increase the security of credit card payments made through direct sales channels used by the Group’s airline customers.

Each of the Group's stand-alone IT Solutions has been designed to integrate fully with its Altéa PSS solutions, to take advantage of their customer-centric features, but they can also be used, on a stand-alone basis, with other in-house or third-party systems. Many of the Group's stand-alone IT Solutions are provided through its US subsidiary Amadeus Revenue Integrity Inc. ("ARI"), based in Tucson, Arizona, and are used by major US airlines, such as American Airlines, as well as other major airlines around the world.

**Non-air IT.** One of the key aims of the Group's overall corporate strategy is to expand its IT Solutions business area by leveraging its existing customer base and technologies and to evolve its offering of transaction-based IT solutions beyond the Group's core Altéa PSS to meet the needs of other travel providers.

The Group seeks to identify attractive markets for expansion in which it believes it can realise a competitive advantage by leveraging the Group's customer base and building upon its core assets and competencies, either by targeting new solutions at existing customers or by adapting existing solutions for new customer segments.

Since entering the rail IT industry through the acquisition of Onerail Global Holdings Pty. Ltd. in 2008, the Group has been offering IT solutions to rail operators, albeit still on a relatively small scale. The Group has identified certain potential synergies between its rail IT solutions and Distribution business area through the expansion of the rail content available through its GDS and access to areas of travel where rail is replacing air travel.

#### *Non-Transactional IT Solutions*

**Customisation and Implementation Services.** The Group offers a range of services to support the migration of airline customers to the Altéa platform as well as additional software to customise the Group's solutions to the requirements of individual customers. These services seek to address the increasing complexity of airlines' internal IT systems and the need to adapt these to interface with the Group's solutions. The principal customers of such customisation and implementation services are large full service airlines.

**Global Services.** To support the Group's core airline IT Solutions business area, the Group has established a small but growing Global Services business within its airline IT commercial organisation. This unit assists in attracting airline customers for the Altéa PSS solutions and in the actual systems-migration process and provides post-sales support for Altéa customers. The Global Services unit provides a variety of services to airlines, including (i) consulting services, to help airlines maximise the full value of their IT investments, (ii) bespoke systems integration services, to customise the Group's IT solutions to the specific requirements of the airline customer, (iii) systems-hosting services, to provide improved operational efficiency, and (iv) training and other support services. The Group's airline customers can choose one or more of these services to suit their particular business needs.

**Hotel management systems licence revenue.** The Group's hotel management systems are custom-built hotel revenue management solutions operating on a licensed basis, adaptable to a wide range of hotels, from small two-star single property hotels to complex multi-property luxury hotel chains. The Group's Hotel Revenue Management System, or RMS, solution is designed to help hotels to fill their rooms at the most profitable price according to demand.

### **Contractual relationships with customers**

#### ***Distribution***

##### *Airlines*

The Group enters into participating carrier agreements, or PCAs, or global distribution agreements, or GDAs, with its airline customers, pursuant to which the Group grants them access to its GDS to distribute their inventory via the Group's network of online and offline travel agencies in exchange for a booking fee charged to the airlines for reservations of their content made on travel agency subscribers of the Group's GDS. The Group also enters into content agreements with its more significant airline customers whereby they guarantee to make available through the Group's GDS platform substantially the same content (in terms of fares and inventory) as that available in their own distribution channels, in exchange for which the Group pays a per-transaction content fee for access to that content.

### *Non-air Travel Providers*

With non-air travel providers, the Group enters into distribution agreements that typically grant them access to the Group's GDS for the global distribution of their travel products and services in exchange for a booking fee charged by the Group for each reservation of their content made through the GDS.

### *Travel Agencies*

The Group enters into agreements with travel agencies that wish to connect to the GDS to gain access to the Group's travel provider content. A significant majority of these agreements provide for the payment by the Group of a per-transaction incentive fee to the travel agency for bookings made by them through the GDS, while a limited number of travel agency customers pay a periodic subscription fee for access to the Group's GDS.

## **IT Solutions**

### *Airlines*

The Group enters into agreements with airlines for the design, customisation, implementation and operation of Altéa PSS, e-Commerce and stand-alone IT solutions, charging fees on various bases as set out below.

Under the Group's Altéa contracts, the Group generally charges a fee per passenger boarded, or PB fee, with additional optional fees that may be transaction-based or which may be calculated on the basis of time and materials used.

Under an Altéa Reservation agreement, the Group provides a central reservation system to an airline with the airline's inventory hosted externally. Under this model, the airline effectively uses the Group's Altéa Reservations solution as its own internal reservations system. The Group charges a reduced booking fee under the terms of the PCA/GDA.

In the case of other stand-alone IT contracts with airlines, the Group generally charges on a per-transaction basis, although the precise mechanics vary depending on the nature of the solution provided (e.g., certain contracts provide for charges on a PNR generated basis).

### *Non-air Travel Providers*

The Group enters into agreements for the provision of non-air IT solutions to hotels and rail operators.

Rail IT contracts typically regulate the provision of a fully integrated reservation system which allows rail companies to sell tickets through travel agencies and via direct channels such as the operator's website or sales kiosk.

Contracts for the Group's RMS solutions regulate the provision of a system used by hotels (and similar properties) for rate setting and revenue and capacity optimisation. The pricing structure of the RMS contracts may include concepts such as hosting charges, maintenance and support fees and training and development fees.

## **Systems and Technology**

The evolution of the Group's next-generation systems and technology is centred on the use of a community-based platform running on open systems architecture, offering superior levels of excellence in managing and running high-performance transactional frameworks. The key features and benefits of each of these concepts are as follows:

- *Community-based Platform.* The Group provides its customers with a fully-hosted, community-based IT platform, with each customer using the same applications base from a common pool of servers, as if it was accessing the application independently from other customers. While applications can be customised to fit the requirements of individual customers, the Group's community approach enables each customer to benefit from the common investments made in functional evolutions and the integration of new industry standards into the Group's platform to adapt it to the changing needs of a dynamic and rapidly evolving market. The Group believes this community approach offers considerable benefits for travel providers and other users of the platform in terms of functionality and efficiency, because they can leverage the sum of requirements from the whole community. It also enables the Group to connect new customers at



limited marginal costs, improving its economies of scale. For instance, when alliance airlines choose to operate on the alliance's common IT platform, initial migration and ongoing maintenance and upgrade costs can be reduced significantly.

- *Open Systems Architecture.* Between 1997 and 2005, the Group moved its core platform away from legacy mainframes towards a modern, open systems IT architecture. The Group believes that its open systems architecture allows it to offer customers the benefits of enhanced vendor independence and compliance with widely-adopted industry standards. Legacy systems create increased dependence on single suppliers, with correspondingly higher purchase and maintenance costs, and offer limited flexibility, scalability and scope for the integration of new standards. In contrast, open systems, based on Unix or Linux, offer considerably improved scalability and flexibility with lower costs resulting from competition between providers of hardware and system applications.
- *High-Performance Transactional Framework.* Many of the Group's applications rely on connections to large numbers of external IT systems, including those of the airlines and hotels connected to the Group's GDS platform. As a result, a single user data query, to check the availability of flights to a destination, can generate multiple secondary data queries to external systems. The Group believes that it has developed unique frameworks and technical skills that enable it to handle the functional complexity of such message flows while meeting the service level technical requirements of customers, including sub-second response times and very high system uptimes.

The underlying technical foundations for the Group's systems are (i) open systems and service-oriented architecture with a high-performance transactional framework, (ii) maximum scalability, (iii) continuous availability of operations, and (iv) clear and resilient technology choices which allows the Group to benefit from investments made in developing its applications over a long life-cycle.

The Group believes that it is at the forefront of the migration from legacy to open systems architecture in the travel technology sector, in particular when compared to its direct competitors. This advanced use of open systems allows the Group to increase its productivity and decrease its running costs at its central data processing facility. Additionally, the use of modern systems is expected to facilitate the recruitment of highly skilled IT developers, who tend to be specialised in modern architecture and are less inclined to work on legacy systems.

## **The Group's Operations Infrastructure**

### ***Data Processing Facility***

The global operations for the Group's Distribution and IT Solutions business areas are centred around its advanced data processing facility in Erding, near Munich (Germany).

The Group believes that ownership of its data processing facility gives it the necessary control and flexibility to align its development initiatives with the operational constraints of guaranteeing high service levels to its customers, while benefiting from cost efficiencies and being able to adapt rapidly to changes in technology. As a result of the Group's ownership of the facility, it is not required to negotiate with a third-party owner to effect upgrades, or to make other changes to its core IT infrastructure. The Group believes that this, among other benefits, has facilitated its migration to modern, open systems architecture.

The Group's global operations principally comprise (i) its main site in Erding (Germany), (ii) two strategic operations centres in Miami (United States) and Sydney (Australia), and (iii) four local competency centres in Bad Homburg (Germany), Bangkok (Thailand), Buenos Aires (Argentina) and London (United Kingdom). The Group's strategic operations centres in Miami and Sydney are part of a 'Follow-the-Sun' operations concept that allows continuous supervision and management of the Group's central data processing facility during normal working hours from three time zones. As a business day ends in one time zone and commences in another time zone, system monitoring and management is seamlessly transferred by Erding to Miami, by Miami to Sydney and by Sydney back to Erding at approximately eight-hour intervals. Through the Group's 'Follow-the-Sun' concept, it seeks to optimise its use of resources and minimise response times when dealing with operational issues and customer support queries.

Fundamental to the Group's success as a global IT technology provider is the reliability and security of its data processing facility, which has been designed with built-in redundancy with no single point of failure. The Group's core systems are housed in three independent parts of the facility, so that transactions can be switched from one section to another in the event of a systems failure affecting one part of the building. Through this so-called "fire-cell" concept, the Group effectively has three data centres in one.

The Group also operates a disaster recovery centre located approximately 30 kilometres from its main data processing facility. This disaster recovery centre can also be operated remotely from the Miami and Sydney "Follow-the-Sun" sites and is designed to ensure the continuity of the relevant services and the recovery of data in the event of a complete systems failure at the Group's Erding facility for those of its customers that have opted to use this back-up facility.

### **Insurance**

The Group insures against certain corporate risks in relation to civil liability, including damage to its property and other material assets and business interruption. It also maintains policies covering the liability of its directors and officers and policies to cover its IT services, as well as an aviation policy to cover claims for damages in respect of aircraft incidents that have resulted in third parties suffering bodily harm and/or property damage.

Although the Group's management believes that all of the Group companies have adequate insurance policies in place to cover civil and environmental liability and certain risks of operation, the Group's management has decided not to purchase insurance coverage for business interruption and other risks of the Group's Distribution business area, such as misquoting fares and losing booking records; instead, the Group seeks to limit its liability through contractual provisions in agreements with travel providers, travel agencies and local ACOs.

While the Group considers that its insurance coverage is consistent with IT industry standards in Spain and Western Europe in light of the activities it conducts, the Group can provide no assurance that its insurance coverage will adequately protect it from all the risks that may arise or in amounts sufficient to prevent material loss.

### **Litigation and Arbitration**

From time to time the Group may be involved in legal proceedings in the ordinary course of its business. An unfavourable outcome in respect of one or more of such proceedings could, to the extent such outcome is not covered by any of the Group's insurance policies, have a material adverse effect on the Group's financial condition and results of operation. The following is a summary of certain legal proceedings affecting the Group.

#### ***Civil Proceedings***

##### ***Arbitration with Lufthansa***

In October 2008, Lufthansa brought arbitration proceedings against the Group in London under the procedures of the International Chamber of Commerce, or ICC, in relation to an IT Services Agreement entered into in 2005. Pursuant to this IT Services Agreement, Lufthansa outsourced its inventory, reservations and departure controls systems to the Group. The arbitration relates to one of six channels agreed in the IT Services Agreement, the "Direct Connect" channel, and the functionality provided through the Direct Connect link to the airline's inventory. Lufthansa alleges that the Group is obliged to provide a higher level of functionality through the Direct Connect channel. The tribunal has not yet issued a final decision in this arbitration.

#### ***Tax Proceedings***

Each Group company is individually responsible for its own tax assessment in its country of residence, without any worldwide Group tax consolidation. The applicable limitation period varies from one Group company to another, according to local tax laws in each case. Tax returns are not considered definitive until the applicable limitation period expires or they are accepted by the Tax Authorities. According to the consolidated annual accounts of Amadeus IT Holding as of and for the year ended 31 December 2010, despite fiscal legislation being 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 financial statements taken as a whole.

### *Spanish Tax Inspection*

On 1 February 2010, the Group was notified by the Spanish tax authorities of an inspection in respect of fiscal years 2005 through 2007. The tax inspection is currently ongoing. Although the Group believes this inspection to be of a routine nature, it is unable to determine reliably whether such investigation would be likely to result in any potential tax liability for the Group or the extent of any such liability and, therefore, it can provide no assurance as to the potential impact of such investigation on its future results of operations and financial condition.

### *Permanent Establishment in India*

Since 1999, Amadeus IT Group, S.A. (“**Amadeus IT Group**”) has been engaged in a series of disputes with the Indian tax authorities in relation to an allegation that the operations of Amadeus IT Group in India qualify it for tax treatment as an entity permanently established in India.

The Indian tax authorities argue that Amadeus IT Group operates as a permanent establishment in India by virtue of (i) the fact that it provides computer terminals enabling travel agencies to connect to its IT network, and (ii) the activities of the local ACO operating in India, Amadeus India, Pvt. Ltd (which does not form part of the Group) by reason of which, it is alleged, it qualifies as a “dependent agent” for the purposes of the double recovery regime in force between India and Spain. On this basis, the Indian tax authorities claim that revenue generated by Amadeus IT Group in respect of bookings made by travel agencies located in India through this local ACO should be subject to Indian tax.

At present, there are a number of proceedings underway relating to the tax years between 1995 and 2007 (1 April 1995 through 31 March 2008) at different procedural stages (ranging from initial inspection to appeal) before the Indian administrative authorities. The total amount claimed in these proceedings amounts to 2,090,578,326 Indian Rupees, or INR, including accumulated interest (equivalent to €32.9 million on the basis of an INR to € exchange rate of 63.40). The Group has been advised that there is no provision under Indian law for sanctions to be imposed as a result of the ongoing proceedings. Over the years during which these disputes have been ongoing, the Indian authorities have not advanced a consistent position in respect of the basis for determining the taxes allegedly payable by Amadeus IT Group. Accordingly, the amounts deductible in respect of taxes allegedly attributable to Amadeus IT Group are not clear.

Additionally and in relation to the permanent establishment issue, the Indian tax authorities are of the opinion that the IT Service agreement executed between Amadeus and British Airways (both non-resident entities) may give rise to royalty payments and fees for technical services in India taxed at 10% to 20%. As a result of this interpretation, a new tax claim is under dispute amounting to 145,055,880 INR (equivalent to €2.2 million on the basis of an INR to € exchange rate of 63.40).

### *Permanent Establishment in Greece*

Amadeus Hellas, S.A., a Greek wholly-owned subsidiary of Amadeus IT Group, is engaged in a local VAT dispute with the Greek tax authorities based on an interpretation that Amadeus IT Group is permanently established in Greece and that services provided to Amadeus IT Group by Amadeus Hellas, S.A. are, therefore, not exempt from Greek income tax. The Greek authorities have not provided documentation to substantiate their claim that Amadeus IT Group is permanently established in Greece, nor have they informed Amadeus IT Group of their allegations, which prevents the Spanish authorities from intervening in the investigation.

The amount claimed by the Greek authorities for the tax years from 2003 to 2006 amounts to €6.3 million together with a withholding of input VAT in an amount of €3.0 million. During 2008, claims were presented before the administrative court and proceedings were commenced under the Double Taxation Convention, or DTC, in relation to the retention rate applied to interest settled in favour of Amadeus IT Group. This process will, at least, clarify the arguments of the Greek authorities on the question of the existence of a permanent establishment and allow the Group to consider in greater detail the circumstances giving rise to the tax claims. The Group believes that sufficient arguments of form and substance exist to suggest that the Greek authorities will not be successful before the international tribunal.

### *Transfer Pricing*

The Group’s transfer pricing policy has given rise to investigations in France (in relation to Amadeus s.a.s.) and in Germany (in relation to Amadeus Data Processing GmbH). In France, a tax claim has

been brought, while in Germany an investigation was launched. However, the German tax authorities have finalised the tax audit without any significant fiscal contingency.

The methodology used to fix the prices of intra-group transactions between Amadeus IT Group, Amadeus s.a.s and Amadeus Data Processing GmbH involves a distribution of benefits using a “residual profit split” approach. This method, in contrast to traditional approaches, involves distributing the full amount of the transaction in two phases. In the first stage, each party is assigned a basic return in respect of its routine activities (which are determined on a “costs plus” basis). In the second stage, the residual amount of the transaction is distributed between the parties in accordance with the level of their respective economic contributions in the development of the asset to which the transaction relates (taking into account the allocation of risks and functions between them). While the Group’s “residual profit split” approach requires judgments to be made involving an element of discretion, which can give rise to differences of opinion between national tax authorities, it is accepted by the Organisation for Economic Cooperation and Development, or OECD, as a valid methodology for valuing related party transactions.

The allegations against Amadeus s.a.s relate to the tax years between 2003 and 2006 (proceedings in relation to the 2000 and 2001 tax years having been terminated on 18 November 2008 without any liability for Amadeus s.a.s) and have been submitted to mediation under the DTC between France and Spain and to arbitration under the Arbitration Convention (Convention 90/436/EC). The amounts claimed in relation to the tax years between 2003 and 2006, inclusive of interest, total €20.7 million and the estimated impact of an adverse outcome upon Amadeus s.a.s’ employee profit sharing scheme over the period 2003 through 2006 would amount to an additional €2.6 million after taxes. The French tax authorities have continued the investigation for fiscal year 2007, focusing on the transfer pricing policy. The amounts claimed inclusive of interest, still under review by the tax authorities, total €6.1 million and the estimated impact of an adverse outcome on Amadeus s.a.s’ employee profit sharing scheme over the period 2007 would amount to an additional €0.7 million after taxes. Taking into account these amounts, a provision of €6.8 million has been made in the Group’s consolidated accounts for the year ended 31 December 2010 in respect of the investigations.

### **Employees**

As of 31 December 2010, the number of employees from continued operations of the Group (i.e., excluding Opodo) was 7,778.

As of the date of this Base Prospectus, the Group is not aware of any material labour dispute, other than disputes in the ordinary course of business.

## TAXATION

The following is a general description of certain European Union and Spanish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

### **EU Savings Tax Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Belgium has replaced this withholding tax with a regime of exchange of information to the Member State of residence as from 1 January 2010.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

### **The Kingdom of Spain**

*The information provided below does not purport to be a complete summary of tax law and practice currently applicable in the Kingdom of Spain and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom (such as dealers in securities) may be subject to special rules. Other than in accordance with Condition 11 (Taxation), neither the Issuer nor the Guarantor assume responsibility for withholding taxes. Prospective investors who are in any doubts as to their position should consult with their own professional advisers.*

### **Introduction**

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Base Prospectus:

- (a) of general application, Additional Provision Two of Law 13/1985, of 25 May on investment ratios, own funds and information obligations of financial intermediaries, as amended by Law 19/2003, of 4 July on legal rules governing foreign financial transactions and capital movements and various money laundering prevention measures Law 23/2005, of 18 November on certain measures to promote the productivity and Law 4/2008, of 23 December abolishing the Wealth Tax levy, generalising the Value Added Tax monthly refund system and introducing other amendments to the tax legal system (Law 4/2008), as well as Royal Decree 1065/2007, of 27 July, approving the General Regulations for tax inspection and management procedures and the development of common rules for the procedures to apply taxes and other tax rules;



- (b) for individuals with tax residence in Spain which are Personal Income Tax taxpayers, Law 35/2006, of 28 November, on Personal Income Tax, and Royal Decree 439/2007, of 30 March, promulgating the Personal Income Tax Regulations, along with Law 19/1991, of 6th June on Wealth Tax as amended by Law 4/2008, and Law 29/1987, of 18 December on Inheritance and Gift Tax;
- (c) for legal entities resident for tax purposes in Spain which are Corporate Income Tax taxpayers, Royal Legislative Decree 4/2004, of 5 March promulgating the Consolidated Text of the Corporate Income Tax Law, and Royal Decree 1777/2004, of 30 July promulgating the Corporate Income Tax Regulations; and
- (d) for individuals and entities who are not resident for tax purposes in Spain which are non-resident income tax taxpayers, Royal Legislative Decree 5/2004, of 5 March promulgating the Consolidated Text of the Non-Resident Income Tax Law as amended by Royal Decree Law 2/2008 of 21 April, on measures to promote economic activity, and Royal Decree 1776/2004, of 30 July promulgating the Non-Resident Income Tax Regulations, along with Law 19/1991, of 6 June on Wealth Tax as amended by Law 4/2008, and Law 29/1987, of 18 December on Inheritance and Gift Tax.

### **VAT, Transfer Tax and Stamp Duty**

Whatever the nature and residence of the Noteholders, the acquisition and transfer of the Notes will be exempt from indirect taxes in Spain, i.e. exempt from Transfer Tax and Stamp Duty, in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December regulating such tax.

#### **1. Individuals with Tax Residence in Spain**

##### **1.1 *Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas)***

Both payments of interest periodically received and income deriving from the transfer, redemption or repayment of the Notes constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the Personal Income Tax Law, and must be included in the savings income (*base del ahorro*) of the investor and taxed at the rate of 19 per cent. on the first 6,000 euros. Any excess over such amount will be taxed at the rate of 21 per cent.

Both types of income are subject to a withholding on account at the rate applicable from time to time, currently 19 per cent.

##### **1.2 *Wealth Tax (Impuesto sobre el Patrimonio)***

Individuals with tax residence in Spain under an obligation to pay Wealth Tax must take into account the amount of the Notes which they hold as at 31 December in each year when calculating their wealth tax liabilities.

However, Law 4/2008 has amended Law 19/1991 introducing a credit of 100 per cent. over the tax due and removing the obligation to file Wealth Tax declaration. Due to this amendment to Law 19/1991, Spanish resident individuals are not effectively subject to Wealth Tax.

##### **1.3 *Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)***

Individuals with tax residence in Spain who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to Inheritance and Gift Tax in accordance with the applicable regional or State rules.

#### **2. Legal Entities with Tax Residence in Spain**

##### **2.1 *Corporate Income Tax (Impuesto sobre Sociedades)***

Both Payments of interest periodically received and income deriving from the transfer, redemption or repayment of the Notes constitute a return on investments for tax purposes obtained from the transfer to third parties of own capital and must be included in the taxable income of legal entities with tax residence in Spain for Corporate Income Tax purposes in accordance with the rules for this tax.

In accordance with Section 59.s) of the Corporate Income Tax Regulations there is no obligation to make a withholding on income obtained by Spanish Corporate Income Tax taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds) from financial assets traded on organised markets in OECD countries. In relation to Notes which are listed on the Irish Stock Exchange, this requirement will be satisfied. On 27 July 2004, the Directorate General for Taxation (*Dirección General de Tributos – “DGT”*) issued a reply to a consultation indicating that in the case of issues made by entities resident in Spain, as with the Issuer, the exemption requires that the Notes be placed outside Spanish territory, in another OECD country. The Issuer considers that the Notes will fall within this exemption as the Notes are to be placed outside Spain and in the international capital markets. Consequently, the Issuer will not make any withholding on payments to Spanish Corporate Income Tax taxpayers that provide the relevant information to qualify as such. If the Spanish Tax Authorities maintain a different opinion on this matter, however, the Issuer will be bound by that opinion and with immediate effect, shall make the appropriate withholding and the Issuer will not, as a result, be under any obligation to pay additional amounts.

In order to implement the exemption from withholding, the procedures laid down in the Order of 22 December 1999 will be followed.

(Please see “*Disclosure of Holder Information in Connection with Payments of Interest*” below).

## 2.2 **Wealth Tax (*Impuesto sobre el Patrimonio*)**

Legal entities are not subject to Wealth Tax.

## 2.3 **Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)**

Legal entities with tax residence in Spain which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to Inheritance and Gift Tax and must include the market value of the Notes in their taxable income for Spanish Corporate Income Tax purposes.

## 3. **Individuals and Legal Entities with no tax residence in Spain**

### 3.1 ***Non-resident income tax (Impuesto sobre la Renta de No Residentes)***

#### (a) *With permanent establishment in Spain*

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the legal rules applicable to income deriving from such Notes are the same as those previously set out for Corporate Income Tax taxpayers.

#### (b) *With no permanent establishment in Spain*

Both Payments of interest periodically received and income deriving from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who have no tax residence in Spain, being Non-Resident Income Tax taxpayers with no permanent establishment in Spain, are exempt from such Non-Resident Income Tax.

Law 4/2008 amends, among other things, Additional Provision Two of Law 13/1985, which was the source of the obligation on Spanish issuers or their parent companies to report to the Spanish tax authorities on the identity and residence of holders of their debt securities. This reporting obligation was typically satisfied, in part, by the collection of certain information from investors at the time of each payment of interest or principal. Spanish issuers, Euroclear and Clearstream, Luxembourg (among others) developed certain procedures to enable the timely delivery of such information.

Law 4/2008 removes the obligation on Spanish issuers or their parent companies to provide to the Spanish tax authorities the relevant information concerning holders who are not resident in Spain. The amended wording of Additional Provision Two of Law 13/1985,

therefore, continues to apply the reporting obligation only in respect of Spanish resident holders (individual and corporate) and non-resident holders operating through a permanent establishment in Spain.

The implementation of the changes contemplated by Law 4/2008 is subject to the adoption of relevant secondary legislation. At the date of this Prospectus, such secondary legislation had not yet been adopted.

Pending the enactment of such secondary legislation, and in accordance with the consultation from the General Directorate of Taxation dated 20 January 2009, the current procedures relating to the identity of Holders of the Notes (detailed under “*Disclosure of holder information in connection with Payments*” below) as laid down in section 44 of Royal Decree 1065/2007, remain applicable irrespective of whether or not the Holders of the Notes are resident in Spain, and both Euroclear and Clearstream, Luxembourg, and any other relevant clearing system require compliance with such obligations.

If these information obligations are not complied with in the manner indicated the Issuer will apply a withholding, currently at the rate of 19 per cent. and the Issuer will not, as a result, be under any obligation to pay additional amounts.

### **3.2 *Wealth Tax (Impuesto sobre el Patrimonio)***

Law 4/2008 amended Law 19/1991 introducing a credit of 100 per cent. over the tax due and removing the obligations to file Wealth Tax declaration. Due to this amendment to Law 19/1991 non-Spanish resident individuals effectively subject to Wealth Tax.

Non-resident legal entities are not subject to Wealth Tax.

### **3.3 *Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)***

Individuals who do not have tax residence in Spain who acquire ownership or other rights over the Notes by inheritance, gift or legacy, and who reside in a country with which Spain has entered into a double tax treaty in relation to Inheritance Tax will apply the provisions of the relevant double tax treaty.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to Inheritance and Gift Tax in accordance with the applicable regional and State legislation.

Non-resident entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to inheritance and gift tax. They will be subject to Non-Resident Income Tax. If the entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of the treaty will apply. In general, treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

## **4. Tax Rules for payments made by the Guarantor**

On the basis that payments of principal and interest made by the Guarantor under the Deed of Guarantee are characterised as an indemnity under Spanish law, such payments may be made free of withholding or deduction on account of any Spanish tax.

However, although there is no precedent or regulation on the matter, if the Spanish Tax Authorities take the view that the Guarantor has effectively assumed the obligations of the Issuer under the Notes (whether contractually or by any other means) they may determine that Spanish tax rules apply to payments made by the Guarantor relating to interest on the Notes. If such determination were made, payments by the Guarantor relating to interest on the Notes would be subject to the same tax rules as described above in relation to payments by the Issuer.

## **5. Disclosure of holder information in connection with payments**

### **5.1 *Tax Reporting Obligations of the Guarantor***

The Guarantor, as the parent of the Issuer, is required by Spanish law to file an annual return with the Spanish tax authorities in which it reports on certain information relating to payments made in respect of the Notes. The Spanish tax authorities may rely on such returns in order to assess whether or not the Issuer has correctly withheld tax on payments made by it under the Notes.

The Guarantor must complete each annual return on the basis of the information provided to it by, or on behalf of, Noteholders. The information required by the Guarantor in order to comply with its annual reporting obligations and provide a refund of amounts withheld in respect of the Notes (as described below) is that set out in Section 44 of Royal Decree 1065/2007 (Royal Decree 1065/2007).

## 5.2 *Individuals and Legal Entities without tax residency in Spain*

In accordance with sub section 44(1) of Royal Decree 1065/2007, each annual return filed by the Guarantor with the Spanish tax authorities must include the following information with respect to the relevant Notes:

- (a) the identity and country of residence of the recipient of the income from the Notes or, when such income is received on behalf of the Noteholder by a third party, the identity and country of residence of that third party;
- (b) the amount of income received; and
- (c) details identifying the Notes.

In accordance with sub section 44(2) of Royal Decree 1065/2007, for the purpose of preparing the return referred to in sub section 44(1), certain documents with information regarding the identity and country of residence of each Noteholder must be received by the Guarantor (or the Issuer on behalf of the Guarantor) at the time of each payment in respect of the Notes.

In particular, the Guarantor (or the Issuer on behalf of the Guarantor) must obtain the documents described below regarding the Noteholders:

1. In the case of transactions in which the Noteholder is (a) a non-Spanish resident which is: (i) a central bank or other public institution or international organisation; (ii) a bank, credit institution or financial entity (including collective investment institutions, pension funds and insurance entities) which is resident in an OECD country or in a country with which Spain has entered into a treaty for the avoidance of double taxation and which is subject to a specific administrative registration or supervision scheme (each a “**qualifying entity**”) and (b) acts on its own account, that Noteholder, must certify its name and tax residency in accordance with Annex I of the Order of 16 September 1991 (the “**Order**”), in the form of Annex I below;
2. In the case of transactions in which any of the qualifying entities acts as an intermediary, the entity in question must, in accordance with the information contained in its own records, certify the name and tax residency of each non-Spanish resident Noteholder in accordance with Annex II of the Order, in the form of Annex II below;
3. In the case of transactions which are channelled through a securities clearing and deposit entity recognised for these purposes by Spanish law or by the law of another OECD member country, the entity in question must, in accordance with the information contained in its own records, certify the name and tax residency of each non-Spanish resident Noteholder in accordance with Annex II of the Order, in the form of Annex II below;
4. In all other cases, the relevant non-Spanish resident Noteholder must arrange annually for the delivery of a tax residency certificate issued by the tax authorities of the country in which it is resident for tax purposes.

In accordance with sub section 44(3) of Royal Decree 1065/2007, for the purpose of implementing the exemption provided for, the following procedure must be followed: on the due date of each Distribution the Issuer must transfer the net amount to the entities referred to in paragraphs (a), (b) and (c) resulting from applying the general withholding rate (currently 19 per cent.) to the whole of the Distribution. If the certificates referred to are received prior to the Distribution Payment Date, the Issuer will pay the amounts withheld to the extent that they correspond with the information provided. In the case of both paragraph 5.1 and paragraph 5.2 above, in order for a beneficial owner to benefit from an exemption from withholding, the

above documentation should be received by the Fiscal Agent in accordance with the procedures established in the Agency Agreement, which may be inspected during normal business hours at the specified office of the Fiscal Agent.

If the Fiscal Agent does not receive complete documentation in respect of an eligible Noteholder by the Distribution Date, such holder may obtain a quick refund of the full amount of withholding tax by ensuring that the documentation described above is received by the Fiscal Agent no later than 10:00 am (CET) on the second Business Day prior to the 10th calendar day of the month following the relevant Distribution Date (or if such date is not a Business Day, the Business Day immediately preceding such date) (the “**Quick Refund Deadline**”).

Noteholder entitled to a refund but in respect of whom the Fiscal Agent does not receive relevant documentation on or before a Quick Refund Deadline may seek a full refund of withholding tax directly with the Spanish tax authorities.

### 5.3 *Legal Entities with tax residency in Spain subject to Spanish Corporation Tax*

Noteholders who are legal entities resident for tax purposes in Spain and subject to Spanish Corporation Tax (and a permanent establishment in Spain of a non-resident subject to Non-Resident Income Tax) may receive payments in respect of the Notes free of withholding **provided that** they provide (or arrange to be provided on their behalf) accurate and timely information enabling them to qualify for such an exemption from withholding.

In particular, the Issuer must obtain from any of the suitable entities a list of Noteholders who are subject to Spanish Corporation Tax, specifying each Noteholder’s name, address and Tax Identification Number as well as the ISIN code of the relevant Notes, the number of such Notes held on the relevant payment date, the gross income and the amount withheld substantially in the form set out below (see *Annex III*).

#### *Euroclear and Clearstream, Luxembourg procedures*

Euroclear and Clearstream, Luxembourg (the “**European ICSDs**”) have established procedures to assist entities in complying with the reporting obligations required by Spanish tax law and regulations and to enable Noteholders to obtain a refund of amounts withheld on interest payments. These procedures were implemented by the European ICSDs in response to certain tax rulings made by the Spanish tax authorities (Consultas V 2050 07, V 2051 07, V 0175 08 and V 0179 08). The procedures which the Issuer and other parties expect to follow are stipulated in the global tax procedures published by the European ICSDs, which are also described in the Fiscal Agency Agreement. In this regard, Noteholders should also consult announcements in relation to these global tax procedures published on a periodic basis on the websites of the European ICSDs ([www.Euroclear.com](http://www.Euroclear.com), [www.Clearstream.com](http://www.Clearstream.com)).

#### **Noteholders’ attention is drawn to the risk factor in respect of risks relating to procedures for collection of holders’ details on page 33 of this Base Prospectus.**

Set out below is a summary of certain aspects of the procedures described in the Fiscal Agency Agreement which the Issuer and the Guarantor consider most relevant to Noteholders. For the purposes of this section, references to “**Tax Certificates**” are to the certificates described in paragraphs 1 to 3 under “*Individuals and Legal Entities without tax residency in Spain*” and the certificate described under “*Legal Entities with tax residency in Spain subject to Spanish Corporation Tax*”.

1. In accordance with the current procedures of the European ICSDs, Noteholders entitled to receive payment on the relevant Interest Payment Date, and accordingly those persons required to comply with the Spanish tax procedures in order to obtain a refund of the relevant withheld amount (as defined below), are those persons holding Notes at close of business on the day preceding the relevant Interest Payment Date. Tax Certificates may therefore not be dated and may not be submitted to the Fiscal Agent as agent for the Issuer prior to close of business on the day preceding the relevant Interest Payment Date.
2. Immediately upon receipt of a notice from the Fiscal Agent, each of the European ICSDs will notify the entities holding accounts with the European ICSDs (“**Participants**” and “**Customers**”) of the relevant interest payment and that the procedures established under Law 13/1985, Royal Decree 1065/2007, Royal Legislative Decree 4/2004 and Order 22 December 1999 (“**Spanish tax**”).



**procedures**”) apply in connection with such interest payment and prepare or (as the case may be) request their Participants and Customers provide Tax Certificates and other information by no later than the time on the relevant Interest Payment Date specified by the European ICSDs.

3. In order to obtain an immediate refund of the withheld amount, the Participants and Customers (or a legal representative acting under a power of attorney on behalf of such Participant or Customer) will have to provide duly completed Tax Certificates by the relevant time. The Fiscal Agent shall verify that the Tax Certificates and other information received by it is in accordance with the Spanish tax procedures and calculate the aggregate net amounts and withheld amounts payable on the relevant Interest Payment Date.
4. If a Noteholder would be entitled to receive an immediate refund of the withheld amount on an Interest Payment Date but duly completed Tax Certificates are either not received by the relevant time or are considered by the Fiscal Agent not to be in accordance with the Spanish tax procedures, such Noteholder may obtain a quick refund of the withheld amount by ensuring that duly completed Tax Certificates are received by the Fiscal Agent no later than 10:00 am (CET) on the business day before the 10th calendar day of the month following that in which the relevant Interest Payment Date falls (the “**Quick Refund Deadline**”). Upon receipt and verification of such Tax Certificates, the Fiscal Agent shall pay the relevant withheld amounts to the Noteholder.
5. No later than the business day following the Quick Refund Deadline, the Fiscal Agent shall return any remaining withheld amounts to the Issuer and forward any additional tax certificates received by it in relation to quick refunds claimed up to and including the Quick Refund Deadline.
6. Noteholders that do not provide documentation on or before a Quick Refund Deadline may obtain a full refund of the withheld amount directly with the Spanish tax authorities to the extent that they are entitled to such refund.

## ANNEX I

### Modelo de certificación en inversiones por cuenta propia *Form of certificate for own account investments*

(nombre) (name)

(domicilio) (address)

(NIF) (fiscal ID number)

(en calidad de) \_\_\_\_\_, en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 44.2.a) del Real Decreto 1065/2007,

(function) \_\_\_\_\_, in the name and on behalf of the Entity indicated below, for the purposes of article 44.2.a) of Royal Decree 1065/2007,

#### CERTIFICO:

CERTIFY:

1. **Que el nombre o razón social de la Entidad que represento es:**  
that the name of the Entity I represent is:

2. **Que su residencia fiscal es la siguiente:**  
that its residence for tax purposes is:

3. **Que la Entidad que represento está inscrita en el Registro de**  
that the institution I represent is recorded in the Register of  
**(país, estado, ciudad), con el número**  
(country, state, city), under number

4. **Que la Entidad que represento está sometida a la supervisión de**  
that the institution I represent is supervised by  
**en virtud de**  
under

*(Órgano supervisor)*  
(Supervision body)  
*(normativa que lo regula)*  
(governing rules).

#### Todo ello en relación con:

All the above in relation to:

#### Identificación de los valores poseídos por cuenta propia

Identification of securities held on own account

#### Importe de los rendimientos

Amount of income

Lo que certifico en \_\_\_\_\_ a \_\_\_\_\_ de \_\_\_\_\_ de 20  
I certify the above in \_\_\_\_\_ on the \_\_\_\_\_ of \_\_\_\_\_ of 20



## ANNEX III

### Modelo de certificación para hacer efectiva la exclusión de retención a los sujetos pasivos del Impuesto sobre Sociedades y a los establecimientos permanentes sujetos pasivos del Impuesto sobre la Renta de no Residentes

*Certificate for application of the exemption on withholding to Spanish Corporate Income Tax taxpayers and to permanent establishments of Non resident Income Tax taxpayers*

(nombre) (name)

(domicilio) (address)

(NIF) (fiscal ID number)

(en calidad de) \_\_\_\_\_, en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 59.s) del Real Decreto 1777/2004,

(function) \_\_\_\_\_, in the name and on behalf of the Entity indicated below, for the purposes of article 59.s) of Royal Decree 1777/2004,

#### CERTIFICO:

CERTIFY:

- Que el nombre o razón social de la Entidad que represento es:**  
that the name of the Entity I represent is:
- Que su residencia fiscal es la siguiente:**  
that its residence for tax purposes is:
- Que la Entidad que represento está inscrita en el Registro de**  
that the institution I represent is recorded in the Register of  
**(país, estado, ciudad), con el número**  
(country, state, city), under number
- Que la Entidad que represento está sometida a la supervisión de**  
that the institution I represent is supervised by  
**en virtud de**  
under  
*(Órgano supervisor)*  
(Supervision body)  
*(normativa que lo regula)*  
(governing rules).
- Que, a través de la Entidad que represento, los titulares incluidos en la relación adjunta, sujetos pasivos del Impuesto sobre Sociedades y establecimientos permanentes en España sujetos pasivos del Impuesto sobre la Renta de no Residentes, son perceptores de los rendimientos indicados.**  
That, through the Entity I represent, the list of holders hereby attached, are Spanish Corporate Income Tax taxpayers and permanent establishment in Spain of Non resident Income Tax taxpayers, and are recipients of the referred income.
- Que la Entidad que represento conserva, a disposición del emisor, fotocopia de la tarjeta acreditativa del número de identificación fiscal de los titulares incluidos en la relación.**  
That the Entity I represent keeps, at the disposal of the Issuer, a photocopy of the card evidencing the Fiscal Identification Number of the holders included in the attached list.

Lo que certifico en \_\_\_\_\_ a \_\_\_\_\_ de \_\_\_\_\_ de 20  
I certify the above in \_\_\_\_\_ on the \_\_\_\_\_ of \_\_\_\_\_ of 20

**RELACIÓN ADJUNTA A CUMPLIMENTAR:**  
TO BE ATTACHED

**Identificación de los valores:**  
Identification of the securities

**Razón social/Domicilio/Número de identificación fiscal/Número de valores/Importe de los rendimientos.**  
Name/Domicile/Fiscal Identification Number/Number of securities/Amount of income.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Banco Bilbao Vizcaya Argentaria, S.A., Deutsche Bank AG, London Branch, ING Bank N.V., J.P. Morgan Securities Ltd., Mitsubishi UFJ Securities International plc, Morgan Stanley & Co International plc, Natixis and The Royal Bank of Scotland plc (the “Dealers”). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a Dealer Agreement dated 24 June 2011 (the “Dealer Agreement”) and made between the Issuer, the Guarantor and the Dealers. Any such agreement will, *inter alia*, make provision for the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are in bearer form and subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, and each further Dealer will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes of that Tranche within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### United Kingdom

Each Dealer has represented, warranted and agreed that, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;



- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **The Kingdom of Spain**

The Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in Spain, except in circumstances which do not constitute a public offer of securities in Spain within the meaning of the Spanish Securities Market Law (*Ley 24/1988, de 28 julio del Mercado de Valores*) or without complying with all legal and regulatory requirements under Spanish securities laws. No publicity or marketing of any kind shall be made in Spain in relation to the Notes.

Neither the Notes nor the Base Prospectus have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore the Base Prospectus is not intended for any public offer of the Notes in Spain.

### **Italy**

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation. Each Dealer has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 16190 of 29 October 2007 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time); and
- (b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **General**

Each Dealer has represented, warranted and agreed that, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that, it has complied and will comply, to the best of its knowledge and belief in all material respects, with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense, unless otherwise agreed. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or

from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed “*General*” above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

## GENERAL INFORMATION

### Authorisation

1. The establishment of the Programme was authorised by resolutions of the sole shareholder and the Board of Directors of the Issuer both dated 24 June 2011 and by resolutions of the shareholders and the Board of Directors of the Guarantor also dated 24 June 2011. Each of the Issuer and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the guarantee relating to them.

### Legal and Arbitration Proceedings

2. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer or the Guarantor is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer, the Guarantor and/or the Group.

### Significant/Material Change

3. Since 31 December 2010 there has been no material adverse change in the prospects of the Issuer nor any significant change in the financial or trading position of the Issuer.
4. Since 31 March 2011 there has been no significant change in the financial or trading position of the Guarantor or the Guarantor and its Subsidiaries, nor has there been, since 31 December 2010, any material adverse change in the prospects of the Guarantor or the Guarantor and its Subsidiaries.

### Auditors

5. The financial statements of the Issuer and the consolidated financial statements of the Guarantor have been audited without qualification for the years ended 31 December 2010 and 31 December 2009 by Deloitte, S.L., independent accountants.

### Documents on Display

6. Copies of the following documents may be inspected during normal business hours at the offices of the Issuer and Guarantor at Calle Salvador de Madariaga, 1, 28027 Madrid, Spain for 12 months from the date of this Base Prospectus:
  - (a) the constitutive documents of the Issuer;
  - (b) the constitutive documents of the Guarantor;
  - (c) the audited financial statements of the Issuer for the years ended 31 December 2010 and 31 December 2009 (together with English translations thereof). The Issuer does not produce interim financial statements;
  - (d) the audited consolidated financial statements of the Guarantor for the years ended 31 December 2010 and 31 December 2009 and the unaudited consolidated statements of financial position, comprehensive statements of income and cash flows of the Guarantor for the three months ended 31 March 2011 (together with English translations thereof);
  - (e) the Agency Agreement;
  - (f) the Deed of Guarantee;
  - (g) the Deed of Covenant;
  - (h) the Programme Manual (which contains the forms of the Notes in global and definitive form); and
  - (i) the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form).

**Clearing of the Notes**

7. The Notes have been accepted for clearance through Euroclear (1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium) and Clearstream, Luxembourg (42 Avenue J.F. Kennedy, L-1855 Luxembourg). The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information. Save as set out in the Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issue of Notes.

**Ordinary Course Transactions with Dealers**

8. Certain of the Dealers and their affiliates have engaged and may in the future engage in investment banking and/or commercial banking and other related transactions with, and may provide services (including advisory financial services) to, the Issuer, the Guarantor and/or their affiliates in the ordinary course of business.

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# FINANCIAL STATEMENTS AND AUDITORS REPORTS

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**Amadeus Capital Markets,  
S.A. (formerly Amadeus  
Purchase Debt, S.A.)**

Auditors' Report  
Abridged Financial Statements  
for the year ended  
31 December 2010

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of abridged financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 10). In the event of a discrepancy, the Spanish-language version prevails.*

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of abridged financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 10). In the event of a discrepancy, the Spanish-language version prevails.*

#### AUDITORS' REPORT ON ABRIDGED FINANCIAL STATEMENTS

To the Shareholder of  
Amadeus Capital Markets, S.A.:

1. We have audited the abridged financial statements of Amadeus Capital Markets, S.A. (formerly Amadeus Purchase Debt, S.A.), which comprise the abridged balance sheet at 31 December 2010 and the related abridged income statement, abridged statement of changes in equity and notes to the abridged financial statements for the year then ended. The directors are responsible for the preparation of the Company's abridged financial statements in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2 to the accompanying abridged financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the abridged financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the abridged financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.
2. In our opinion, the accompanying abridged financial statements for 2010 present fairly, in all material respects, the equity and financial position of Amadeus Capital Markets, S.A. at 31 December 2010, and the results of its operations for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

DELOITTE, S.L.

**Amadeus Capital  
Markets, S.A. (formerly  
Amadeus Purchase Debt,  
S.A.)**

Abridged Financial Statements for  
the year ended 31 December 2010

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of abridged financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 10). In the event of a discrepancy, the Spanish-language version prevails.*



*Translation of abridged financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 10). In the event of a discrepancy, the Spanish-language version prevails.*

**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**ABRIDGED BALANCE SHEETS AT 31 DECEMBER 2010 AND 2009  
(EXPRESSED IN EUROS)**

<u>ASSETS</u>	<u>Note</u>	<u>31/12/10</u>	<u>31/12/09</u>
<b>CURRENT ASSETS</b>		<b><u>235,811</u></b>	<b><u>235,815</u></b>
<b>Trade and other receivables</b>		<b><u>6,512</u></b>	<b><u>6,872</u></b>
Trade receivables from Group companies and associates	7.1	6,512	6,515
Other accounts receivable from public authorities	6.1	-	357
<b>Current investments in Group companies and associates</b>		<b><u>224,597</u></b>	<b><u>222,341</u></b>
Loans to companies	7.1	224,597	222,341
<b>Cash and cash equivalents</b>		<b><u>4,702</u></b>	<b><u>6,602</u></b>
Cash		4,702	6,602
<b>TOTAL ASSETS</b>		<b><u>235,811</u></b>	<b><u>235,815</u></b>

AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)

ABRIDGED BALANCE SHEETS AT 31 DECEMBER 2010 AND 2009  
(EXPRESSED IN EUROS)

<b><u>EQUITY AND LIABILITIES</u></b>	Note	31/12/10	31/12/09
<b>EQUITY</b>	5	<b>234,806</b>	<b>234,799</b>
<b>Shareholders' equity</b>		<b>234,806</b>	<b>234,799</b>
Share capital		250,000	250,000
Reserves		(15,133)	(15,133)
Prior years' losses		(68)	-
Profit (Loss) for the year		7	(68)
<b>CURRENT LIABILITIES</b>		<b>1,005</b>	<b>1,016</b>
<b>Trade and other payables</b>		<b>1,005</b>	<b>1,016</b>
Payable to suppliers - Group companies and associates		1,005	1,005
Other accounts payable to public authorities		-	11
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>235,811</b>	<b>235,815</b>

The accompanying Notes 1 to 10 are an integral part of the abridged balance sheets at 31 December 2010 and 2009.

*Translation of abridged financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 10). In the event of a discrepancy, the Spanish-language version prevails.*

**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**ABRIDGED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009  
(EXPRESSED IN EUROS)**

<u>CONTINUING OPERATIONS</u>	<u>Note</u>	<u>2010</u>	<u>2009</u>
<b>Other operating expenses</b>		<b>(258)</b>	<b>(1,299)</b>
Outside services		(82)	(1,042)
Taxes other than income tax		(176)	(257)
<b>LOSS FROM OPERATIONS</b>		<b>(258)</b>	<b>(1,299)</b>
<b>Finance income</b>		<b>2,256</b>	<b>2,350</b>
From marketable securities and other financial instruments		2,256	2,350
Group companies and associates		2,256	2,340
Third parties		-	10
<b>Finance costs</b>		<b>(1,988)</b>	<b>(1,148)</b>
On debts to third parties		(1,988)	(1,148)
<b>FINANCIAL PROFIT</b>		<b>268</b>	<b>1,202</b>
<b>PROFIT (LOSS) BEFORE TAX</b>		<b>10</b>	<b>(97)</b>
<b>Income tax</b>	6.3	<b>(3)</b>	<b>29</b>
<b>PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>7</b>	<b>(68)</b>
<b>PROFIT (LOSS) FOR THE YEAR</b>		<b>7</b>	<b>(68)</b>

The accompanying Notes 1 to 10 are an integral part of the abridged income statements for the years ended 31 December 2010 and 2009.

Translation of abridged financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 10). In the event of a discrepancy, the Spanish-language version prevails.

**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**ABRIDGED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009  
(EXPRESSED IN EUROS)**

**A) ABRIDGED STATEMENTS OF RECOGNISED INCOME AND EXPENSE**

	<u>2010</u>	<u>2009</u>
<b>PROFIT (LOSS) PER INCOME STATEMENT</b>	<b>7</b>	<b>(68)</b>
Income and expense recognised directly in equity	-	-
Transfers to profit or loss	-	-
<b>TOTAL RECOGNISED INCOME AND EXPENSE</b>	<b>7</b>	<b>(68)</b>

**B) ABRIDGED STATEMENTS OF CHANGES IN TOTAL EQUITY**

	<u>Share Capital</u>	<u>Reserves</u>	<u>Prior Years' Profits (Losses)</u>	<u>Profit (Loss) for the Year</u>	<u>Total</u>
<b>ENDING BALANCE AT 31 DECEMBER 2008</b>	<b>250,000</b>	<b>(15,926)</b>	<b>-</b>	<b>793</b>	<b>234,867</b>
<b>Total recognised income and expense</b>	-	-	-	(68)	(68)
<b>Distribution of profit</b>					
To legal reserve	-	79	-	(79)	-
To voluntary reserve	-	714	-	(714)	-
<b>ENDING BALANCE AT 31 DECEMBER 2009</b>	<b>250,000</b>	<b>(15,133)</b>	<b>-</b>	<b>(68)</b>	<b>234,799</b>
<b>Total recognised income and expense</b>	-	-	-	7	7
<b>Allocation of loss</b>					
To prior years' losses	-	-	(68)	68	-
<b>ENDING BALANCE AT 31 DECEMBER 2010</b>	<b>250,000</b>	<b>(15,133)</b>	<b>(68)</b>	<b>7</b>	<b>234,806</b>

The accompanying Notes 1 to 10 are an integral part of the abridged statements of changes in equity for the years ended 31 December 2010 and 2009.

AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER  
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*Translation of abridged financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 10). In the event of a discrepancy, the Spanish-language version prevails.*

## **AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

### **NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009 (EXPRESSED IN EUROS)**

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#### **1. COMPANY ACTIVITIES**

Amadeus Purchase Debt, S.A. (Sole-Shareholder Company) (“the Company”) was incorporated on 28 April 2008 and registered at the Madrid Mercantile Registry. Its registered office is in Madrid at calle Salvador de Madariaga, no.1.

The Company’s object, per Article 4 of its bylaws, is to invest in loans, credits, securities and/or debt instruments or financial instruments of any other kind, including the debt that any company belonging to the group of companies to which the Company belongs might have with any third party, for which purpose the Company may, by any lawful means, acquire, subscribe, own, manage, administer, exchange and/or sell Spanish and foreign financial assets, for its own account and without intermediation.

The Company may also carry on the above-mentioned business activities, in full or in part indirectly through investments in other companies with an identical or similar company object to that defined in the preceding paragraph, or in any other manner permitted by law.

The Company belongs to the Amadeus Group (“the Group”). The Group is the leading transaction processor for the global travel and tourism industry, providing advanced technological solutions for travel providers and agencies around the globe. Its worldwide network and travel information database are used by travel agencies and airline sales offices, which can currently process, through the Amadeus system, their bookings with airlines, hotel chains, car rental companies and other groups of providers such as ferry, rail, cruise, insurance and tour operators. The Group provides the above-mentioned services through a computerised reservation system (“CRS”) and through its e-commerce distribution channel. Additionally, the Group provides information technology (“IT”) services and solutions to the airline industry which include inventory management and passenger boarding control.

#### **2. BASIS OF PRESENTATION OF THE ABRIDGED FINANCIAL STATEMENTS**

##### **a) Regulatory financial reporting framework applicable to the Company**

These abridged financial statements were formally prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

- The Spanish Commercial Code and all other Spanish corporate law.
- The Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its industry adaptations.
- The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.
- All other applicable Spanish accounting legislation.



**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31  
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b) Fair presentation

The accompanying abridged financial statements, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, financial position and results of operations for 2010. These abridged financial statements, which were formally prepared by the Company's directors, will be submitted for approval at the Annual General Meeting, and it is considered that they will be approved without any changes. The abridged financial statements for 2009 were approved at the Annual General Meeting held on 30 March 2010.

In conformity with current legislation, these abridged financial statements refer only to the separate financial statements of Amadeus Purchase Debt, S.A. (Sole-Shareholder Company). As indicated in Note 1, the Company is included within the scope of consolidation of the Amadeus Group, the parent of which, Amadeus IT Holding, S.A. (formerly WAM Acquisition, S.A.) prepares consolidated financial statements in accordance with International Financial Reporting Standards. The consolidated financial statements of the Group for 2010 were formally prepared by its directors at the Board of Directors Meeting held on 24 February 2011. The consolidated financial statements for 2009 were approved by the shareholders of Amadeus IT Holding, S.A. at the Annual General Meeting held on 23 February 2010 and were filed at the Madrid Mercantile Registry.

c) Non-obligatory accounting principles applied

No non-obligatory accounting principles were applied. Also, the directors formally prepared these abridged financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon.

d) Key issues in relation to the measurement and estimation of uncertainty

In preparing the accompanying abridged financial statements estimates were made by the Company's directors in order to measure certain of the assets, liabilities, income and expenses reported herein.

Although these estimates were made on the basis of the best information available at 2010 year-end, events that take place in the future might make it necessary to change these estimates in coming years. Changes in accounting estimates would be applied prospectively.

e) Comparative information

In order to facilitate the comparison of information, the Company presents the abridged balance sheet, abridged income statement, abridged statement of changes in equity and the explanatory notes to the abridged financial statements for the year ended 31 December 2010 together with those for the year ended 31 December 2009.

AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31  
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f) Grouping of items

Certain items in the abridged balance sheet, abridged income statement and abridged statement of changes in equity are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the abridged financial statements.

g) Changes in accounting policies

In 2010 there were no significant changes in the accounting policies applied by the Company.

h) Correction of errors

In preparing the accompanying abridged financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the abridged financial statements for 2009.

**3. PROPOSED DISTRIBUTION OF PROFIT**

The proposed distribution of the profit for the year ended 31 December 2010 that the Company's directors will submit for approval at the Annual General Meeting is as follows:

	Euros
<u>Distribution basis:</u>	
Profit for the year	7,13
	<u>7,13</u>
<u>Distribution to:</u>	
Legal reserve	7,13
	<u>7,13</u>

**4. ACCOUNTING POLICIES AND MEASUREMENT BASES**

The principal accounting policies and measurement bases applied by the Company in preparing its abridged financial statements were as follows:

a) Financial instruments

i. Financial assets

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

In the abridged balance sheet financial assets maturing within less than twelve months are classified as current items and those maturing within more than twelve months as non-current items.

AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)

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The Company derecognises a financial asset when the rights to the cash flows from the financial asset expire and substantially all the risks and rewards of ownership of the financial asset have been transferred.

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

Interest from financial assets accrued after the date of acquisition is recognised as finance income in the abridged income statement. Interest is calculated using the effective interest method.

- *Loans and receivables*

Financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market. After their initial recognition, they are measured at amortised cost using the effective interest method.

The amortised cost is understood to be the acquisition cost of the financial asset or liability minus principal repayments, plus or minus the cumulative amortisation taken to the income statement, using the effective interest method, of any difference between the initial cost and the maturity amount. In the case of financial assets, amortised cost also includes any reductions for impairment.

The effective interest rate is the discount rate that exactly matches the carrying amount of a financial instrument to all its estimated cash flows of all kinds through its residual life.

If the loans and receivables mature within less than one year, these assets are recognised at face value when the effect of not discounting the cash flows is not material.

The related impairment losses are recognised when, as a result of events arising after initial recognition of the assets, there is a reduction or delay in the estimated future cash flows, possibly as a result of debtor insolvency.

AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31  
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ii. Financial liabilities

The Company classifies financial liabilities in accordance with the agreed contractual arrangements, provided that, on the basis of their economic substance, they represent a direct or indirect contractual obligation for the Company.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

In the abridged balance sheet, financial liabilities maturing within less than twelve months are classified as current items and those maturing within more than twelve months as non-current assets.

- *Accounts payable*

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and also those which, not having commercial substance, cannot be classed as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

However, trades payables maturing within less than one year which do not have a contractual interest rate are measured at face value, provided that the effect of not discounting the cash flows is not material.

b) Income tax

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31  
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In general, deferred tax liabilities are recognised for all taxable temporary differences. However, deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

Deferred tax assets and liabilities arising from transactions recognised directly in equity are also recognised in equity.

c) Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

d) Environmental assets and liabilities

Environmental assets are deemed to be assets used on a lasting basis in the Company's operations whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution.

Because of their nature, the Company's business activities do not have a significant environmental impact.

e) Related party transactions

The Company considers its significant shareholders, subsidiaries and associates to be related parties. The senior executives and the members of the Board of Directors, as well as their close family members, are also considered to be related parties.

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

**5. EQUITY AND SHAREHOLDERS' EQUITY**

At 31 December 2010 and 2009, the Company's share capital amounted to EUR 250,000 and was represented by 25,000,000 shares of EUR 0.01 par value each. These shares represent the Company's subscribed and paid share capital.

**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31  
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The detail of the Company's shares at 31 December 2010 and 2009 is as follows:

Shareholder	Shares	% of Total Voting Power
Amadeus IT Group, S.A.	25,000,000	100%

The Company's shares are not officially listed.

### **5.1. Legal reserve**

Under the Consolidated Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

Since the Company reported a profit, the proposed distribution of profit (see Note 3) includes a EUR 7.13 increase in the legal reserve with a charge to profit for the year. At 31 December 2010, the legal reserve had not reached the legally stipulated minimum.

## **6. TAX MATTERS**

In accordance with Article 70 of the Consolidated Spanish Corporation Tax Law, approved by Legislative Royal Decree 4/2004, of 5 March, the Extraordinary General Meeting held on 8 August 2008 resolved to include the Company in the consolidated tax group, the parent of which is Amadeus IT Holding, S.A. The Company was included in the tax group, effective from the date of its incorporation, for an indefinite period provided that it does not waive its right to inclusion and that all the requirements for its inclusion in the tax group continue to be met, i.e. it remains a subsidiary, it is 75% directly owned by the above-mentioned parent and it meets the remaining requirements established in Article 67 of the Consolidated Spanish Corporation Tax Law.

The consolidated tax Group is formed by the following companies:

Parent:

Amadeus IT Holding, S.A.



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Subsidiaries:

Amadeus IT Group, S.A.

Amadeus Soluciones Tecnológicas, S.A. (Sole-Shareholder Company)

Amadeus Purchase Debt, S.A. (Sole-Shareholder Company)

**6.1. Current tax receivables and payables**

The detail of the current tax receivables and payables is as follows:

	<u>31/12/10</u>	<u>31/12/09</u>
Current tax receivables		
Tax withholdings refundable	-	357
Current tax payables		
Tax withholdings payable	-	(11)
<b>Total</b>	<b>-</b>	<b>346</b>

**6.2. Reconciliation of the accounting profit (loss) to the taxable profit (tax loss)**

The reconciliation at 31 December 2010 and 2009 of the accounting profit (loss) to the taxable profit (tax loss) for income tax purposes is as follows:

	<u>2010</u>	<u>2009</u>
Accounting profit (loss) before tax	10	(97)
Taxable profit (tax loss) before offset	10	(97)
Offset of tax losses for the year of the consolidated tax Group	(10)	97
Taxable profit after offset	<b>-</b>	<b>-</b>

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**6.3. Reconciliation of accounting profit (loss) to the income tax expense**

The reconciliation of the accounting profit (loss) to the income tax expense for 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Accounting profit (loss) before tax	10	(97)
Tax charge at 30%	<u>(3)</u>	<u>29</u>
Total income tax expense recognised in profit or loss	<u>(3)</u>	<u>29</u>
Current tax	(3)	29
Deferred tax	-	-

**6.4. Years open for review and tax audits**

Under current legislation, tax returns cannot be deemed to be final until they have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At 2010 year-end the Company had all the taxes applicable to it open for review.

The Company's directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying abridged financial statements.

**7. RELATED PARTY TRANSACTIONS AND BALANCES**

**7.1. Related party balances**

The detail of the balances with the Group's related parties at 31 December 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Trade receivables	6,512	6,515
Current investments Loans to companies	<u>224,597</u>	<u>222,341</u>
<b>Total</b>	<b><u>231,109</u></b>	<b><u>228,156</u></b>

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**NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31  
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“Trade Receivables from Group Companies and Associates” includes the estimated amount receivable by the Company from Amadeus IT Holding, S.A. in respect of the tax losses offset within the consolidated tax Group. “Current Investments” includes the loan, renewable every six months, granted by the Company to Amadeus IT Group, S.A. This loan, whose next maturity is 16 March 2011, earns interest at a floating rate tied to EURIBOR.

**7.2 Remuneration of directors and senior executives**

Pursuant to the bylaws, the members of the Board of Directors do not receive any remuneration.

**7.3 Information regarding situations of conflict of interest involving the directors**

Pursuant to Article 229, Title VI of the Spanish Limited Liability Companies Law, approved by Legislative Royal Decree 1/2010, of 2 July, in order to reinforce the transparency of listed corporations, it is hereby disclosed that in 2010 and 2009 neither the members of the Board of Directors nor persons related to them held any ownership interests in companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company’s object.

Also, in accordance with the aforementioned law, the members of the Board of Directors and persons related to them have not performed, and do not perform, any activities, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the Company's object.

**8. INFORMATION ON THE ENVIRONMENT**

In view of the Company’s business activity, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the abridged financial statements.

**9. EVENTS AFTER THE REPORTING PERIOD**

At the date of formal preparation of the abridged financial statements no significant events had occurred after the reporting period which affect the Company and which should be included in these notes to the abridged financial statements.

**10. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH**

These abridged financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company (see Note 2-a). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31  
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**BOARD OF DIRECTORS**

The composition of the Board of Directors at the date of formal preparation of the abridged financial statements was as follows:

**CHAIRMAN**

Francisco Urbano Mozas

**DIRECTOR**

Arturo Sánchez-Quiñones González

**DIRECTOR AND DEPUTY SECRETARY**

Jacinto Esclapés Díaz

**SECRETARY (non-director)**

Tomás López Fernebrand

# **Amadeus Capital Markets, S.A. (formerly Amadeus Purchase Debt, S.A.)**

Auditors' Report  
Abridged Financial Statements  
for the year ended  
31 December 2009

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of abridged financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 10). In the event of a discrepancy, the Spanish-language version prevails.*

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of abridged financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 10). In the event of a discrepancy, the Spanish-language version prevails.*

#### AUDITORS' REPORT ON ABRIDGED FINANCIAL STATEMENTS

To the Shareholder of  
Amadeus Capital Markets, S.A.:

We have audited the abridged financial statements of Amadeus Capital Markets, S.A. (formerly Amadeus Purchase Debt, S.A.), which comprise the abridged balance sheet at 31 December 2009 and the related abridged income statement, abridged statement of changes in equity and notes to the abridged financial statements for the year then ended. The directors are responsible for the preparation of the Company's abridged financial statements in accordance with the regulatory financial reporting framework applicable to the Company, which consists of the Spanish Commercial Code and all other Spanish corporate law, the Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its industry adaptations, the mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation, and all other applicable Spanish accounting legislation and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the abridged financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the abridged financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying abridged financial statements for 2009 present fairly, in all material respects, the equity and financial position of Amadeus Capital Markets, S.A. at 31 December 2009, and the results of its operations for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

DELOITTE, S.L.



# **Amadeus Capital Markets, S.A. (formerly Amadeus Purchase Debt, S.A.)**

Abridged Financial Statements  
for the year ended  
31 December 2009

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of abridged financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 10). In the event of a discrepancy, the Spanish-language version prevails.*

*Translation of abridged financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 10). In the event of a discrepancy, the Spanish-language version prevails.*

**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**ABRIDGED BALANCE SHEETS AT 31 DECEMBER 2009 AND 2008  
(EXPRESSED IN EUROS)**

<b>ASSETS</b>	<u>Note</u>	<u>31/12/09</u>	<u>31/12/08</u>
<b>CURRENT ASSETS</b>		<b>235,815</b>	<b>234,976</b>
<b>Trade and other receivables</b>		<b>6,872</b>	<b>6,841</b>
Trade receivables from Group companies and associates	7.1	6,515	6,486
Other accounts receivable from public authorities	6.1	357	355
<b>Current investments in Group companies and associates</b>		<b>222,341</b>	<b>-</b>
Loans to companies	7.1	222,341	-
<b>Cash and cash equivalents</b>		<b>6,602</b>	<b>228,135</b>
Cash		6,602	228,135
<b>TOTAL ASSETS</b>		<b>235,815</b>	<b>234,976</b>

The accompanying Notes 1 to 10 are an integral part of the abridged balance sheets at 31 December 2009 and 2008.

*Translation of abridged financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 10). In the event of a discrepancy, the Spanish-language version prevails.*

**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**ABRIDGED BALANCE SHEETS AT 31 DECEMBER 2009 AND 2008  
(EXPRESSED IN EUROS)**

<b><u>EQUITY AND LIABILITIES</u></b>	<b><u>Note</u></b>	<b><u>31/12/09</u></b>	<b><u>31/12/08</u></b>
<b>EQUITY</b>	5	<b><u>234,799</u></b>	<b><u>234,867</u></b>
<b>Shareholders' equity</b>		<b><u>234,799</u></b>	<b><u>234,867</u></b>
Share capital		250,000	250,000
Reserves		(15,133)	(15,926)
Profit (Loss) for the year		(68)	793
 <b>CURRENT LIABILITIES</b>		 <b><u>1,016</u></b>	 <b><u>109</u></b>
<b>Trade and other payables</b>		<b><u>1,016</u></b>	<b><u>109</u></b>
Payable to suppliers		-	109
Payable to suppliers - Group companies and associates		1,005	-
Other accounts payable to public authorities		11	-
 <b>TOTAL EQUITY AND LIABILITIES</b>		 <b><u>235,815</u></b>	 <b><u>234,976</u></b>

The accompanying Notes 1 to 10 are an integral part of the abridged balance sheets at 31 December 2009 and 2008.

*Translation of abridged financial statements originally issued in Spanish and prepared in accordance with the regulatory framework applicable to the Company (see Notes 2 and 10). In the event of a discrepancy, the Spanish-language version prevails.*

**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**ABRIDGED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008  
(EXPRESSED IN EUROS)**

<u>CONTINUING OPERATIONS</u>	<u>Note</u>	<u>2009</u>	<u>2008</u>
<b>Other operating expenses</b>		<b>(1,299)</b>	<b>(79)</b>
Outside services		(1,042)	-
Taxes other than income tax		(257)	(79)
<b>LOSS FROM OPERATIONS</b>		<b>(1,299)</b>	<b>(79)</b>
<b>Finance income</b>		<b>2,350</b>	<b>1,975</b>
From marketable securities and other financial instruments		2,350	1,975
Group companies and associates		2,340	-
Third parties		10	1,975
<b>Finance costs</b>		<b>(1,148)</b>	<b>(764)</b>
On debts to third parties		(1,148)	(764)
<b>FINANCIAL PROFIT</b>		<b>1,202</b>	<b>1,211</b>
<b>PROFIT (LOSS) BEFORE TAX</b>		<b>(97)</b>	<b>1,132</b>
<b>Income tax</b>	6.3	<b>29</b>	<b>(339)</b>
<b>PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>(68)</b>	<b>793</b>
<b>PROFIT (LOSS) FOR THE YEAR</b>		<b>(68)</b>	<b>793</b>

The accompanying Notes 1 to 10 are an integral part of the abridged income statement for the years ended 31 December 2009 and 2008.

**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**ABRIDGED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER  
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**A) ABRIDGED STATEMENTS OF RECOGNISED INCOME AND EXPENSE**

	<u>2009</u>	<u>2008</u>
<b>PROFIT (LOSS) PER INCOME STATEMENT</b>	<b><u>(68)</u></b>	<b><u>793</u></b>
Income and expense recognised directly in equity		
Incorporation expenses	-	(22,752)
Tax effect	-	<u>6,826</u>
<b>TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY</b>	<b><u>-</u></b>	<b><u>(15,926)</u></b>
<b>TOTAL TRANSFERS TO PROFIT OR LOSS</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>TOTAL RECOGNISED INCOME AND EXPENSE</b>	<b><u>(68)</u></b>	<b><u>(15,133)</u></b>

The accompanying Notes 1 to 10 are an integral part of the abridged statements of recognised income and expense for the years ended 31 December 2009 and 2008.

*Translation of abridged financial statements originally issued in Spanish and prepared in accordance with the regulatory framework applicable to the Company (see Notes 2 and 10). In the event of a discrepancy, the Spanish-language version prevails.*

**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**ABRIDGED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008  
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**B) ABRIDGED STATEMENTS OF CHANGES IN TOTAL EQUITY**

	Share Capital	Reserves	Profit (Loss) for the Year	Total
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Transactions with shareholders</b>				
Company incorporation	250,000	-	-	250,000
<b>Total recognised income and expense</b>	<u>-</u>	<u>(15,926)</u>	<u>793</u>	<u>(15,133)</u>
<b>ENDING BALANCE AT 31 DECEMBER 2008</b>	<b><u>250,000</u></b>	<b><u>(15,926)</u></b>	<b><u>793</u></b>	<b><u>234,867</u></b>
<b>Total recognised income and expense</b>	-	-	(68)	(68)
<b>Distribution of profit</b>				
To legal reserve	-	79	(79)	-
To voluntary reserve	-	714	(714)	-
<b>ENDING BALANCE AT 31 DECEMBER 2009</b>	<b><u>250,000</u></b>	<b><u>(15,133)</u></b>	<b><u>(68)</u></b>	<b><u>234,799</u></b>

The accompanying Notes 1 to 10 are an integral part of the abridged statements of total changes in equity for the years ended 31 December 2009 and 2008.

AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER  
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## **AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

### **NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008 (EXPRESSED IN EUROS)**

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#### **1. COMPANY ACTIVITIES**

Amadeus Purchase Debt, S.A. (Sole-Shareholder Company) (“the Company”) was incorporated on 28 April 2008 and registered at the Madrid Mercantile Registry. Its registered office is in Madrid at calle Salvador de Madariaga, no.1.

The Company’s object, per Article 4 of its bylaws, is to invest in loans, credits, securities and/or debt instruments or financial instruments of any other kind, including the debt that any company belonging to the group of companies to which the Company belongs might have with any third party, for which purpose the Company may, by any lawful means, acquire, subscribe, own, manage, administer, exchange and/or sell Spanish and foreign financial assets, for its own account and without intermediation.

The Company may also carry on the above-mentioned business activities, in full or in part, indirectly through investments in other companies with an identical or similar company object to that defined in the preceding paragraph, or in any other manner permitted by law.

The Company belongs to the Amadeus Group (“the Group”). The Group is the leading IT solutions provider for the marketing, sales and distribution requirements of the global travel and tourism industry. Today, its worldwide network and travel information database are used by travel agencies and airline sales offices, which can currently process, through the Amadeus system, their bookings with airlines, hotel chains, car rental companies and other groups of providers such as ferry, rail, cruise, insurance and tour operators. The Group provides the above-mentioned services through a computerised reservation system (“CRS”) and through its e-commerce distribution channels. Additionally, the Group provides information technology (“IT”) services and solutions to the airline industry which include inventory management and passenger boarding control.

WAM Acquisition S.A. is the parent of the Group, with registered office at Salvador de Madariga, no. 1. The consolidated financial statements of the Group for 2009, prepared in accordance with International Financial Reporting Standards, were authorised for issue by the directors at the Board of Directors Meeting held on 22 February 2010. The consolidated financial statements for 2008 were approved by the shareholders of WAM Acquisition, S.A. at the Annual General Meeting held on 5 June 2009 and were filed at the Madrid Mercantile Registry.

**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**ABRIDGED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31  
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**2. BASIS OF PRESENTATION OF THE ABRIDGED FINANCIAL STATEMENTS**

a) Fair presentation

The accompanying abridged financial statements, which were obtained from the Company's accounting records, are presented in accordance with Royal Decree 1514/2007 approving the Spanish National Chart of Accounts and, accordingly, present fairly the Company's equity, financial position and results of operations for 2009. These abridged financial statements, which were formally prepared by the Company's directors, will be submitted for approval at the Annual General Meeting, and it is considered that they will be approved without any changes.

In conformity with current legislation, these abridged financial statements refer only to the separate financial statements of Amadeus Purchase Debt, S.A. (Sole-Shareholder Company). As indicated in Note 1, the Company is included within the scope of consolidation of the Amadeus Group.

b) Non-obligatory accounting principles applied

No non-obligatory accounting principles were applied. Also, the directors formally prepared these abridged financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon.

c) Key issues in relation to the measurement and estimation of uncertainty

In preparing the accompanying abridged financial statements estimates were made by the Company's directors in order to measure certain of the assets, liabilities, income and expenses reported herein.

Although these estimates were made on the basis of the best information available at 2009 year-end, events that take place in the future might make it necessary to change these estimates in coming years. Changes in accounting estimates would be applied prospectively.

d) Comparative information

In order to facilitate the comparison of information, the Company presents the abridged balance sheet, abridged income statement, abridged statement of changes in equity and the explanatory notes to the abridged financial statements for the year ended 31 December 2009 together with those for the year ended 31 December 2008.

The abridged financial statements for 2008 were the first that the Company's directors had prepared. They only included information for a period of eight months, since the Company was incorporated on 28 April 2008.

AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)

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e) Grouping of items

Certain items in the abridged balance sheet, abridged income statement and abridged statement of changes in equity are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the abridged financial statements.

f) Correction of errors

In preparing the accompanying abridged financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the abridged financial statements for 2008.

**3. PROPOSED ALLOCATION OF LOSS**

The proposed allocation of the loss for the year ended 31 December 2009 that the Company's directors will submit for approval at the Annual General Meeting is as follows:

	Euros
<u>Allocation basis:</u>	
Loss for the year	(67.51)
	(67.51)
<u>Allocation to:</u>	
Retained losses	(67.51)
	(67.51)

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4. ACCOUNTING POLICIES AND MEASUREMENT BASES

The principal accounting policies and measurement bases applied by the Company in preparing its abridged financial statements were as follows:

a) Financial instruments

i. Financial assets

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

In the abridged balance sheet, financial assets maturing within less than twelve months are classified as current items and those maturing within more than twelve months as non-current items.

The Company derecognises a financial asset when the rights to the cash flows from the financial asset expire and substantially all the risks and rewards of ownership of the financial asset have been transferred.

*-Loans and receivables*

The financial assets held by the Company relate mainly to receivables arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market. After their initial recognition, they are measured at amortised cost using the effective interest method.

The amortised cost is understood to be the acquisition cost of the financial asset or liability minus principal repayments, plus or minus the cumulative amortisation taken to the income statement of any difference between the initial cost and the maturity amount. In the case of financial assets, amortised cost also includes any reductions for impairment.

The effective interest rate is the discount rate that exactly matches the carrying amount of a financial instrument to all its estimated cash flows of all kinds through its residual life.

If the loans and receivables mature within less than one year, these assets are recognised at face value when the effect of not discounting the cash flows is not material.

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The related impairment losses are recognised when, as a result of events arising after initial recognition of the assets, there is a reduction or delay in the estimated future cash flows, possibly as a result of debtor insolvency.

ii. Financial liabilities

The Company classifies financial liabilities in accordance with the agreed contractual arrangements, provided that, on the basis of their economic substance, they represent a direct or indirect contractual obligation for the Company.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

In the abridged balance sheet, financial liabilities maturing within less than twelve months are classified as current items and those maturing within more than twelve months as non-current assets.

- *Accounts payable*

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and also those which, not having commercial substance, cannot be classed as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

However, trade payables maturing within less than one year which do not have a contractual interest rate are measured at face value, provided that the effect of not discounting the cash flows is not material.

iii. Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments issued by the Company are recognised in equity at the proceeds received, net of issue costs.

b) Income tax

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding

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**ABRIDGED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31  
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tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

In general, deferred tax liabilities are recognised for all taxable temporary differences. However, deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities arising from transactions recognised directly in equity are also recognised in equity.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

c) Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Interest income from financial assets is recognised using the effective interest method. Interest from financial assets accrued after the date of acquisition is recognised as income.

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d) Environmental assets and liabilities

Environmental assets are deemed to be assets used on a lasting basis in the Company's operations whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution.

Because of their nature, the Company's business activities do not have a significant environmental impact.

e) Related party transactions

The Company considers its significant shareholders, subsidiaries, associates and jointly controlled entities to be related parties. The senior executives and the members of the Board of Directors, as well as their close family members, are also considered to be related parties.

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

**5. EQUITY AND SHAREHOLDERS' EQUITY**

At 31 December 2009 and 2008, the Company's share capital amounted to EUR 250,000 and was represented by 25,000,000 shares of EUR 0.01 par value each. The detail of the Company's shares is as follows:

Shareholder	Shares	% of Total Voting Power
Amadeus IT Group, S.A.	25,000,000	100%

The Company's shares are not officially listed.

The above-mentioned shares represent the Company's subscribed and paid share capital.



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**5.1. Legal reserve**

Under the Consolidated Spanish Public Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

Since the Company incurred a loss, the proposed allocation of loss (see Note 3) is to allocate EUR 68 to retained losses with a credit to loss for the year. At 31 December 2009, the legal reserve had not reached the legally stipulated minimum.

**6. TAX MATTERS**

In accordance with Article 70 of the Consolidated Spanish Corporation Tax Law, approved by Legislative Royal Decree 4/2004, of 5 March, the Extraordinary General Meeting held on 8 August 2008 resolved to include the Company in the consolidated tax group, the parent of which is WAM Acquisition, S.A. The Company was included in the tax group, effective from the date of its incorporation, for an indefinite period provided that it does not waive its right to inclusion and that all the requirements for its inclusion in the tax group continue to be met, i.e. it remains a subsidiary, it is at least 75% directly owned by the above-mentioned parent and it meets the remaining requirements established in Article 67 of the Consolidated Spanish Corporation Tax Law.

The consolidated tax Group is formed by the following companies:

Parent:

WAM Acquisition, S.A.

Subsidiaries:

Amadeus IT Group, S.A.

Amadeus Soluciones Tecnológicas, S.A. (Sole-Shareholder Company)

Amadeus Purchase Debt, S.A. (Sole-Shareholder Company) (incorporated on 28 April 2008)

AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31  
DECEMBER 2009 AND 2008  
(EXPRESSED IN EUROS)

6.1. Current tax receivables and payables

The detail of the current tax receivables and payables is as follows:

	<u>31/12/08</u>	<u>31/12/09</u>
Current tax receivables		
Tax withholdings refundable	357	355
Current tax payables		
Tax withholdings payable	(11)	-
Total	<u>346</u>	<u>355</u>

6.2. Reconciliation of the accounting profit (loss) to the taxable profit  
(tax loss)

The reconciliation for 2009 of the accounting loss to the tax loss for income tax purposes is as follows:

	<u>2009</u>
Accounting loss before tax	(97)
Tax loss before offset	(97)
Offset of tax losses for the year of the consolidated tax Group	<u>97</u>
Tax loss after offset	<u>-</u>

The reconciliation for 2008 of the accounting profit to the tax loss for income tax purposes is as follows:

	<u>Increase</u>	<u>Decrease</u>	<u>Total</u>
Accounting profit before tax			<u>1,132</u>
Incorporation expenses recognised directly in equity	<u>-</u>	<u>(22,752)</u>	<u>(22,752)</u>
Tax loss before offset			<u>(21,620)</u>
Offset of tax losses for the year of the consolidated tax Group			<u>21,620</u>
Tax loss after offset			<u>-</u>

**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**ABRIDGED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31  
DECEMBER 2009 AND 2008  
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**6.3. Reconciliation of accounting profit (loss) to the income tax expense**

The reconciliation of the accounting loss to the income tax expense at 31 December 2009 is as follows:

	<u>2009</u>
Accounting loss before tax	(97)
Tax charge at 30%	<u>29</u>
Total income tax expense recognised in profit or loss	<u>29</u>

The reconciliation of the accounting profit to the income tax expense at 31 December 2008 is as follows:

	<u>2008</u>
Accounting profit before tax	1,132
Tax charge at 30%	<u>(339)</u>
Total income tax expense recognised in profit or loss	<u>(339)</u>

**6.4. Years open for review and tax audits**

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At 2009 year-end the Company had all the taxes applicable to it open for review.

The Company's directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying abridged financial statements.

AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31  
DECEMBER 2009 AND 2008  
(EXPRESSED IN EUROS)

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**7. RELATED PARTY TRANSACTIONS AND BALANCES**

**7.1. Related party balances**

The detail of the balances with related parties at 31 December 2009 is as follows:

	<u>Group Companies</u>	<u>Total</u>
Trade receivables	6,515	6,515
Current investments		
Loans to companies	<u>222,341</u>	<u>222,341</u>
Total	<u>228,156</u>	<u>228,156</u>

“Trade Receivables from Group Companies and Associates” includes the estimated amount receivable by the Company from WAM Acquisition, S.A. in respect of the tax losses offset within the consolidated tax Group. “Current Investments” includes the six-month loan granted by the Company to Amadeus IT Group, S.A. This loan, which matures on 16 March 2010, earns interest at a floating rate tied to EURIBOR.

The detail of the balances with related parties at 31 December 2008 is as follows:

	<u>Group Companies</u>	<u>Total</u>
Trade receivables	<u>6,486</u>	<u>6,486</u>
Total	<u>6,486</u>	<u>6,486</u>

**7.2 Remuneration of directors and senior executives**

Pursuant to the bylaws, the members of the Board of Directors do not receive any remuneration.

**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**ABRIDGED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31  
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**7.3 Detail of investments in companies with similar activities and of the performance, as independent professionals or as employees, of similar activities by the directors**

Pursuant to Article 127 ter.4 of the Spanish Public Limited Liability Companies Law, introduced by Law 26/2003, of 17 July, which amends Securities Market Law 24/1988, of 28 July, and the Consolidated Spanish Public Limited Liability Companies Law, in order to reinforce the transparency of listed corporations, it is hereby disclosed that the members of the Board of Directors have not held any investments in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity constituting the Company's object.

Also, in accordance with the aforementioned law, the members of the Board of Directors have not performed, and do not perform, any activities, as independent professionals or as employees, that are identical, similar or complementary to the activity constituting the Company's object.

**8. INFORMATION ON THE ENVIRONMENT**

In view of the Company's business activity, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the abridged financial statements.

**9. EVENTS AFTER THE REPORTING PERIOD**

At the date of formal preparation of the abridged financial statements no significant events had occurred after the reporting period which affect the Company and which should be included in these notes to the abridged financial statements.

**10. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH**

These abridged financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company (see Note 2-a). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

**AMADEUS CAPITAL MARKETS, S.A. (FORMERLY AMADEUS PURCHASE DEBT, S.A.)**

**ABRIDGED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31  
DECEMBER 2009 AND 2008  
(EXPRESSED IN EUROS)**

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**BOARD OF DIRECTORS**

The composition of the Board of Directors at the date of formal preparation of the abridged financial statements was as follows:

**CHAIRMAN**

Francisco Urbano Mozas

**DIRECTOR**

Arturo Sánchez-Quiñones González

**DIRECTOR AND DEPUTY SECRETARY**

Jacinto Esclapés Díaz

**SECRETARY (non-director)**

Tomás López Fernebrand





AMADEUS IT HOLDING, S.A. and subsidiaries

(In thousand of euros)

Consolidated statement of financial position for the period ended March 31st, 2011 and the year ended December 31st, 2010

ASSETS	UNAUDITED 31/03/2011	AUDITED 31/12/2010
<b>GOODWILL</b>	<b>2,070,642</b>	<b>2,070,749</b>
Patents, trademarks and licenses	299,821	299,440
Technology and content	1,235,671	1,206,889
Contractual relationships	121,475	134,603
Other intangible assets	466	613
<b>INTANGIBLE ASSETS</b>	<b>1,657,433</b>	<b>1,641,545</b>
Land and buildings	84,211	84,919
Data processing hardware and software	140,699	145,765
Other tangible assets	50,706	52,106
<b>TANGIBLE ASSETS</b>	<b>275,616</b>	<b>282,790</b>
Investment in joint ventures and associates	18,297	16,160
Other non -current financial assets	44,021	44,364
Non -current derivative financial assets	13,971	12,634
Deferred tax asset	42,507	46,804
Other non current assets	13,488	12,693
<b>TOTAL NON-CURRENT ASSETS</b>	<b>4,135,975</b>	<b>4,127,739</b>
Trade and other receivables	259,830	238,190
Trade accounts receivable	208,371	179,298
Income taxes receivable	51,459	58,892
Other current financial assets	16,030	14,982
Current derivative financial assets	9,159	8,765
Other current assets	150,716	132,989
Cash and cash equivalents	584,082	535,146
Non current assets held for sale	277,296	273,562
<b>TOTAL CURRENT ASSETS</b>	<b>1,297,113</b>	<b>1,203,634</b>
<b>TOTAL ASSETS</b>	<b>5,433,088</b>	<b>5,331,373</b>

LIABILITIES AND EQUITY	UNAUDITED 31/03/2011	AUDITED 31/12/2010
Share capital	448	448
Additional paid in capital	893,016	891,638
Reserves	532,299	531,822
Treasury shares	(1,716)	(1,716)
Retained earnings	(708,042)	(843,954)
Profit for the year attributable to owners of the parent	124,546	136,802
<b>CAPITAL AND RESERVES</b>	<b>840,551</b>	<b>715,040</b>
Available-for-sale financial assets	(3)	(5)
Cash flow hedges	88,211	63,041
Cumulative translation adjustments	(16,684)	(12,515)
Unrealised actuarial gains and losses	(5,366)	(6,001)
<b>UNREALISED GAINS RESERVE</b>	<b>66,158</b>	<b>44,520</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b>906,709</b>	<b>759,560</b>
Minority interest	7,722	7,705
<b>EQUITY</b>	<b>914,431</b>	<b>767,265</b>
Non-current provisions	37,693	38,409
Non-current financial liabilities	2,845,457	2,926,174
Non-current debt	2,813,665	2,893,884
Other non-current financial liabilities	29,818	30,586
Other non-current derivative financial liabilities	1,974	1,704
Deferred tax liabilities	531,404	508,987
Other non-current liabilities	63,501	52,853
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,478,055</b>	<b>3,526,423</b>
Short-term provisions	22,465	22,377
Current financial liabilities	330,742	369,453
Current debt	164,474	193,512
Other current financial liabilities	142,679	132,874
Other current derivative financial liabilities	23,589	43,067
Trade and other payables	479,134	485,261
Trade accounts payable	459,408	479,602
Income taxes payable	19,726	5,659
Other current liabilities	69,347	65,478
Liabilities associated with non current assets held for sale	138,914	95,116
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,040,602</b>	<b>1,037,685</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,433,088</b>	<b>5,331,373</b>

AMADEUS IT HOLDING, S.A. and subsidiaries

(In thousand of Euros)

Consolidated statement of comprehensive income for the periods ended March 31st, 2011 and 2010

	UNAUDITED 31/03/2011	UNAUDITED * 31/03/2010
<b><u>Continuing operations</u></b>		
Revenues	704,321	685,015
Cost of revenues	(171,946)	(186,376)
Personnel and related expenses	(168,096)	(151,008)
Depreciation and amortization	(60,368)	(78,958)
Other operating expenses	(75,940)	(77,538)
<b>OPERATING INCOME</b>	<b>227,971</b>	<b>191,135</b>
Interest income	1,700	871
Interest expense	(60,618)	(59,435)
Fair value changes of financial instruments	6,220	7,412
Exchange gains (losses)	3,853	(7,706)
<b>FINANCIAL EXPENSE, NET</b>	<b>(48,845)</b>	<b>(58,858)</b>
Other income (expense)	(2,378)	(1,142)
<b>PROFIT BEFORE INCOME TAXES</b>	<b>176,748</b>	<b>131,135</b>
Income taxes	(51,874)	(40,662)
<b>PROFIT AFTER TAXES</b>	<b>124,874</b>	<b>90,473</b>
Share of profit (losses) of associates accounted for using the equity method	2,873	1,776
<b>PROFIT/(LOSSES) FOR THE PERIOD FOR CONTINUING OPERATIONS</b>	<b>127,747</b>	<b>92,249</b>
<b><u>Discontinued operations</u></b>		
<b>PROFIT/(LOSSES) FOR THE PERIOD FOR DISCONTINUED OPERATIONS</b>	<b>(3,550)</b>	<b>4,945</b>
<b>TOTAL PROFIT/(LOSSES) FOR THE PERIOD</b>	<b>124,197</b>	<b>97,194</b>
Cash flow hedges	25,170	(24,669)
Exchange rates	11,258	(22,211)
Interest rates	16,329	(2,458)
VSP Hedges	(2,417)	0
Available-for-sale financial assets	2	(1,417)
Actuarial Gains and losses	635	0
Exchange differences on translation of foreign operations	(4,168)	7,397
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>21,639</b>	<b>(18,689)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>145,836</b>	<b>78,505</b>
Profit for the period attributable to:		
Non-controlling interest	(349)	106
Owners of the Parent	<b>124,546</b>	<b>97,088</b>
Total Comprehensive Income for the period attributable to:		
Non-controlling interest	(349)	106
Owners of the Parent	<b>146,185</b>	<b>78,399</b>

\* Opodo is presented as discontinued operations for comparative purposes

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