Amadeus IT Holding, S.A. and Subsidiaries

Consolidated Annual Accounts and Directors' Report for the year ended December 31, 2013

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

AUDITORS' REPORT ON CONSOLIDATED ANNUAL ACCOUNTS

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

We have audited the consolidated annual accounts of Amadeus IT Holding, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the consolidated statement of financial position at 31 December 2013 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated annual accounts for the year then ended. As indicated in Note 2 to the accompanying consolidated annual accounts, the directors are responsible for the preparation of the Group's consolidated annual accounts in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group. Our responsibility is to express an opinion on the consolidated annual accounts 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 consolidated annual accounts 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 consolidated annual accounts for 2013 present fairly, in all material respects, the consolidated equity and consolidated financial position of Amadeus IT Holding, S.A. and Subsidiaries at 31 December 2013, and the consolidated results of their operations and the consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.

The accompanying consolidated directors' report for 2013 contains the explanations which the directors of Amadeus IT Holding, S.A. consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated annual accounts. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated annual accounts for 2013. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Amadeus IT Holding, S.A. and Subsidiaries.

DELOITTE, S.L.

Registered in ROAC under no. S0692

Javier Peris

F. Javier Peris Álvarez

27 February 2014

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Consolidated statement of financial position (thousands of euros – KEUR)

ASSETS	31/12/2013	31/12/2012
Goodwill (note 7)	2,068,338	2,065,435
Patents, trademarks and licenses	310,881	308,851
Technology and content	1,559,595	1,413,046
Contractual relationships	113,205	156,923
Other intangible assets	187	223
Intangible assets (note 8)	1,983,868	1,879,043
Land and buildings	81,819	84,485
Data processing hardware and software	154,946	145,600
Other property, plant and equipment	67,857	69,280
Property, plant and equipment (note 9)	304,622	299,365
Investments in associates and joint ventures (note 10)	7,041	7,515
Other non-current financial assets (note 11)	18,615	16,539
Non-current derivative financial assets (note 11 and 20)	872	5,835
Deferred tax assets (note 21)	27,779	32,717
Other non-current assets (note 12)	110,617	77,432
Total non-current assets	**4,521,752**	**4,383,881**
Trade and other receivables	263,031	215,703
Trade accounts receivable (note 11 and 18)	227,918	174,425
Income taxes receivable (note 21)	35,113	41,278
Other current financial assets (note 11)	13,423	14,505
Current derivative financial assets (note 11 and 20)	5,098	11,101
Other current assets (note 12)	132,932	130,379
Cash and cash equivalents (note 11 and 24)	490,881	399,870
Total current assets	**905,365**	**771,558**
TOTAL ASSETS	**5,427,117**	**5,155,439**

See the accompanying notes to the consolidated annual accounts

Consolidated statement of financial position (thousands of euros – KEUR)

EQUITY AND LIABILITIES	31/12/2013	31/12/2012
Share capital	4,476	4,476
Additional paid-in capital	909,885	900,743
Reserves	840,098	768,214
Treasury shares	(29,968)	(30,588)
Retained earnings	(447,902)	(628,263)
Profit for the year attributable to owners of the parent	562,646	496,727
Total capital and reserves	1,839,235	1,511,309
Available-for-sale financial assets	(7)	(8)
Cash flow hedges (note 20)	39,226	51,048
Exchange differences on translation of foreign operations	(26,865)	(15,069)
Unrealised actuarial gains and losses	(14,238)	(18,396)
Unrealised gains reserve	(1,884)	17,575
Equity attributable to owners of the parent	1,837,351	1,528,884
Non-controlling interests	2,715	2,553
Equity (note 15)	**1,840,066**	**1,531,437**
Non-current provisions (note17)	26,450	44,581
Non-current financial liabilities	1,430,929	1,552,622
Non-current debt (note 11 and 16)	1,427,341	1,541,255
Non-current derivative financial liabilities (note 11 and 20)	3,588	11,367
Deferred tax liabilities (note 21)	600,896	572,112
Deferred revenue non-current (note 12)	234,397	177,476
Other non-current liabilities (note 12)	81,346	65,432
Total non-current liabilities	**2,374,018**	**2,412,223**
Current provisions (note 17)	10,659	26,446
Current financial liabilities	418,354	471,523
Current debt (note 11 and 16)	270,868	353,290
Other current financial liabilities (note 11)	5,402	5,066
Interim dividend payable (note 3, 11 and 15)	133,386	111,003
Current derivative financial liabilities (note 11 and 20)	8,698	2,164
Trade and other payables	552,105	512,230
Trade accounts payable (note 11 and 18)	532,065	480,098
Income taxes payable (note 21)	20,040	32,132
Deferred revenue current (note 12)	31,891	20,172
Other current liabilities (note 12)	200,024	181,408
Total current liabilities	**1,213,033**	**1,211,779**
TOTAL EQUITY AND LIABILITIES	**5,427,117**	**5,155,439**

See the accompanying notes to the consolidated annual accounts

Consolidated statement of comprehensive income (thousands of euros – KEUR)

	31/12/2013	31/12/2012
Continuing operations		
Revenue (note 6)	3,103,703	2,910,326
Cost of revenue	(803,714)	(747,178)
Personnel and related expenses	(846,276)	(770,177)
Depreciation and amortization	(305,980)	(273,473)
Other operating expenses	(259,726)	(286,985)
Operating income (note 6)	888,007	832,513
Financial income	2,112	2,548
Interest expense (note 23)	(69,822)	(89,033)
Other financial expenses (note 23)	(1,863)	(8,372)
Exchange gains / (losses)	(1,611)	104
Financial expense, net	(71,184)	(94,753)
Other income / (expense)	7,109	(16,856)
Profit before income taxes	823,932	720,904
Income taxes (note 21)	(265,950)	(228,919)
Profit after taxes	557,982	491,985
Share in profit of associates and joint ventures accounted for using the equity method (note 10)	5,091	4,102
PROFIT FOR THE YEAR	**563,073**	**496,087**
Profit for the year attributable to:		
Non-controlling interests	427	(640)
Owners of the parent	562,646	496,727
Earnings per share basic and diluted [in Euros] (note 22)	1.27	1.12
Items that will not be reclassified to profit and loss:		
Actuarial gains and losses	4,158	(9,209)
Items that will be reclassified to profit or loss when specific conditions are met:		
Available-for-sale financial assets	1	(2)
Cash flow hedges	(11,822)	3,591
Exchange differences on translation of foreign operations	(11,796)	(1,858)
	(23,617)	1,731
Other comprehensive expense for the year, net of tax	(19,459)	(7,478)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**543,614**	**488,609**
Total comprehensive income for the year attributable to:		
Non-controlling interests	427	(640)
Owners of the parent	543,187	489,249

See the accompanying notes to the consolidated annual accounts

Consolidated statement of changes in equity (thousands of euros – KEUR)

	Share capital	Additional paid-in capital, reserves and retained earnings	Treasury shares	Profit for the year attributable to owners of the parent	Unrealized gains reserves	Non-controlling interests	Total
Balance at December 31, 2011	**4,476**	**506,417**	**(1,716)**	**729,491**	**25,053**	**2,469**	**1,266,190**
Total Comprehensive income for the year	-	-	-	496,727	(7,478)	(640)	488,609
Complementary dividend (note 15)	-	(86,580)	-	-	-	-	(86,580)
Interim dividend payable (note 15)	-	(111,003)	-	-	-	-	(111,003)
Treasury shares acquisition (note 15)	-	-	(32,573)	-	-	-	(32,573)
Treasury shares disposal (note 15)	-	(3,701)	3,701	-	-	-	-
Recognition of share-based payment (note 19)	-	9,131	-	-	-	-	9,131
Transfer to retained earnings	-	729,491	-	(729,491)	-	-	-
Acquisition of non-controlling interests (note 15)	-	(1,319)	-	-	-	(681)	(2,000)
Other changes in equity	-	(1,742)	-	-	-	1,405	(337)
Balance at December 31, 2012	**4,476**	**1,040,694**	**(30,588)**	**496,727**	**17,575**	**2,553**	**1,531,437**
Total Comprehensive income for the year	-	-	-	562,646	(19,459)	427	543,614
Complementary dividend (note 15)	-	(111,152)	-	-	-	-	(111,152)
Interim dividend payable (note 15)	-	(133,386)	-	-	-	-	(133,386)
Treasury shares acquisition (note 15)	-	-	(4,844)	-	-	-	(4,844)
Treasury shares disposal (note 15)	-	(5,464)	5,464	-	-	-	-
Recognition of share-based payment (note 19)	-	14,809	-	-	-	-	14,809
Transfer to retained earnings	-	496,727	-	(496,727)	-	-	-
Additional non-controlling interests arising on the acquisition of subsidiary (note 13 and 15)	-	-	-	-	-	199	199
Other changes in equity	-	(147)	-	-	-	(464)	(611)
Balance at December 31, 2013	**4,476**	**1,302,081**	**(29,968)**	**562,646**	**(1,884)**	**2,715**	**1,840,066**

See the accompanying notes to the consolidated annual accounts

Consolidated statement of cash flows (thousands of euros – KEUR)

	31/12/2013	31/12/2012
Cash flows from operating activities		
Operating income	888,007	832,513
Adjustments for:		
Depreciation and amortization	305,980	273,473
Depreciation and amortization included in capitalization	(5,331)	(4,629)
Operating income before changes in working capital, net of amounts acquired	1,188,656	1,101,357
Trade accounts receivable	(51,427)	35,339
Other current assets	(24,179)	(47,812)
Trade accounts payable	60,191	28,047
Other current liabilities	11,899	(7,787)
Other non-current liabilities	69,147	76,527
Cash provided from operating activities	1,254,287	1,185,671
Taxes paid	(231,084)	(194,333)
Net cash provided from operating activities	1,023,203	991,338
Cash flows from investing activities		
Additions to property, plant and equipment	(61,611)	(55,784)
Additions to intangible assets	(349,569)	(293,082)
Investment in subsidiaries, net of cash acquired (note 13)	(6,843)	(5,055)
Interest received	1,264	1,999
Sundry investments and deposits	(4,507)	(3,013)
Loans to third parties	(60)	(938)
Cash proceeds collected - derivative agreements	2,937	6,219
Cash proceeds paid - derivative agreements	(2,887)	(3,505)
Disposals of sundry investments and loans	-	30,924
Dividends received	2,776	2,617
Proceeds obtained from disposal of non-current assets	1,215	725
(Payments)/proceeds from disposal of subsidiaries	-	(4,500)
Net cash used in investing activities	(417,285)	(323,393)
Cash flows from financing activities		
Payments for the acquisition of non-controlling interests in subsidiary	-	(2,000)
Proceeds from borrowings	157,051	348,930
Repayments of borrowings	(350,259)	(635,879)
Interest paid	(57,185)	(74,910)
Dividends paid	(222,296)	(164,767)
Acquisition of treasury shares (note 15)	(4,844)	(32,573)
Cash proceeds collected - derivative agreements	1,700	4,981
Cash proceeds paid - derivative agreements	(10,430)	(19,429)
Payments of finance lease liabilities and others	(24,555)	(88,406)
Net cash used in financing activities	(510,818)	(664,053)
Effect of exchange rate changes on cash and cash equivalents	(4,094)	2,688
Net increase in cash and cash equivalents	91,006	6,580
Cash and cash equivalents net at the beginning of year (note 24)	399,569	392,989
Cash and cash equivalents net at the end of year (note 24)	490,575	399,569

See the accompanying notes to the consolidated annual accounts

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1 GENERAL INFORMATION AND ACTIVITY

Amadeus IT Holding, S.A. (formerly known as WAM Acquisition, S.A. and hereinafter "the Company"), was incorporated on February 4, 2005, and registered at the Companies Register of Madrid. Its registered office is in Madrid, Calle Salvador de Madariaga, 1.

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

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

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

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

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

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

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

Amadeus IT Holding, S.A. is the parent company of the Amadeus Group ("the Group"). The Group is a leading transaction processor for the global travel and tourism industry, providing advanced technology solutions to our travel provider and travel agency customers worldwide. Amadeus acts as an international network providing comprehensive real-time search, pricing, booking, ticketing and other processing solutions to travel providers and travel agencies through our Distribution segment, and we offer other travel providers (today, principally airlines) an extensive portfolio of technology solutions which automate certain mission-critical business processes, such as reservations, inventory management and departure control, through our IT Solutions segment.

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

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

2 BASIS OF PRESENTATION AND COMPARABILITY OF THE INFORMATION

2.1 Basis of presentation

2.1.1 General Information

The consolidated annual accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"), which are effective as of December 31, 2013. The annual accounts were authorized for issue by the Board of Directors of the Company on February 27, 2014. The Directors expect that these consolidated annual accounts will be approved at the General Shareholders' Meeting without modification.

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

The Group presented negative working capital in the years ended as of December 31, 2013 and 2012, which given the industry in which the Group operates and its financial structure, is not an unusual circumstance, and does not present an impediment for the normal development of its business.

2.1.2 Use of estimates

Use of estimates and assumptions, as determined by Management, is required in the preparation of the consolidated annual accounts in accordance with IFRS-EU. The estimates and assumptions made by management affect the carrying amount of assets and liabilities. Those with a significant impact in the consolidated annual accounts are discussed in different sections of this document.

- Estimated recoverable amounts used for impairment testing purposes (notes 7, 8 and 9)
- Provisions (note 17)
- Pension and post-retirement benefits (note 12)

- Income tax liabilities (note 21)
- Cancellation reserve (note 11)
- Doubtful debt provision (note 11)
- Share-based payments (note 19)
- Business combinations (note 13)

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

2.2 Comparison of information

For comparative information purposes, the Group presents, together with the amounts included in the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows at and for the years ended December 31, 2013 and 2012. The Group presents comparative information in the notes when it is relevant to understand the current year consolidated annual accounts.

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

The Group has implemented during 2013 improved allocation rules for certain transversal activities and costs between the operating segments (Distribution and IT Solutions). The project has extended during a number of months and results in a cost structure of the operating segments that better reflects how the organization is managed and decisions are made. The changes are effective starting from January 1, 2013, and for comparability purposes, the corresponding segment reporting information for the year ended December 31, 2012 has been restated (note 6). There is no change in the Group's Operating Income as a result of the new allocation rules.

The Group has adopted retrospectively a change in accounting policy on January 1, 2013, to adopt the amendments to IAS 19. As a result the comparative information for the year ended December 31, 2012 in the statement of financial position and in the statement of comprehensive income differs from that previously reported (note 4).

2.3 Consolidation scope

The Appendix to these consolidated annual accounts lists the subsidiaries, associates and joint-ventures in which the Group has direct or indirect holdings at December 31, 2013 and 2012, as well as the consolidation method applied in each case.

On March 7, 2013, the liquidation of Traveltainment Polska Sp. z.o.o., a fully owned subsidiary of Traveltainment GmbH, was ruled by the Polish Court Register.

The Group acquired on April 3, 2013, indirectly through its subsidiary Amadeus IT Group, S.A., 100% equity interest in Amadeus Bilgi Teknolojisi Hizmetleri A.Ş. (hereinafter Amadeus IST), formerly known as Hitit Bilgisayar Hizmetleri Dış Ticaret A.Ş. (note 13).

On April 17, 2013, Amadeus Kuwait Company W.L.L., a fully owned subsidiary of Amadeus IT Group, S.A., was effectively liquidated.

The Group acquired on May 28, 2013, indirectly through its subsidiary Traveltainment GmbH a 52.752% additional interest in Travel Audience GmbH. After this acquisition the Group controls 100% of the issued shares of this entity.

On June 14, 2013, it was effective the merger between the Group's subsidiaries Gestour s.a.s. and its fully owned subsidiary LSA S.A.R.L.

On June 27, 2013, it was effective the reverse merger between the Group's subsidiaries Amadeus France SNC and its subsidiary Amadeus France Services S.A.

The Group acquired on December 27, 2013, through its subsidiary Amadeus IT Group, S.A., a 60% additional interest on the share capital of Amadeus Eesti AS, as detailed in note 13. At December 31, 2013, the Group owns 65% of the shares of this entity.

In the year ended December 31, 2013, indirectly through its subsidiary Amadeus Americas Inc., the Group carried out the following equity investments in newly created companies:

- 100% interest in AMS - NM Acquisition Inc.

The Group acquired on January 2, 2012, indirectly through its subsidiary Amadeus Germany GmbH, 100% of the shares of Airconomy Aviation Intelligence GmbH & Co KG and Airconomy Beteiligungs GmbH (note 13).

The Group acquired on June 28, 2012, through its subsidiary Amadeus IT Group, S.A., a 65% additional interest on the share capital of Amadeus Czech Republic and Slovakia s.r.o., as detailed in note 13. At December 31, 2012, the Group owns 100% of the shares of this entity.

During the year ended December 31, 2012, the Group finalised the liquidation process of Onerail Global Holdings Pty. Ltd. and subsidiaries, and the main impacts are described in the notes 7 and 23 of these consolidated annual accounts.

In the year ended December 31, 2012, indirectly through its subsidiary Amadeus IT Group, S.A., the Group carried out the following equity investments in newly created companies:

- 100% interest in Amadeus Airport IT GmbH
- 100% interest in Amadeus Software Labs India Private Limited (indirectly through its subsidiary Amadeus sas)

3 PROPOSED APPROPRIATION OF THE PARENT COMPANY´S RESULT

The Board of Directors will submit to the Ordinary General Shareholders´ Meeting for approval, a final gross dividend of EUR 0.625 per share carrying dividend rights, against 2013 profit for the year. Based on the above, the proposed appropriation of the results for the year ended December 31, 2013, is as follows:

	Euros
Amount for appropriation:	
Net profit for the year	280,287,031.26
Appropriation to:	
Other reserves	548,312.51
Dividends	279,738,718.75
	280,287,031.26

On December 12, 2013, the Board of Directors of the Company approved the proposal for distributing an interim dividend of EUR 0.30 per existing share with dividends rights against profit of the year 2013. The dividend has been paid in full on January 31, 2014, and therefore the complementary dividend to achieve the proposed final gross dividend amounts to EUR 0.325 per share with dividends rights.

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

	KEUR
Net income after tax from January, 1 through October 31, 2013	281,151
Distributable income	281,151
Proposed interim dividend (maximum amount)	134,275
Cash and cash equivalents at October 31, 2013	402
Difference	(133,873)
Net cash expected from November 2013 to January 2014	231,180

4 ACCOUNTING POLICIES

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

The following new and revised standards adopted by the European Union, have become effective or the Group has decided to adopt early, and are applicable to the consolidated annual accounts for the year ended December 31, 2013:

- IFRS 13 "Fair value measurement". The standard defines fair value, establishes a single source of guidance for fair value measurement and requires extensive disclosures about fair value measurement (quantitative and qualitative). The new standard is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

  As a result of the adoption of this standard the current and non-current derivative financial liabilities are lower by an amount of KEUR 26, and the Current and Non-current derivative financial assets are lower by an amount of KEUR 9 in the statement of financial position as of December 31, 2013, and the statement of comprehensive income for the year ended December 31, 2013, presents lower other comprehensive expense, net of tax, by an amount of KEUR 15. The disclosures required by the standard are included in the notes to the consolidated annual accounts.

- "Amendments to IAS 19: Employee benefits". The amendments require the recognition of changes in defined benefit obligations and fair value of plan assets when they occur, and accelerate the recognition of past service costs. It will require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets are replaced with a net-interest amount, which is calculated applying the discount rate to the net defined benefit liability or asset. The amendments are effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

  The amendments to IAS 19 require retrospective application. The adoption of these amendments has resulted on a decrease in the "Profit for the year" by an amount of KEUR 208 and, an increase in Other comprehensive expense by an amount of KEUR 208 in the statement of comprehensive income for the year ended December 31, 2012.

- "Amendments to IAS 12: Income taxes, Deferred tax: recovery of underlying assets" provide an exception to the general principle in IAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities for assets valued using the fair value model in IAS 40 Investment Property. The amendments are effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Group will apply the amendments when it enters into the transactions to which it is applicable.

- "Amendments to IAS 1: Presentations of items in other comprehensive income" will require to group together items within other comprehensive income that may be reclassified subsequently to the profit or loss section of the income statement. The amendments are effective for annual periods beginning on or after July 1, 2012. The presentation required by the standard is adopted in the statement of comprehensive income.

- "Amendments to IFRS 7: Offsetting financial assets and financial liabilities: Disclosures". The amendment requires entities to disclose information about the rights to offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement. The new requirements are effective for annual periods beginning on or after January 1, 2013. The disclosures will be presented when the Group enters into the transactions contemplated in the amendment.

- IFRIC 20 "Stripping costs in the production phase of a surface mine". The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The Interpretation is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. This interpretation is not applicable to the Group's operations.

- "Amendments to IFRS 1: Government Loans". The amendments are effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. These amendments are not applicable to the Group.

- "Improvements to International Financial Reporting Standards (2010) Amendments to IFRS 1: Severe hyperinflation, and Removal of fixed dates for first-time adopters". Amendments issued in 2010. The amendments are mostly effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. These amendments are not applicable to the Group.

- "Annual Improvements to IFRSs 2009–2011 Cycle". Amendments issued in May 2012. The amendments are effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Group has adopted these improvements which did not have effect on the consolidated annual accounts.

- "Amendment to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets". This amendment removes certain disclosure of the recoverable amount of cash generating units which had been included in IAS 36 by the issue of IFRS 13. The amendments are effective for annual periods beginning on or after January 1, 2014, with earlier application permitted. The Group has decided to adopt early this amendment.

The following standards and amendments were adopted by the European Union and are not yet effective in 2013:

- IFRS 10 "Consolidated financial statements", IFRS 11 "Joint arrangements", IFRS 12 "Disclosure of interest in other entities", IAS 27 (Revised) "Separate financial statements" and IAS 28 (Revised) "Investment in associates and joint ventures". This set of new and revised standards were issued in May 2011 and deal with the basis for consolidation, now defined as control with three elements: a) power over an investee, b) exposure, or rights, to variable returns from its involvement with the investee, and c) the ability to use its power over the investee to affect the amount of the investor's returns. Also defines joint arrangements that are classified as joint operations or joint ventures, depending on the rights and obligations of the parties in the arrangement. And finally the disclosures on subsidiaries, joint arrangements, associates and/or unconsolidated structured entities will be more extensive. The new and revised standards are effective for annual periods beginning on or after January 1, 2014, with earlier application permitted.

- "Amendments to IAS 32: Offsetting financial assets and financial liabilities". The amendments will clarify the application of the offsetting requirements. The amendments are effective for annual periods beginning on or after January 1, 2014, with earlier application permitted.

- "Amendments to IFRS 10, IFRS 11 and IFRS 12: Transition Guidance". The amendments also provide additional transition relief limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The amendments are effective for annual periods beginning on or after January 1, 2014, with earlier application permitted.

- "Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities". The project objective is to define an investment entity and to require that an investment entity should not consolidate investments in entities that it controls, but to measure those investments at fair value, with changes in fair value recognised in profit or loss. The proposals would require an investment entity to provide additional disclosures for IFRS about entities that it controls when it measures investments in those entities at fair value. The amendments are effective for annual periods beginning on or after January 1, 2014, with earlier application permitted.

- "Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting". The amendments require discontinuing the hedge accounting for a derivative that has been designated as a hedging instrument in an existing hedging relationship if the derivative is novated to a Central Counter Party (CCP); the new derivative, with a counterparty being the CCP, is to be recognised at the time of the novation. The amendments are effective for annual periods beginning on or after January 1, 2014, with earlier application permitted, and require retrospective application.

The Group has not adopted any of the standards issued allowing early adoption listed above. The adoption of the amendments, and the new and revised standards as detailed above is expected to have no material impact on the consolidated annual accounts of the Group; nevertheless it will result in more extensive disclosure on the consolidated annual accounts.

The following standards, amendments and interpretations were not yet adopted by the European Union and are not yet effective in 2013:

- IFRS 9 "Financial Instruments" and subsequent amendments (amendments to IFRS 9 and IFRS 7: Mandatory Effective Date and Transition Disclosures issued on 16 December 2011; Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 issued on 19 November 2013). The standard introduces new requirements for the classification and measurement of financial assets and liabilities and for derecognition. All the recognised financial assets that are under the scope of IAS 39 are to be subsequently measured at amortized cost or fair value. With regards to the measurement of financial liabilities at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effect of changes in the liability's credit risk in other comprehensive income would enlarge or create an accounting mismatch in profit or loss. IFRS 9 was mandatory for annual periods beginning on or after January 1, 2015, with early application permitted, but the IASB decided that it would be necessary to have a later mandatory effective date and that the new date should be determined when IFRS 9 is closer to completion. Entities may however still choose to apply IFRS 9. The EU has not indicated an endorsement date.

- Amendments to IAS 19 "Defined benefit plans: Employee contributions". This amendment clarifies the requirements for contributions from employees or third parties that are linked to service. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service. If the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required in the standard for the gross benefit (i.e. either using the plan's contribution formula or on a straight-line basis). The amendments are effective for annual periods beginning on or after July 1, 2014, with earlier application permitted, and require retrospective application.

- "Annual Improvements to IFRSs 2010–2012 Cycle". Amendments issued in December 2013. The amendments are effective for annual periods beginning on or after July 1, 2014, with earlier application permitted.

- "Annual Improvements to IFRSs 2011–2013 Cycle". Amendments issued in December 2013. The amendments are effective for annual periods beginning on or after July 1, 2014, with earlier application permitted.

- IFRIC 21 Levies. This Interpretation addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37. It also addresses the accounting for a liability to pay a levy whose timing and amount is certain. The interpretation is effective for annual periods beginning on or after January 1, 2014, with earlier application permitted, and requires retrospective application.

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

4.2 Significant accounting policies

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

4.2.1 Principles of consolidation

The consolidated annual accounts include within the scope of consolidation, all the subsidiaries and the Company. Subsidiaries are those entities over which the Company or one of our subsidiaries has control (defined as the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities). Subsidiaries are fully consolidated even when acquired with an intention of disposal.

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

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

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

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

4.2.2 Foreign currency transactions

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

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

4.2.3 Currency translation

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

4.2.4 Related parties

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

4.2.5 Cash equivalents

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

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

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

4.2.6 Goodwill and cash-generating unit impairment testing

Goodwill is measured as the excess of the aggregate of:

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

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

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

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

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

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

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

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

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

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

4.2.7 Impairment of non-current assets

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

4.2.8 Intangible Assets

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

- Patents, Trademarks and Licenses – This includes the net cost of acquiring brands and trademarks either by means of business combinations or in separate acquisitions. It also includes the net cost of acquiring software licenses developed outside the Group for Distribution and IT Solutions. When a brand is deemed to contribute to Group net cash inflows indefinitely, then it is treated as having an indefinite useful life. As such it would not be amortized until its useful life is determined to be finite. Impairment tests will be performed annually or whenever there are signs that suggest impairment. For the finite useful life of assets the amortization period will range between 3 to 10 years, the straight line method being the method applied for charging expense to the consolidated statement of comprehensive income within the "Depreciation and amortization" caption.

- Technology and Content – This caption includes the net costs of acquiring technology and content by means of acquisitions through business combinations, through separate acquisitions, or internally generated. These assets are the combination of software elements and travel content, the latter being obtained by Amadeus through its relationships with travel providers. This combination allows the processing of travel transactions (bookings) between supply (travel providers) and demand (travel agencies), and it makes the travel information available to users through the Amadeus System. It also includes the development technology of the IT Solutions. Internally generated Technology and Content includes software applications developed by the Group. These costs are recognized as an asset once technical feasibility is established, it is reasonably anticipated that the costs will be recovered through future activities or benefit in future periods, and the cost of the assets can be measured reliably (see paragraph 4.2.20).

  When the Group receives cash from customers to be used only to develop assets which the Group must then use to provide the customer with ongoing access to certain services, and if the Group determines that it controls the asset developed, the resulting asset is recognized as "Technology and Content" in the consolidated statement of financial position at cost.

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

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

- Other intangible assets are amortized on a straight-line basis over 3 to 5 years.

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

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

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

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

4.2.9 Property plant and equipment

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

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

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

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

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

4.2.10 Leases

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

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

4.2.11 Non-current assets held for sale and discontinued operations

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

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

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

4.2.12 Pension and other post-retirement obligations

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

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

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

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

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

4.2.13 Capital issuance and listing costs

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

4.2.14 Revenue recognition

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

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

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

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

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

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

The accounting treatment of content agreements and payments to system users , described above, is in accordance with Emerging Issues Task Force Issue N 01-09, Accounting for consideration given by a vendor to a customer (Including a reseller of the vendor's products) (EITF 01-09).

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

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

4.2.15 Cancellation reserve

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

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

- The cancellation rate, which is estimated based on historical cancellation rates, is calculated dividing the number of cancellations net of re-bookings, during the reporting period by the inventory of unused bookings at the end of the previous reporting period. When estimating the cancellation rate, we assume that a significant percentage of cancellations are followed by an immediate re-booking without net loss of revenues; and

- The inventory of open bookings, which is the number of bookings made but not yet used by final customers and which may still be cancelled.

4.2.16 Provisions

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

4.2.17 Doubtful debt provision

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

4.2.18 Onerous contracts

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

4.2.19 Employee share-based payments

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

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

- Cash-settled share-based payments: compensation expense is recognised as it is rendered by the employee during the vesting period based on the fair value of the liability. The fair value of the liability is remeasured until settled with changes in fair value recognised in the consolidated statement of comprehensive income for the year within the "Personnel and related expenses" caption.

4.2.20 Research and development

Research expenditure (mainly related to research in connection with the evaluation and adoption of new technology) is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success, its commercial and technological feasibility being taken into consideration, and cost can be measured reliably. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit for the Group (see note in paragraph 4.2.8). The research and development costs expensed for the years ended December 31, 2013 and 2012, amounted to KEUR 185,791, and KEUR 179,681, respectively. The development costs that have been capitalized (before deducting any incentives, see note 8 and 12) for the years ended December 31, 2013 and 2012, amounted to KEUR 327,843, and KEUR 260,551, respectively.

4.2.21 Financial instruments

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

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

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

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

- Cash flow hedges: the portion of changes in the fair value of derivatives which are effective are accounted for, net of tax, directly through equity until the committed or forecasted transaction occurs, at which point these will be reclassified to the consolidated statement of comprehensive income within the “Financial expense, net” caption. The portion considered ineffective is recognized directly in the consolidated statement of comprehensive income within the “Financial expense, net” caption.

- Hedges of net investment in a foreign entity: the portion of changes in the fair value of derivatives which are effective are included, net of tax, within the “Exchange differences on translation of foreign operations” caption until the disposal of the foreign entity at which time these will be reclassified to the consolidated statement of comprehensive income within the “Exchange gains and losses” caption. The portion considered ineffective is recognized directly in the consolidated statement of comprehensive income within the “Exchange gains and losses” caption.

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

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

b) Equity investments

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

c) Debt and other financial liabilities

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

d) Derecognition of financial assets

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

e) Offsetting

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

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

- currently has a legally enforceable right to set-off the recognized amounts. The Group has the legal right to set-off when it can settle or otherwise eliminate all or a portion of an amount due to a creditor by applying against that amount an amount due from the creditor; and

- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.2.22 Income taxes

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

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

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

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

4.2.23 Treasury shares

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

4.2.24 Non-controlling interests

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

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

5 FINANCIAL RISK AND CAPITAL MANAGEMENT

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

5.1 Foreign exchange rate risk

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

- The strategy for US Dollar (USD) exposures is fundamentally based on the use of natural hedges although it also makes use of derivatives if necessary. This strategy aims at reducing the exposure created by the USD denominated operating cash inflows of the Group with the USD payments of principals of the USD denominated debt.

- Aside from the USD, the foreign currency exposures are expenditures denominated in a variety foreign currency. The most significant of these exposures are denominated in Sterling Pounds (GBP), Australian Dollars (AUD) and Swedish Kronas (SEK). For these exposures, a natural hedge strategy is not possible. In order to hedge a significant portion of the aforementioned short exposures (net expenditures) the Group can engage into derivative contracts with banks: basically currency forwards, currency options and combinations of currency options.

Notes (thousands of euros – KEUR)

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

The CFaR methodology is similar in many respects to the Value at Risk (VaR) methodology. However, whereas VaR is generally centered in the changes in the value of a portfolio of exposures in a given future interval of time, CFaR is focused on the changes in the value of the cash-flows of that portfolio from the calculation date to the moment in which these cash-flows effectively take place. CFaR is a more adequate measure of the risk of the Group given that the goal of our risk management strategy with relation to foreign exchange risk is reducing the volatility of the EUR value of the foreign currency denominated cash-flows. An additional reason for focusing on cash-flows is that, eventually, the cash-flows of a company result in its level of liquidity which in the case of a non-financial corporation it is a generally scarce and valuable element.

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

- One of the limitations of this methodology is that its results are based on several of hypotheses on the future volatilities of the exchange rates and the future correlation among them which may correspond with the real evolution of the exchange rates or not[1].

- Additionally, the foreign exchange exposure estimates used as inputs to the model may deviate with respect to the exposures which will finally take place in the future[2].

- Finally, it is important to mention that given a level of CFaR calculated with a 95% confidence level, the losses which could take place in the remaining 5% of the cases may be significantly greater than the level of risk as measured with the CFaR methodology.

See below the CFaR of the foreign exchange exposures of the Group calculated with a 95% confidence level:

31/12/2013			31/12/2012		
2014 CFaR	2015 CFaR	2016 CFaR	2013 CFaR	2014 CFaR	2015 CFaR
(2,925)	(12,790)	(28,328)	(3,406)	(9,681)	(24,690)

The main reason for the drop in the CFaR level for 2014 in comparison with the CFaR for 2013 that the Group had at the end of 2012 is the larger amount of Australian Dollar, and to minor extent Sterling Pound, hedges in place. Regarding the greater exposures for 2015 and 2016 in comparison with the CFaR that we had in 2012 for 2014 and 2015 they are mainly the result of slightly greater exposures for both years and smaller Swedish Krona hedges in 2015 and smaller USD natural hedges in 2016.

[1] The volatilities implicit in the market prices of currency options and the historic correlations among the different currencies in which Amadeus has exposures are used as inputs to the model.

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

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

5.2 Interest rate risk

The objective of the Group in terms of interest rate risk management is reducing the volatility of the net interest flows payable by the Group. In line with this goal, the Group has set up hedges that fix a significant part of the interests to be paid up to November 2015. At December 31, 2013, after taking into account the effect of the interest rate swaps in place, approximately 90% of the Groups outstanding debt are at fixed rate of interest (2012: 94%) until November 2015.

Although the interest rate swaps which hedge the floating rate debt of the Group fix the amount of interests to be paid in the coming years, their fair values are sensitive to changes in the level of interest rates. In the table below you can see an estimation of the Group's sensitivity to a 0.1% (10 bps) parallel shift of the interest rate curve:

Sensitivity of fair value to parallel changes in the interest rate curve:

	31/12/2013		31/12/2012	
	+10 bps	-10 bps	+10 bps	-10 bps
EUR denominated debt	4,465	(4,382)	4,393	(4,382)
USD denominated debt	28	(28)	43	(43)
EUR accounting hedges	62	(64)	388	(407)
USD accounting hedges	186	(187)	269	(270)
Total	**4,741**	**(4,661)**	**5,093**	**(5,102)**

In 2013 there has been a slight increase in the sensitivity of the EUR denominated debt to the movements of the interest rate curve with respect to the previous year. This increase is due the addition of new fixed rate debt during 2013 (the new loan negotiated with the European Investment Bank) which more than compensates the reduction in the duration in the rest of the outstanding debt. Although the future flows of the fixed rate debt instruments are not sensitive to the changes in the level of interest rates, the fair value of the instruments are sensitive to these changes.

Note that in the case of the floating rate debt, the spread payable on this debt is fixed and therefore the changes in the level of interest rates have a small impact in the fair value of this type of debt.

According to the table above a 10 bps drop in the level of interest rates would cause a loss in the fair value of the debt (an increase of the liability) and the derivatives hedging it amounting to KEUR 4,661 at December 31, 2013, and KEUR 5,102 at December 31, 2012 respectively. However, given that changes in the fair value of the derivatives that qualify for hedge accounting are recognized directly in equity and the hedged item (the underlying debt) is measured at amortized cost, the impact of a 10 bps drop in the level of interest rate would imply no loss recognized in the profit for the year at December 31, 2013 and 2012, since all the derivatives in the interest rate portfolio of the Group apply for hedge accounting.

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

5.3 Own shares price evolution risk

At December 31, 2013, the Group has three different remuneration schemes outstanding which are settled with Amadeus shares; the Performance Share Plan (PSP), the Restricted Share Plan (RSP) and the Share Match Plan.

According to the rules of these plans, when they mature their beneficiaries will receive a number of Amadeus' shares which for the outstanding plans will be (depending on the evolution of certain performance conditions) between a maximum of 2,350,000 shares and a minimum of 950,000 shares, approximately. It is Amadeus intention to make use of the 2,963,138 treasury shares to settle these plans at their maturity.

5.4 Credit risk

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

Amadeus' cash and cash equivalents are deposited in major banks on the basis of diversification and the credit risk of the available investment alternatives.

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

5.5 Liquidity risk

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

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

- A cash pooling agreement with most of the subsidiaries located in the Euro area.
- Through bilateral Treasury Optimization agreements between Amadeus IT Group, S.A. and its subsidiaries.

Corporate Treasury monitors the Group's cash position through rolling forecasts of expected cash flows. These forecasts are performed by all the companies of the Group and later on consolidated in order to examine both the liquidity situation and prospects of the Group and its subsidiaries.

The detail of the contractual maturities of the Group's debt financing as of the end of the financial year 2013 is described in the note 16 "Current and non-current debt".

In addition to other smaller treasury lines agreed with several banks, the Group has access to a Revolving Credit facilities amounting to KEUR 300,000, as described in note 16 which could be used to cover working capital needs and general corporate purposes. As of December 31, 2013, all the outstanding Revolving Credit facilities were unused.

Notes (thousands of euros – KEUR)

5.6 Capital management

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

The Group bases its capital management decisions on the relationship between the Group's earnings and free cash flows and its debt amount and debt service payments. The capital structure of the Group consists of net debt and the equity of the Group.

The net financial debt as of December 31, 2013 and 2012, is detailed in the table below:

	31/12/2013	31/12/2012
Unsecured Senior Credit Facility	299,755	546,941
Deferred financing fees	(6,171)	(2,909)
Bonds	750,000	750,000
Deferred financing fees on Bonds	(4,023)	(5,606)
European Investment Bank	338,251	190,113
Deferred financing fees on European Investment Bank	(681)	(643)
Other debt with financial institutions	37,288	49,677
Obligations under finance leases	12,922	13,682
Total non-current debt	1,427,341	1,541,255
Unsecured Senior Credit Facility	219,794	305,315
Deferred financing fees	(1,391)	(2,598)
Accrued interest	20,646	21,167
Other debt with financial institutions	23,377	23,007
Obligations under finance leases	8,442	6,399
Total current debt	270,868	353,290
Total debt	**1,698,209**	**1,894,545**
(-) Cash and cash equivalents	490,881	399,870
Total net financial debt (non-GAAP)	**1,207,328**	**1,494,675**

The Group's debt is rated by Standard & Poor's and Moody's as Investment Grade ("BBB/A-2" and "Baa2", respectively). During the year 2013, Standard & Poor's and Moody's upgraded the rating of our debt and the outlook of the rating of our debt is stable. The Group considers that the ratings awarded, would allow access to the markets, if necessary, on reasonable terms.

With regard to the dividend policy, the Board of Directors of Amadeus IT Holding, S.A resolved to extend the 2012 dividend policy to the period of 2013 and onwards, which consists on a pay-out ratio of between 40% and 50% of the reported profit for the year (excluding extraordinary items). The amount of future dividends the Company decides to pay, if any, and the future dividend policy will however depend on a number of factors, such as market conditions and prospects, including financial conditions, as well as the evolution of the Company's operations, its cash requirements and debt service obligations, in which case the Company would undertake the appropriate communications to ensure that the change is made public. The amount of dividends is proposed by the Board of Directors and determined by the shareholders at General Shareholders' Meetings.

The dividend policy, also establishes the approval, within the last quarter of the year, of an interim dividend related to the results of each financial period, to be paid in the following month of January.

6 SEGMENT REPORTING

The segment information has been prepared in accordance with the "management approach", which requires presentation of the segments on the basis of the internal reports about components of the entity which are regularly reviewed by the chief operating decision maker in order to allocate resources to a segment and to assess its performance.

The Group is organized into two operating segments on the basis of the different services offered by the Group:

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

- IT Solutions, where we offer a portfolio of technology solutions (primarily Altéa PSS) that automate mission-critical processes for travel providers. This segment generates revenues from the transactions processed in our platform, as well as from other non-transactional services.

The operating segments identified, the composition of those operating segments and the accounting policies used in the measurement of the operating segments profit or loss, are consistent with those used and applied in the year ended December 31, 2012, except for the effect of the transversal project described below.

The Group applies the same accounting policies for the measurement of the profit or loss of its operating segments as those described in note 4. However, management when evaluating the performance of each operating segment uses Contribution as a performance measure. Contribution is defined as the revenue for the relevant operating segment less operating direct costs plus direct capitalizations and incentives. The operating expenses (excluding capitalized expenses and those incentives associated to those capitalizations) of the Group are allocated either to operating direct costs or to indirect costs; operating direct costs are those direct costs that can be assigned to an operating segment.

Additionally, Amadeus Group manages its borrowing activities and taxes centrally and they are not followed up per segment.

The Group has implemented new allocation rules of some transversal activities / costs between the operating segments. The impact of the new allocation rules is as follows:

- Certain costs which were previously allocated to the Distribution operating segment have now been allocated to Net indirect costs based on the new allocation rules in order to present a cost structure that better reflects how the organization is managed and decisions made.

- Certain costs which were previously reported as Net indirect costs have now been allocated both to Distribution and IT Solutions based on more specific allocation criteria (mainly building and facilities costs which were previously reported as Net indirect costs have been allocated to each segment).

These new allocation rules are effective from January 1, 2013. For purposes of comparability, 2012 operating segment figures (Contribution for Distribution and IT Solutions, and Net indirect costs) have been restated accordingly. There is no change in the consolidated "Operating income" as a result of the new allocation rules.

As a result, the operating segment information reported for the year ended December 31, 2012, differs from the comparative information presented in this note as follows:

	Distribution	IT Solutions	Total
Revenue	-	-	-
Contribution	7,701	(22,198)	(14,497)
Net indirect costs			14,497
Operating income			-

Information regarding the Group's operating segments and the reconciliation of the measure of profit or loss (Contribution) to the consolidated statement of comprehensive income as of December 31, 2013 and 2012, are set forth in the table below:

	31/12/2013			31/12/2012		
	Distribution	IT Solutions	Total	Distribution	IT Solutions	Total
Revenue	2,317,825	785,878	3,103,703	2,200,962	709,364	2,910,326
Contribution	1,035,882	545,846	1,581,728	982,298	497,093	1,479,391

The main reconciling items correspond to:

	31/12/2013	31/12/2012
Revenue	3,103,703	2,910,326
Contribution	1,581,728	1,479,391
Net indirect cost (1)	(393,072)	(370,372)
Extraordinary items (2)	-	(7,662)
Depreciation and amortization (3)	(300,649)	(268,844)
Operating income	**888,007**	**832,513**

(1) Principally comprises indirect costs that are shared between the Distribution and IT Solutions operating segments, such as: (i) costs associated with our technology systems, including our processing of multiple transactions, and (ii) corporate support, including various corporate functions such as finance, legal, human resources, internal information systems, etc. Additionally it includes capitalization of expenses and incentives received from the French government in respect of certain IT Solutions / Distribution product development activities in Nice and which have not been allocated to an operating segment.

(2) Principally comprises extraordinary variable compensations in 2012.

(3) Includes the capitalization of certain depreciation and amortization costs in the amount of KEUR 5,331 and KEUR 4,629, in the years ended December 31, 2013 and 2012, respectively.

The Group operates in the travel industry and, accordingly, events that significantly affect the industry could also affect the Group's operations and financial position.

Amadeus IT Group, S.A. is based in Spain and is the counterparty to all key contractual arrangements with airlines and other travel providers for Distribution and IT Solutions operating segments.

The table below represents a good measure of how the revenue of the Group is geographically distributed based on, where the travel agent in which bookings are reserved is located (for the Distribution operating segment), and attending to where the airline receiving the services is located (for the IT Solutions operating segment):

	31/12/2013	31/12/2012
Western Europe (1)	1,542,341	1,467,245
Central, Eastern and Southern Europe	279,842	253,353
Middle East and Africa	375,802	371,255
North America	235,348	209,864
Latin America	229,386	234,270
Asia & Pacific	440,984	374,339
Revenue	3,103,703	2,910,326

(1) Includes Spain revenue by an amount of KEUR 167,241 and KEUR 176,063 for the years ended December 31, 2013 and 2012, respectively.

Notes (thousands of euros – KEUR)

The following tables represent the non-current assets by geographic area for the year ended December 31, 2013 and 2012:

	31/12/2013							
	Europe				North America	Rest of the world	PPA Assets	Total
	Spain	France	Germany	Other				
Intangible assets	76,393	1,014,034	23,522	7,690	10,183	20,497	831,549	1,983,868
PP&E	8,948	54,538	208,909	8,038	9,611	14,578	-	304,622
Investments associates	-	-	-	-	-	7,041	-	7,041
Total	85,341	1,068,572	232,431	15,728	19,794	42,116	831,549	2,295,531

	31/12/2012							
	Europe				North America	Rest of the world	PPA Assets	Total
	Spain	France	Germany	Other				
Intangible assets	98,900	820,382	18,507	13,118	8,696	20,903	898,537	1,879,043
PP&E	9,709	51,627	204,261	7,859	9,896	16,013	-	299,365
Investments associates	-	-	6	-	-	7,509	-	7,515
Total	108,609	872,009	222,774	20,977	18,592	44,425	898,537	2,185,923

The PPA Assets caption corresponds to the carrying value of the assets identified during the Purchase Price Allocation (PPA) performed as a result of the business combination between Amadeus Group and Amadeus IT Holding, S.A. in July 2005.

Notes (thousands of euros – KEUR)

7 GOODWILL

Reconciliation of the carrying amount of goodwill for the years ended at December 31, 2013 and 2012, is as follows:

	31/12/2013	31/12/2012
Carrying amount at the beginning of the year	**2,065,435**	**2,070,736**
Additions (note 13)	31	721
Additions due to acquisitions of subsidiaries (note 13)	9,249	1,985
Retirements	(98)	(6,297)
Transfers (note 8 and 13)	(5,751)	(1,710)
Exchange rate adjustments	(528)	-
Carrying amount at the end of the year	**2,068,338**	**2,065,435**

For the year ended December 31, 2013, the "Additions due to acquisitions of subsidiaries" caption reflects the acquisitions of Amadeus IST, Amadeus Eesti AS and Travel Audience GmbH, carried out by the Group indirectly through its subsidiaries Amadeus IT Group, S.A. and Traveltainment GmbH, as detailed in note 13. For the year ended December 31, 2012, the "Additions due to acquisitions of subsidiaries" caption reflected the acquisitions of Airconomy Aviation Intelligence GmbH & Co KG and Airconomy Beteiligungs GmbH, and Amadeus Czech Republic and Slovakia s.r.o., carried out by the Group indirectly through its subsidiaries Amadeus Germany GmbH and Amadeus IT Group, S.A., respectively, as detailed in note 13.

The retirement in goodwill for the year ended December 31, 2012, was mainly due to the liquidation of Onerail Global Holdings Pty. Ltd. and subsidiaries, with the corresponding charge to the consolidated statement of comprehensive income in the "Other income/(expense)" caption as described in note 23.

The transfers for the years ended December 31, 2013 and 2012, mainly relate to the completion of the purchase price allocation exercise for the business combination with Amadeus IST and Airconomy Aviation Intelligence GmbH & Co KG and Airconomy Beteiligungs GmbH, respectively, as detailed in note 8 and 13.

Goodwill derived from any acquisition is allocated for the purpose of impairment testing, based on Amadeus' organizational structure and operations, to the cash-generating unit that is expected to benefit from the acquisition that originated the goodwill. The cash-generating units are the lowest level within the Group at which goodwill is monitored for internal management purposes.

The carrying amount of goodwill per cash-generating unit is as follows:

	31/12/2013	31/12/2012
Distribution	1,951,629	1,950,512
IT Solutions	116,709	114,923
Carrying amount	2,068,338	2,065,435

Notes (thousands of euros – KEUR)

The Group tests the carrying amount of goodwill for impairment annually, or more frequently if there is any indicator that suggests that the carrying amount of the goodwill might be impaired. The goodwill is tested for impairment together with the assets that can be reasonably allocated to the cash-generating unit to which the goodwill has been allocated to. During the year, neither the composition of these cash-generating units, nor the impairment testing exercise, have been modified. Those assets include intangible assets with indefinite useful life (such as the Amadeus brand, see note 8), to the extent that they do not generate cash inflows that are separate from those of the cash-generating unit to which they have been allocated. The corporate assets that the Group operates are also taken into consideration when testing for impairment our cash-generating units.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. This implies reducing the carrying amount of the asset to its recoverable amount, with the corresponding charge to the consolidated statement of comprehensive income in the “Depreciation and Amortization” caption.

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

- For the purposes of the Impairment Test exercise, specific forecasts are developed for each cash-generating unit, which imply performing a cost allocation exercise for some cost items. These forecasts are developed from the available financial budgets and financial projections approved by the Group management. The forecast developed for each cash-generating unit takes into account the market environment, market growth forecasts as well as the Group’s market position.
- Based on the specific forecast developed, after tax cash-flow forecasts for each cash-generating unit are calculated. The discount rates calculated are also after tax.
- The present value is obtained, using specific discount rates that take into account the appropriate risk adjustment factors.

Regarding the 2013 Impairment Test exercise, the forecasts considered have been based on the Group’s 2014-2016 Long Term Plan (LTP). Unallocated costs have been allocated between the two cash-generating units and additional forecasts have been developed for 2017-2018. For both cash-generating units, the forecasted revenues compound annual growth rate (CAGR) used for the impairment exercise, which did not result in any case of impairment, were the following:

	31/12/2013	31/12/2012
	2014-2018 period	2013-2017 period
Base case	4.36% - 12.83%	4.28% - 11.35%
Optimistic case	5.36% - 13.83%	5.78% - 13.49%
Pessimistic case	3.36% - 11.83%	3.28% - 10.21%

Management believes that any reasonable deterioration of the key assumptions considered, which are the basis to calculate the value in use, would not result in the recoverable amount being lower than the respective unit’s carrying amount.

For Distribution cash-generating unit the value in use exceeds the carrying amount of Goodwill and assets allocated to the cash-generating unit in all the scenarios of the sensitivity analysis performed, considering a growth rate to perpetuity in the range between (1.0)% and 2.5% (between (1.0)% and 2.5% in year 2012), and with a discount rate of 8.0%, (8.5% in 2012) with different scenarios that go from 7.0% to 11.0%, in line with market consensus, and not resulting in any case of impairment.

For IT Solutions cash-generating unit the value in use exceeds the carrying amount of Goodwill and assets allocated to the cash-generating unit in all the scenarios of the sensitivity analysis performed, considering a growth rate to perpetuity in the range between (1.0)% and 2.5% (between 0% and 3.5% in year 2012), and with a discount rate of 8.0% (8.5% in 2012) with different scenarios that go from 7.0% to 11.0%, in line with market consensus and not resulting in any case of impairment.

8 INTANGIBLE ASSETS

Reconciliation of the carrying amounts for the years ended December 31, 2013 and 2012, of the items included under intangible assets is as follows:

	Patents, trademarks & licenses	Technology and content	Contractual Relationships	Other intangible assets	Total
Carrying amount as of December 31, 2011	**302,899**	**1,300,212**	**174,093**	**1,207**	**1,778,411**
Additions	10,089	-	38,827	196	49,112
Additions of Software internally developed	-	251,821	-	-	251,821
Retirements and disposals	-	-	(84)	-	(84)
Transfers	301	(124)	(84)	(1,129)	(1,036)
Additions due to acquisitions (note 13)	-	1,730	-	-	1,730
Impairment losses charged to profit or loss	-	(10,861)	(3,550)	-	(14,411)
Amortization charge	(4,408)	(129,568)	(51,034)	(51)	(185,061)
Exchange rate adjustments	(30)	(164)	(1,245)	-	(1,439)
Carrying amount as of December 31, 2012	**308,851**	**1,413,046**	**156,923**	**223**	**1,879,043**
Additions	7,887	-	30,229	121	38,237
Additions of Software internally developed	-	319,646	-	-	319,646
Retirements and disposals	(629)	(2,618)	(3,835)	(1)	(7,083)
Transfers	-	6,183	(23,628)	-	(17,445)
Additions due to acquisitions	9	-	-	-	9
Impairment losses charged to profit or loss	-	(18,818)	-	-	(18,818)
Amortization charge	(4,982)	(156,416)	(43,148)	(117)	(204,663)
Exchange rate adjustments	(255)	(1,428)	(3,336)	(39)	(5,058)
Carrying amount as of December 31, 2013	**310,881**	**1,559,595**	**113,205**	**187**	**1,983,868**

The carrying amount of intangible assets with indefinite useful lives amounted to KEUR 293,200 at December 31, 2013 and 2012, is classified under the caption “Patents, trademarks and licenses” and it relates to the Amadeus brand. The Amadeus brand is estimated that will contribute to the Group net cash inflows indefinitely. Among the different factors considered in reaching this decision, the following matters should be highlighted:

- There are no expectations of the Amadeus brand to be abandoned;
- There is certain stability within the GDS industry since it is composed of few players worldwide and Amadeus has a strong positioning.

Thereby, we do not see any fact or circumstance driving us to estimate a definite useful life for the Amadeus brand, thus, qualifying the asset as an indefinite useful life intangible asset. The Amadeus brand carrying amount is allocated to the cash-generating units of Distribution by KEUR 257,800 and IT Solutions by KEUR 35,400. This intangible asset does not generate cash inflows that are independent from other assets, and is therefore tested for impairment as part of the cash-generating units to which it is allocated. The key assumptions used for the impairment tests as well as the methodology followed is described in note 7.

During the year ended December 31, 2013, total additions to intangible assets amounted to KEUR 357,883, of which KEUR 38,237 were acquired separately and KEUR 319,646 were internally developed. During the year ended December 31, 2012, total additions to intangible assets amounted to KEUR 300,933, of which KEUR 49,112 were acquired separately and KEUR 251,821 were internally developed.

Significant additions during the years ended at December 31, 2013 and 2012, include software internally developed, which consists of expenditure incurred in products, projects and implementation of new customers, that qualifies for recognition as an intangible asset, as well as contractual relationships, which mainly relate to the payments made to travel agents that meet the requirements to be recognised as an intangible asset.

Additions of software internally developed are presented once the portion of government grants received from the French Tax Authorities (Research Tax Credit) that are attributable to these assets is deducted, by an amount of KEUR 8,197 and KEUR 8,730, for the years ended December 31, 2013 and 2012, respectively. The total amount of government grants received from the French Tax Authorities is KEUR 18,704 and KEUR 19,484 for the years ended December 31, 2013 and 2012, respectively. The portion of the government grant that is not attributable to the software internally developed is reported under the “Other operating expenses” caption on the Consolidated Statement of Comprehensive Income.

The amount of borrowing costs capitalized during the years ended December 31, 2013 and 2012 was KEUR 3,661 and nil, respectively. The rate used to determine the amount of borrowing costs eligible for capitalisation was 4.1%, which is the effective interest rate of the specific borrowing.

The Group has estimated the recoverable amount of the significant intangible assets for which it has been determined that an indication of impairment exists. As a result, the Group has recognised impairment losses of intangible assets by an amount of KEUR 18,818 and KEUR 14,411, for the years ended December 31, 2013 and 2012, respectively. During 2013 we reported certain impairment losses in relation to products that we estimate will not deliver the expected economic benefits, due to either unforeseen efforts required to deliver the customer's needs, or a reassessment of the expected demand downwards. From the total impairment expense for year 2013, KEUR 7,514 corresponds to the IT Solutions operating segment and KEUR 11,304 to the Distribution operating segment. For year ended December 31, 2012 KEUR 4,394 and KEUR 10,017, respectively.

The transfers to the “Technology and Content” caption for the year ended December 31, 2013, mainly relate to the completion of the purchase price allocation exercise for the business combination with Amadeus IST by an amount of KEUR 6,183, as detailed in note 7 and 13. The remaining amount corresponds to a transfer of certain amounts to the “Other non-current assets” caption in the consolidated statement of financial position.

During the year ended at December 31, 2013, the expected useful life of certain intangible assets corresponding to software internally developed was reviewed, as a result of which the Group reports an increase in the amortization charge for those assets by an amount of KEUR 6,507, in the "Depreciation and Amortization" caption of the consolidated statement of comprehensive income.

9 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of the carrying amounts for the years ended December 31, 2013 and 2012, of the items included under property, plant and equipment were as follows:

	Land & buildings	Data processing hardware & software	Other property plant and equipment	Total
Carrying amount as of December 31, 2011	**84,543**	**131,550**	**66,191**	**282,284**
Additions	2,508	71,343	16,850	90,701
Additions due to acquisitions	1	520	109	630
Retirements and disposals	-	(408)	(426)	(834)
Transfers	39	655	342	1,036
Depreciation charge	(2,611)	(57,896)	(13,479)	(73,986)
Exchange rate adjustments	5	(164)	(307)	(466)
Carrying amount as of December 31, 2012	**84,485**	**145,600**	**69,280**	**299,365**
Additions	70	77,732	14,678	92,480
Additions due to acquisitions	-	143	14	157
Retirements and disposals	-	(819)	(372)	(1,191)
Transfers	(61)	(485)	46	(500)
Depreciation charge	(2,674)	(65,790)	(14,113)	(82,577)
Exchange rate adjustments	(1)	(1,435)	(1,676)	(3,112)
Carrying amount as of December 31, 2013	**81,819**	**154,946**	**67,857**	**304,622**

The "Other property, plant and equipment" caption includes building installations, furniture and fittings, and miscellaneous.

Additions for years ended December 31, 2013 and 2012, mainly relate to the data processing hardware and software acquired for our data processing center in Erding (Germany) by KEUR 54,265 and KEUR 47,924, respectively, and certain additions within "Other property, plant and equipment" for the renovation and improvement in Group's properties.

In year ended December 31, 2013, the additions due to acquisitions mainly relate to the assets of Amadeus IST, Amadeus Eesti AS and Travel Audience GmbH, as detailed in note 13.

Retirements include some write-offs of property, plant and equipment, mainly data processing hardware, by a gross amount of KEUR 27,643 as of December 31, 2013, and KEUR 37,041 as of December 31, 2012. The Group has derecognized these assets as they were not expected to generate future economic benefits. The equipment was already fully depreciated at the time it was written off.

The amount of expenditure in assets under construction, recognised in the carrying amount of property, plant and equipment for the year ended December 31, 2013, is KEUR 1,442, and KEUR 484 for the year ended December 31, 2012.

The Group has contractual commitments for the acquisition of property, plant and equipment at December 31, 2013, in the amount of KEUR 9,518. The commitments at December 31, 2012, were KEUR 3,735.

The carrying value of property, plant and equipment under finance lease is as follows:

	31/12/2013	31/12/2012
Data processing hardware & software	15,123	13,412
Other	6,676	7,890
Total	**21,799**	**21,302**

The depreciation charge related to assets acquired under finance leases, for the year ended December 31, 2013, is KEUR 9,453, and KEUR 8,588 for the year ended December 31, 2012. The acquisitions of property, plant and equipment under finance leases were 10,264 KEUR for the year ended December 31, 2013, and KEUR 11,225 for the year ended December 31, 2012.

10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Reconciliation of the carrying amount for the years ended December 31, 2013 and 2012, of the items included under investments in associates and joint ventures is as follows:

	Investments in associates and joint ventures
Carrying amount at December 31, 2011	**7,125**
Share of profit of associates and joint ventures accounted for using the equity method	4,102
Distribution of dividends	(2,042)
Transfers	(1,418)
Exchange rate adjustments	(252)
Carrying amount at December 31, 2012	**7,515**
Share of profit of associates and joint ventures accounted for using the equity method	5,091
Distribution of dividends	(2,918)
Transfers	(2,197)
Exchange rate adjustments	(450)
Carrying amount at December 31, 2013	**7,041**

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

The “Share of profit of associates and joint ventures accounted for using the equity method” caption excludes the impact of tax payable at the respective shareholder level.

The distribution of dividends in 2013, in the amount of KEUR 2,918, is reported as a reduction in the carrying amount of the investment in associates and joint ventures, as it is considered a refund of the original investment. The distribution of dividends in 2012 amounted to KEUR 2,042.

Summarised financial information in respect of the Group’s associates and joint ventures is set forth in the table below:

	31/12/2013	31/12/2012
Total assets	61,324	55,822
Total liabilities	46,920	38,272
Net assets	14,404	17,550
Investments in associates and joint ventures	**7,041**	**7,515**
Total revenue	70,140	70,436
Profit for the year	6,908	6,108
Share of profit of associates and joint ventures accounted for using the equity method	**5,091**	**4,102**

Notes (thousands of euros – KEUR)

11 FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUE MEASUREMENTS

The table below sets out the Group's classification of financial assets and liabilities at December 31, 2013:

	Held for trading (1)	Available for sale	Loans and Receivables	Amortized Cost	Hedges (2)	Total
Other non-current financial assets	-	7,575	11,040	-	-	18,615
Non-current derivative financial assets (note 20)	-	-	-	-	872	872
Total non-current financial assets	**-**	**7,575**	**11,040**	**-**	**872**	**19,487**
Trade accounts receivable (note 18)	-	-	227,918	-	-	227,918
Other current financial assets	-	-	13,423	-	-	13,423
Current derivative financial assets (note 20)	150	-	-	-	4,948	5,098
Cash and cash equivalents (note 24)	-	490,881	-	-	-	490,881
Total current financial assets	**150**	**490,881**	**241,341**	**-**	**4,948**	**737,320**
Non-current debt (note 16)	-	-	-	1,427,341	-	1,427,341
Non-current derivative financial liabilities (note 20)	-	-	-	-	3,588	3,588
Total non-current financial liabilities	**-**	**-**	**-**	**1,427,341**	**3,588**	**1,430,929**
Current debt (note 16)	-	-	-	270,868	-	270,868
Other current financial liabilities	-	-	-	5,402	-	5,402
Interim dividend payable (note 3 and 15)	-	-	-	133,386	-	133,386
Current derivative financial liabilities (note 20)	143	-	-	-	8,555	8,698
Trade accounts payable (note 18)	-	-	-	532,065	-	532,065
Total current financial liabilities	**143**	**-**	**-**	**941,721**	**8,555**	**950,419**

(1) Includes derivatives that are not designated as effective hedging instruments according to IAS 39

(2) Includes derivatives that are designated as effective according to IAS 39

The table below sets out the Group's classification of financial assets and liabilities at December 31, 2012:

	Held for trading (1)	Available for sale	Loans and Receivables	Amortized Cost	Hedges (2)	Total
Other non-current financial assets	-	6,424	10,115	-	-	16,539
Non-current derivative financial assets (note 20)	-	-	-	-	5,835	5,835
Total non-current financial assets	-	6,424	10,115	-	5,835	22,374
Trade accounts receivable (note 18)	-	-	174,425	-	-	174,425
Other current financial assets	-	-	14,505	-	-	14,505
Current derivative financial assets (note 20)	142	-	-	-	10,959	11,101
Cash and cash equivalents (note 24)	-	399,870	-	-	-	399,870
Total current financial assets	142	399,870	188,930	-	10,959	599,901
Non-current debt (note 16)	-	-	-	1,541,255	-	1,541,255
Non-current derivative financial liabilities (note 20)	-	-	-	-	11,367	11,367
Total non-current financial liabilities	-	-	-	1,541,255	11,367	1,552,622
Current debt (note 16)	-	-	-	353,290	-	353,290
Other current financial liabilities	-	-	-	5,066	-	5,066
Interim dividend payable (note 3 and 15)	-	-	-	111,003	-	111,003
Current derivative financial liabilities (note 20)	-	-	-	-	2,164	2,164
Trade accounts payable (note 18)	-	-	-	480,098	-	480,098
Total current financial liabilities	-	-	-	949,457	2,164	951,621

(1) Includes derivatives that are not designated as effective hedging instruments according to IAS 39

(2) Includes derivatives that are designated as effective according to IAS 39

Within the caption "Other non-current financial assets" the Group includes certain loans which are impaired in full because they are deemed irrecoverable as of December 31, 2013 and 2012, by an amount of KEUR 9,465 and KEUR 9,302, respectively. Under "Other current financial assets" the Group includes loans which are not recoverable by an amount of KEUR 2,066 as of December 31, 2013 and 2012, which are impaired in full.

Notes (thousands of euros – KEUR)

11.1 Fair value measurements disclosures

The table below expresses the assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the consolidated statement of financial position. These fair value measurements are categorized into different levels of fair value hierarchy based on the inputs to valuation techniques used.

	31/12/2013		
	Level 2	Level 3	Total
Interest rate swaps	6	-	6
Foreign currency forward	866	-	866
Non-current derivative financial assets (note 20)	872	-	872
Foreign currency forward	4,948	-	4,948
Foreign currency forward and options held for trading	150	-	150
Current derivative financial assets (note 20)	5,098	-	5,098
Foreign currency forward	3,588	-	3,588
Non-current derivative financial liabilities (note 20)	3,588	-	3,588
Interest rate swaps	3,140	-	3,140
Foreign currency forward	5,415	-	5,415
Foreign currency forward held for trading	143	-	143
Current derivative financial liabilities (note 20)	8,698	-	8,698
Contingent consideration at fair value (note 13)	-	1,717	1,717

The fair values of financial assets or liabilities traded on active liquid markets are fixed according to the prices quoted in those markets. If the market for a financial asset is not active or no market price is available, fair values are determined in accordance with generally accepted pricing valuation techniques which include discounted cash flows, standard valuation models based on market parameters, dealer quotes and use of comparable arm's length transactions.

The Group's foreign currency forward and options contracts are measured using quoted forward exchange rates. Interest rate swaps are measured discounting the cash flows estimated based on the applicable interest rate curves derived from quoted interest rates. As such, the financial assets or liabilities in our consolidated statement of financial position resulting from these derivative financial instruments that are measured at fair value, would fall within the level 2 category of the fair value hierarchy (see note 20). Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group entity and counterparty when appropriate.

The Group recognises transfers between levels of fair value hierarchy as of the end of the reporting period in which the transfer has occurred. There were no transfers between levels of fair value hierarchy during the year ended December 31, 2013.

The fair value categorised as level 3 arose from the consideration transferred in the acquisition of Amadeus IST (note 13). This fair value measurement is considered as recurring fair value measurement.

The fair value of the contingent consideration is determined considering the expected payment using probability weighted average of pay-outs associated with each possible scenario. This method requires taking into account the range of possible outcomes, the pay-out associated with each possible outcome and the probability of each outcome arising.

The main unobservable inputs correspond to: the forecasted annual revenue and the forecasted earnings before interest taxes depreciation and amortization margin (EBITDA margin) of the acquiree. The estimated fair value of the deferred consideration would increase if the forecasted annual revenue was higher.

Changing one or more of the significant unobservable inputs used to estimate the fair value of the contingent consideration, to reflect reasonably possible alternative assumptions, would have the effects shown in the table below. These effects have been calculated by recalibrating the values from the valuation technique using alternative estimates of unobservable inputs that might reasonably have been considered by a market participant to price the contingent consideration as of December 31, 2013. Any interrelationship between the unobservable inputs is not considered to have significant impact with the range of reasonably possible alternative assumptions.

	31/12/2013	
	Increase / (decrease) in unobservable inputs	Favourable / (unfavourable) impact in profit or loss KEUR
Forecasted annual revenue	5%	(240)
	(5%)	240
EBITDA margin	1%	-
	(1%)	347

The financial assets in our consolidated statement of financial position that are classified as available for sale, are mainly cash and cash equivalents, and other investments in equity instruments that do not have a quoted market price in an active market, and are measured at cost because their fair value cannot be measured reliably.

The Group estimates that the carrying amount of its financial assets and liabilities is a reasonable approximation of their fair value as at December 31, 2013, except for the bonds issue financial liability which has carrying amount of KEUR 750,000 (note 16) and a fair value of KEUR 817,703 (109.03% of its face value), and for the European Investment Bank unsecured senior loan which has carrying amount of KEUR 338,251 (note 16) and a fair value of KEUR 350,478 (100.14% of its face value). The fair value measurement of the bonds and the European Investment Bank unsecured senior loan are categorised within the level 1 and level 2 in the fair value hierarchy, respectively.

11.2 Doubtful debt provision, factoring and cancellation reserve

The Group's doubtful debts provision at December 31, 2013, amounted to KEUR 78,953, and for financial year ended December 31, 2012, this provision amounted to KEUR 78,036. The doubtful debts provision is presented as a reduction of the caption "Trade accounts receivable". The movement in the doubtful debts provision is as follows:

	31/12/2013	31/12/2012
Carrying amount at the beginning of the year	**78,036**	**75,048**
Additions due to acquisitions	3	-
Additional amounts through income statement	42,462	32,459
Write-off amounts	(6,302)	(5,528)
Unused reversed amounts through income statement	(34,194)	(23,602)
Translation changes	(1,052)	(341)
Carrying amount at the end of the year	**78,953**	**78,036**

Trade receivables of the Group include amounts which were past their due date at 2013 and 2012 year-end, but against which the Group has not recognised doubtful debt provision because there has not been a significant change in credit quality and the amounts are still considered recoverable. Among other factors, that credit risk is mitigated by the fact that the majority of our customers' accounts receivables and payables are settled through the clearing houses operated by the International Air Transport Association ("IATA") and Airlines Clearing House, Inc. ("ACH"). Through this system we guarantee that cash inflows from our customers will be settled at a certain fixed date, and we mitigate the credit risk partially by the fact that the members of the clearing house are required to make deposits that would be used in the event of default.

The analysis of the age of amounts to be recovered from customers that are past due but not impaired, for the years ended December 31, 2013 and 2012:

	31/12/2013	31/12/2012
Up to 3 months	20,343	22,586
From 3 to 6 months	4,029	3,927
From 6 to 12 months	2,380	1,733
Over 12 months	6,911	2,179
	33,663	30,425

The Management estimates that the credit risk arising from its amounts receivable is adequately covered by the existing doubtful debt provision. Moreover, our customer base is large and unrelated which results on a low concentration of our credit risk.

The Group has agreements with financial institutions to carry out factoring transactions over a part of the accounts receivable resulting from its business. At December 31, 2013, the Group has not transferred any amount to the financial institution under these agreements, and at December 31, 2012, the Group transferred

KEUR 10,000. The average interest rates for these transactions were 1.92% for the year ended December 31, 2013, and 2.13% for the year ended December 31, 2012.

The Group recorded a provision against accounts receivable for estimated cancellations of airline bookings at December 31, 2013, of KEUR 33,451 and KEUR 39,356 in 2012; consequently the Group has reserved for the related reduction in accounts payable for distribution fees at December 31, 2013, KEUR 13,905 and KEUR 16,059 in 2012.

11.3 Late Payments in trade payables Directive

Pursuant to the Spanish legislation in force, the disclosures related to the Directive on late payments in trade payables at December 31, 2013 and 2012, are reported on the Company's standalone annual accounts and other Spanish subsidiaries standalone annual accounts.

12 DEFERRED REVENUE AND OTHER ASSETS AND LIABILITIES

12.1 Deferred revenue

The breakdown of the deferred revenue as of December 31, 2013 and 2012, is as follows:

	Deferred revenue non-current	Deferred revenue current	Total
Carrying amount at December 31, 2011	**102,135**	**9,629**	**111,764**
Additions	102,585	4	102,589
Retirements through income statement	(9,307)	(7,439)	(16,746)
Transfers	(18,057)	18,057	-
Translation changes	120	(79)	41
Carrying amount at December 31, 2012	**177,476**	**20,172**	**197,648**
Additions	93,118	5,688	98,806
Additions due to acquisitions	907	227	1,134
Retirements through income statement	(8,529)	(22,325)	(30,854)
Transfers	(28,207)	28,207	-
Translation changes	(368)	(78)	(446)
Carrying amount at December 31, 2013	**234,397**	**31,891**	**266,288**

The deferred revenue includes the portion of the cash received from customers which has not yet been taken to profit or loss at the end of the reporting period by KEUR 234,397 (KEUR 177,476 in 2012) and KEUR 31,891 (KEUR 20,172 in 2012) presented as non-current and current, respectively. The Group receives cash from customers mainly in relation to set-up services of our Altéa IT solution. The costs incurred on the implementation result in capitalised software assets which are controlled by the Group but that will be used by that customer to access our platform. The Group recognises the revenue for these services over the term of the agreement with the customer. The Group starts the recognition of revenues when the migration of the customer has been completed (cut-over).

The increase in both current and non-current deferred revenue is the result of the cash received from customers for the implementation of, mainly, our Altéa IT solution during the years 2013 and 2012, being higher than the revenues recognized corresponding to the customers that are already using the platform. During 2013 there were additions by KEUR 95,046 (KEUR 102,589 in 2012) mainly related to the cash received from customers. The additions are partially offset by the revenues recognized during the year 2013 by an amount of KEUR 25,272 (KEUR 13,161 in 2012).

Within deferred revenue the Group presents for the year ended December 31, 2013, the benefit not yet taken to income, of an EIB loans (see note 16) that were granted at a below-market rate of interest by KEUR 5,348 (KEUR 7,170 in 2012). This is presented as a government grant received for research and development activities, therefore reducing the research and development expenses for the year ended December 31, 2013, by an amount of KEUR 5,582 and KEUR 3,585 for 2012.

12.2 Other assets and liabilities

The breakdown of other assets as of December 31, 2013 and 2012, is as follows:

	31/12/2013	31/12/2012
Taxes receivable – non income tax (note 21)	75,048	59,602
Other non-current assets	35,569	17,830
Total other non-current assets	110,617	77,432
Prepaid expenses	41,392	34,777
Taxes receivable – non income tax (note 21)	63,885	66,743
Advance payments to travel agencies	24,574	25,831
Other	3,081	3,028
Total other current assets	132,932	130,379
Total other assets	**243,549**	**207,811**

The “Prepaid expenses” caption represents mainly payments made in advance for which services have not been received yet. Within those the most significant amounts are KEUR 14,704 and KEUR 9,016 in 2013 and 2012 respectively, paid by the Group as prepayments to vendors according to the terms of its agreements. Also these prepaid expenses includes KEUR 7,101 in 2013 and KEUR 8,338 in 2012 mainly related to prepayments for maintenance contracts, mostly for hardware and software.

The “Taxes receivable – non income tax” caption includes VAT receivable and other taxes receivable (see note 21).

The breakdown of other liabilities as of December 31, 2013 and 2012, is as follows:

	31/12/2013	31/12/2012
Defined benefit plan liabilities	48,426	52,716
Other non-current liabilities	32,920	12,716
Total other non-current liabilities	81,346	65,432
Taxes payable – non income tax (note 21)	25,297	23,799
Other public institutions payable	44,643	40,358
Employee related accrual and others	130,084	117,251
Total other current liabilities	200,024	181,408
Total other liabilities	**281,370**	**246,840**

The “Taxes payable - non income tax” caption includes VAT payable and other taxes payable (see note 21).

“Other public institutions payable” caption includes mainly social costs payable.

12.3 Pension and post-retirement benefits

Certain Group companies operate defined benefit plans. Depending on the country, these plans are offered on a voluntary basis or are mandatory as a result of the respective legal or Collective Agreement requirements. The benefits consist mainly of a life-long annuity or lump sum payable at retirement, death, disability or early retirement when certain conditions are met. Some of the plans provide death and retirement benefits to spouses subject to member contributions at higher rates. The Group provides for post-retirement medical plan and post-retirement life insurance benefits to a group of beneficiaries in the U.S.A. Most of the obligations under defined benefit plans are voluntary based and operate on a funded basis with plan assets covering the obligations whilst mandatory plans are generally unfunded and book reserved.

The amounts related to defined benefit plans recognized in the consolidated statement of financial position at December 31, 2013 and 2012, were the following:

	31/12/2013	31/12/2012
Present value of Funded Defined Benefit Obligation	69,171	72,137
Fair value of plan assets	(49,358)	(48,452)
Funded Status	19,813	23,685
Present value of Unfunded Defined Benefit Obligation	28,613	29,031
Net liability in the consolidated statement of financial position	48,426	52,716

The Group recognises in equity all actuarial gains and losses in the period in which they occur. As a result, actuarial losses of KEUR 4,158 (pre-tax KEUR 6,389) and KEUR 9,209 (pre-tax KEUR 14,405) were recognised directly through the consolidated statement of comprehensive income, net of tax as of December 31, 2013 and 2012, respectively.

The defined benefit plan amounts recognized in the consolidated statement of comprehensive income at December 31, 2013 and 2012, are as follow:

	31/12/2013	31/12/2012
Service cost	4,469	2,228
Net interest on the net defined benefit liability (note 23)	1,719	1,718
Immediate recognition of loss arising during the year	9	14
Administration expenses	264	227
Total charge recognised in profit or loss	6,461	4,187
(Gain) / loss due to demographic assumptions	(1,036)	-
(Gain) / loss due to financial assumptions	(3,816)	14,567
(Gain) / loss due to experience	1,727	1,563
Assets (gain) / losses on plan assets	(3,190)	(1,725)
Exchange rate gain / (loss)	(74)	-
Total remeasurements recognised in other comprehensive income	(6,389)	14,405
Total	**72**	**18,592**

Notes (thousands of euros – KEUR)

At December 31, 2013 and 2012, balances and movements of the items included under defined benefit plan liability were as follows:

	31/12/2013	31/12/2012
Balance at the beginning of the year	**52,716**	**39,701**
Total charge recognised in profit and loss	6,461	4,187
Total remeasurements recognised in other comprehensive income	(6,389)	14,405
Restructuring	-	39
Employer contributions	(3,292)	(5,165)
Exchange rate gain	(1,070)	(451)
Balance at the end of the year	**48,426**	**52,716**

Reconciliation of the present value of the defined benefit obligation was as follows:

	31/12/2013	31/12/2012
Defined benefit obligation, beginning of year	**101,168**	**88,667**
Net current service cost	4,418	3,420
Interest cost	3,735	4,123
Net benefit paid	(5,684)	(4,086)
Actual taxes paid	(20)	-
(Gain) / loss due to experience	1,727	1,577
(Gain) / loss due to demographic assumptions	(1,020)	-
(Gain) / loss due to financial assumptions	(3,823)	14,567
(Gain) / loss due to exchange rate changes	(2,768)	(410)
Past service cost	51	(570)
Settlements	-	(6,159)
Other restructuring events	-	39
Defined benefit obligation, at year end	**97,784**	**101,168**

Reconciliation of the fair value of plan assets is as follows:

	31/12/2013	31/12/2012
Fair value of plan assets, beginning of year	48,452	48,967
Employer contributions	3,292	5,165
Net benefits paid	(5,684)	(4,086)
Actual administration expenses paid	(264)	(227)
Actuals taxes paid	(20)	-
Interest income on plan assets	2,016	2,405
Actuarial gain / (losses) on plan assets	3,190	1,725
Gain / (loss) due to exchange rate changes	(1,624)	41
Settlements	-	(5,538)
Fair value of plan assets, at year end	49,358	48,452

The best estimate of contributions expected to be paid into the defined benefit plan in the next annual financial year is KEUR 7,271.

At December 31, 2013, the weighted average asset allocation per pension plan and by asset category is as follows:

	France Pension Plan	France Ret. Indemnity	Norway	U.K.	U.S.A.	India Gratuity
Cash and cash equivalents	2%	-	-	-	-	-
Equity Securities	16%	9%	-	35%	36%	-
Debt Securities	80%	84%	-	65%	64%	-
Real Estate	2%	7%	-	-	-	-
Asset held by insurance company	-	-	100%	-	-	100%
Other	-	-	-	-	-	-
Total	100%	100%	100%	100%	100%	100%

Notes (thousands of euros – KEUR)

At December 31, 2012, the weighted average asset allocation per pension plan and by asset category was as follows:

	France Pension Plan	France Ret. Indemnity	Norway	U.K.	U.S.A.
Cash and cash equivalents	-	6%	-	-	-
Equity Securities	-	16%	-	-	-
Debt Securities	-	77%	-	32%	24%
Real Estate	-	1%	-	68%	65%
Derivatives	-	-	-	-	3%
Investments funds	-	-	-	-	3%
Asset held by insurance company	100%	-	100%	-	-
Other	-	-	-	-	5%
Total	100%	100%	100%	100%	100%

The principal actuarial assumptions applied in the preparation of the consolidated statement of financial position are as follow:

	31/12/2013	31/12/2012
Use to determine the defined benefit obligation at end of year and profit and loss charge for new financial year:		
Discount rate	4.31%	3.93%
Underlying consumer price inflation	2.36%	1.57%
Rate of future compensation increases	3.03%	3.03%
Rate of pension increases	1.42%	1.27%
Use to determine profit and loss charge for current financial year:		
Discount rate	3.92%	4.82%
Underlying consumer price inflation	1.96%	-
Rate of future compensation increases	2.97%	0.01%
Rate of pension increases	1.26%	-

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

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

	Increase 25bps	Decrease 25bps
Discount rate for Obligations	(3,646)	3,905
Salary rate	475	(441)

The expense for defined contribution plans amounted to KEUR 35,545 and KEUR 33,874 for the years ended December 31, 2013 and 2012, respectively.

13 BUSINESS COMBINATIONS

The main impacts of these transactions on the consolidated statement of financial position at December 31, 2013 and 2012, are as follow:

	31/12/2013	31/12/2012
Purchase consideration of current transactions	10,561	2,446
Non-controlling interests arising in acquisition (note 15)	199	-
Fair value of previously held equity interest	152	-
Fair value of the identifiable net assets of the acquiree	(1,663)	(461)
Excess purchase price from currents transactions	9,249	1,985
Deferred consideration from prior periods (note 7)	-	721
Excess purchase price	9,249	2,706
Allocation of fair value of net assets acquired (note 8)	(6,183)	(1,730)
Total	**3,066**	**976**

The reconciliation between the cash paid for current acquisitions and the net cash invested in subsidiaries at December 31, 2013 and 2012, is as follows:

	31/12/2013	31/12/2012
Cash paid for current transactions	7,894	2,446
Cash paid on deferred purchase consideration from prior period	394	3,117
Cash acquired as a result of current acquisition	1,445	508
Net cash invested in subsidiaries	**6,843**	**5,055**

13.1 Business combinations

In the year ended December 31, 2013, the Group has acquired, indirectly through its subsidiary Amadeus IT Group, S.A. 100% equity interest in Amadeus IST, and 60% additional interest in Amadeus Eesti AS. In addition, the Group has acquired, indirectly through its subsidiary Traveltainment GmbH, 52.752% additional interest in Travel Audience GmbH. As of December 31, 2013, the Group controls 65% of the issued shares of Amadeus Eesti AS and 100% of the issued shares of Travel Audience GmbH.

The business combination with Amadeus IST was effective on April 3, 2013. The cash paid and the purchase consideration in relation to this acquisition is set forth in the table below:

	Amadeus IST
Cash paid	7,177
Transfer of license at fair value at date of acquisition	1,137
Contingent consideration	(187)
Contingent consideration at fair value (note 11)	1,717
Purchase consideration	9,844

The Group has recognised an arrangement that remunerates former owners of the acquiree for future services to be rendered to the Group as employees of the acquired entities, separately from the business combination. The cost will be recognised as services are received over the term of the employment commitment. The amount recognised under the "Personnel and related expenses" caption of the consolidated statement of comprehensive income for year ended December 31, 2013, is KEUR 299.

The fair value of the license transferred at date of acquisition is determined considering the expected net loyalty fee using forecasted boarding passengers for the existing customers, discounted to present value using risk-adjusted discount rate. The estimated fair value of the transfer of license at fair value at date of acquisition would increase if the forecasted boarding passengers were higher.

The acquisition-related costs recognised as an expense under the "Other operating expenses" caption of the consolidated statement of comprehensive income for year ended December 31, 2013, amount to KEUR 158.

Amadeus IST offers mainly loyalty management technology solutions. These products are used by airlines and other customers to manage frequent flyer programs.

As of December 31, 2013, the purchase accounting for the business combination of Amadeus IST is completed. The table below sets forth the assets and liabilities recognized at the acquisition date, and those identified after the measurement period finalized, together with the resulting goodwill. The Group does not expect that the goodwill will be deductible for income tax purposes.

	Amadeus IST		
	Carrying amounts at acquisition date	Fair Value adjustments to purchase value	Fair value of net assets acquired
Intangible assets	9	6,183	6,192
Property, plant and equipment	67	-	67
Other non-current assets	27	-	27
Total non–current assets	103	6,183	6,286
Total current assets (1)	3,240	-	3,240
Total non–current liabilities	53	-	53
Total current liabilities	1,895	-	1,895
Net identifiable assets acquired	1,395	6,183	7,578
Purchase consideration	9,844		9,844
Goodwill resulting from the acquisition	8,449		2,266

(1) Of which KEUR 1,575 are acquired trade accounts receivable.

The intangible assets identified in the acquisition of Amadeus IST are the software developments named Crane FF (Airline Loyalty Management System), Crane 4C (Crane Customer Contact Center) and Crane Pop-Start (a software that simplifies alliance member's daily exchange or accrual information with each other).

The amounts of Revenue and Profit for the year of the acquiree since the acquisition date included in the consolidated statement of comprehensive income for the year ended December 31, 2013, are KEUR 5,215 and KEUR 671, respectively.

The Revenue and Profit for the year of the Group would have been higher by KEUR 946 and KEUR 1,023, if the acquisition date for this business combination had occurred as of the beginning of the year.

In the year ended December 31, 2012, the Group acquired, indirectly through its subsidiaries Amadeus Germany GmbH and Amadeus IT Group, S.A., 100% equity interest in Airconomy Aviation Intelligence GmbH & Co KG and Airconomy Beteiligungs GmbH, and 65% additional interest in Amadeus Czech Republic and Slovakia s.r.o.,respectively. At December 31, 2012, the Group owned 100% of the shares of Amadeus Czech Republic and Slovakia s.r.o.

On January 2, 2012, the Group acquired a 100% participation of Airconomy Aviation Intelligence GmbH & Co KG, whose main activity is the development of software and consulting service. The purchase consideration paid and the excess purchase price resulting is set forth in the table below:

	Airconomy Aviation Intelligence GmbH & Co KG
Purchase consideration	2,036
Equity in net assets acquired	(321)
Excess Purchase Price	1,715

At December 31, 2012, the purchase accounting for the combination of Airconomy Aviation Intelligence GmbH & Co KG, was completed. The table below sets forth the amount of assets and liabilities recognized at the acquisition date, and those identified after the measurement period finalised, together with the resulting goodwill:

	Airconomy Aviation Intelligence GmbH & Co KG		
	Carrying amounts at acquisition date	Fair Value adjustments to purchase value	Fair value of net assets acquired
Intangible assets	-	1,730	1,730
Property, plant and equipment	60	-	60
Other non-current assets	50	-	50
Total non–current assets	110	1,730	1,840
Total current assets	306	-	306
Total non–current liabilities	50	-	50
Total current liabilities	45	-	45
Net identifiable assets acquired	321	1,730	2,051
Purchase consideration	2,036		2,036
Negative Goodwill resulting from the acquisition taken to profit or loss	1,715		(15)

The intangible asset identified in the acquisition of Airconomy is a software development named Total Demand. Total Demand is an algorithm to estimate the total demand for each Origin & Destination (O&D). The software is a key complement of Amadeus' MIDT since it provides a total view of the market per O&D (including direct sales of both full service carriers and low cost carriers), thus helping carriers to assess their true market share on an O&D.

The net income contributed to the Group's results for the year ended December 31, 2012, by Airconomy Aviation Intelligence GmbH & Co KG, S.A. and subsidiaries was KEUR 56. This subsidiary was part of the consolidated Group for the full twelve months of the year 2012.

13.2 Other equity investments

In the year ended December 31, 2013, indirectly through its subsidiary Amadeus IT Group, S.A., the Group carried out the following equity investments:

Newly created companies:

- AMS-NM Acquisition, Inc. (indirectly through its subsidiary Amadeus Americas Inc.)

Capital increases:

- Amadeus Perú S.A. (loan capitalisation)
- Amadeus GTD Ltd. (loan capitalisation)

In the year ended December 31, 2012, indirectly through its subsidiary Amadeus IT Group, S.A., the Group carried out the following equity investments:

Newly created companies:

- 100% interest in Amadeus Airport IT GmbH
- 100% interest in Amadeus Software Labs India Private Limited (indirectly through its subsidiary Amadeus sas)

Capital Increases:

- Amadeus Airport IT GmbH

14 COMMITMENTS

14.1 Finance and operating leases

The Group leases certain facilities and equipment under operating and finance leases.

On December 2012, the Group executed the purchase option for the land and the buildings where the data processing center is located in Erding. The execution of this purchase option meant the early termination of a finance lease agreement that originally run up to December 31, 2019. The Group paid KEUR 57,775 for the termination of the lease obligation, incurred in 2,380 KEUR as compensation fees paid to the financial institution (classified under financial expenses at the consolidated statement of comprehensive income), and incurred on certain costs (principally property taxes) by an amount of KEUR 2,093 that were capitalized as part of the land and buildings.

Finance lease payments for all the entities within the Group consisted of principal plus interest at an average of 3.6% and 6.1% during the years ended December 31, 2013 and 2012, respectively.

The future minimum lease payments for finance leases at December 31, 2013 and 2012, were as follows:

	31/12/2013		31/12/2012	
Year(s) due	Gross	Net present value	Gross	Net present value
0 – 1	9,022	8,571	7,133	6,714
1 – 2	6,851	6,592	6,115	5,822
2 – 3	3,176	3,012	3,694	3,495
3 – 4	1,185	1,023	1,237	1,100
4 – 5	1,049	855	1,075	885
5 – 10	1,691	1,311	2,722	2,065
Total minimum lease payments	22,974	21,364	21,976	20,081
Less amount representing interest	1,610		1,895	
Obligations under finance leases (note 16)	**21,364**	**21,364**	**20,081**	**20,081**
Current portion	8,442		6,399	
Non-current portion	12,922		13,682	
	21,364		20,081	

For the years ended December 31, 2013 and 2012, the rental expense for operating leases were KEUR 37,184 and KEUR 36,524, respectively.

During 2012 our subsidiary Amadeus Germany GmbH entered into an operating lease agreement for the use of new building premises that will only commence at January 1, 2015, when the premises are ready for use. The lease term is 10 years with a renewal option of one additional term of 5 years. During 2013, certain terms in the original lease agreement have been renegotiated, and if conditions precedent are met, the lease will be classified as a finance lease starting on November 15, 2014.

The future minimum lease payments for operating leases at December 31, 2013 and 2012, were as follows:

Year(s) due	31/12/2013	31/12/2012
0 – 1	36,509	33,809
1 – 2	33,393	31,969
2 – 3	30,566	29,196
3 – 4	23,054	26,810
4 – 5	18,509	22,605
5 – 10	56,087	64,876
10 - 15	6,395	10,909
Total payments	204,513	220,174

14.2 Other commitments

On August 22, 2012 the Group agreed a new loan by KEUR 62,000 to replace the finance lease over the data processing centre in Erding described above. The new mortgage loan is secured by a first-ranking charge on the land and the building facilities of Amadeus Data Processing GmbH in the amount of the nominal of the loan, as detailed in note 16.

14.3 Guarantees and commitments for the acquisition of property, plant and equipment

The Group guarantees at December 31, 2013 and December 31, 2012, were as follows:

	31/12/2013	31/12/2012
Guarantees from Group companies	5,569	6,648
Guarantees from financial institutions	52,565	49,648
Total Guarantees	58,134	56,296

At December 31, 2013, the Group has short-term commitments to acquire property, plant and equipment for KEUR 9,518 and (KEUR 3,735 as of December 31, 2012).

15 EQUITY

15.1 Share Capital

As of December 31, 2013 the Company share capital amounts to KEUR 4,476 divided into 447,581,950 ordinary shares of a single series with a nominal value of EUR 0.01 per share. All shares are fully subscribed and paid.

At December 31, 2013 and 2012, the Company's shares are held as follows:

Shareholder	31/12/2013	31/12/2012	% of total voting rights at December 31, 2013	% of total voting rights at December 31, 2012
Free float	403,862,208	399,368,926	90.24%	89.23%
Air France Finance	22,578,223	22,578,223	5.04%	5.04%
Malta Pension Investments (1)	17,903,279	17,903,279	4.00%	4.00%
Iberia Líneas Aéreas de España, S.A. Operadora, Sociedad Unipersonal	-	3,742,200	-	0.84%
Treasury shares (2)	2,963,138	3,571,810	0.66%	0.80%
Board Members	275,102	417,512	0.06%	0.09%
Total	447,581,950	447,581,950	100.00%	100.00%

(1) Malta Pension Investments is an independent company to Deutsche Lufthansa AG and its group of companies. It forms part of a group of companies owned by "Lufthansa Pension Trust e V." and it is the entity to which Deutsche Lufthansa AG makes contributions to finance future retirement benefits of its employees in Germany and abroad. Deutsche Lufthansa AG and Malta Pension Investments entered into an Agreement by which Deutsche Lufthansa AG reserves the faculty to exercise the contractual rights of the signatory shareholders of the Relationship Agreement of Amadeus IT Holding, S.A. of 29 April 2010, mainly, the appointment of a Director at the Board of Amadeus IT Holding, S.A., within the terms and conditions of the Relationship Agreement.
(2) Voting rights suspended as the shares involved are treasury shares.

On June 7, 2013, Iberia Líneas Aéreas de España, S.A. Operadora, Sociedad Unipersonal belonging to International Consolidated Airlines Group, has exercised the option that was granted in the context of the financial derivative instrument (‘collar’) held in August 2012, that had conferred as financial security. This guarantee provides a disposal right over the shares in the benefit of the chargee (acreedor pignoraticio). On June 21, 2013, under this option, the chargee has exercised his disposal right over its participation in the Company (33,562,331 shares representing 7.5% of the share capital), while Iberia keeps the right to exercise or direct the voting rights attached to such shares at any time.

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

15.2 Additional paid-in capital

The balance on the “Additional paid-in capital” caption represents the amounts received in excess of the nominal value of the ordinary shares (“share premium”), net of issuance and listing costs and taxes. Within this account the Group also recognizes the cumulative amounts charged to profit in respect to employee share-based payments and the gains or losses resulting from transactions with its own shares.

15.3 Treasury shares

Reconciliation of the carrying amounts for the years ended December 31, 2013 and 2012, of the treasury shares is as follows:

	Treasury Shares	KEUR
Balance at December 31, 2011	**2,093,760**	**1,716**
Acquisition	2,300,000	32,573
Retirement	(821,950)	(3,701)
Balance at December 31, 2012	**3,571,810**	**30,588**
Acquisition	204,753	4,844
Retirement	(813,425)	(5,464)
Balance at December 31, 2013	**2,963,138**	**29,968**

The historical cost for treasury shares retired (primarily for the settlement of the PSP 2011 – see note 19) is deducted from the “Additional paid-in capital” caption of the consolidated statement of financial position.

The Group holds treasury shares for hedging the future specific share delivery commitments with the Group employees and management.

15.4 Dividends

On December 12, 2013, the Board of Directors of the Company has approved the distribution of an interim gross dividend from the profit for the year 2013 of a fixed amount of EUR 0.30 per ordinary share. The dividend amounts to EUR 133,385,644, once deducted the portion that corresponds to ordinary shares held by the Group (“Treasury Shares”). The amount payable is presented, as a deduction from “Equity” and under the “Interim dividend payable” caption in the consolidated statement of financial position as of December 31, 2013, and has been paid on January 31, 2014.

On June 20, 2013, the General Shareholders' Meeting agreed to distribute a gross dividend from the profit for the year 2012 of EUR 0.50 per ordinary share with the right to take part in the distribution on the payment date, of which an interim gross dividend of EUR 0.25 per share, amounting to EUR 111,002,536, was paid in full on January 30, 2013. This interim gross dividend had been approved by the Board of Directors of the Company on December 13, 2012, and was presented under the "Interim dividend payable" caption in the consolidated statement of financial position as of December 31, 2012. A complementary dividend of EUR 0.25 per share, amounting to EUR 111,151,786 once deducted the portion that corresponds to shares held by the Group ("Treasury shares"), was paid on July 30, 2013.

On June 21, 2012, the General Shareholders' Meeting agreed to distribute a gross dividend from the profit for the year 2011 of EUR 0.37 per ordinary share with the right to take part in the distribution on the payment date, of which an interim dividend of EUR 0.175 per share, amounting to EUR 77,960,433 was already paid on January 30, 2012. This interim dividend had been approved by the Board of Directors of the Company on November 30, 2011. A complementary dividend of EUR 0.195 per share, amounting to EUR 86,580,340 once deducted the portion that corresponds to shares held by the Group ("Treasury shares"), was paid on July 27, 2012.

15.5 Retained earnings and reserves

The balance on these accounts represents the accumulated retained earnings of the Group before the profit for the year and after the dividend distribution, as well as reserves that are statutorily required.

Notes (thousands of euros – KEUR)

15.6 Unrealized gains reserve

The consolidated changes in the components of "Other comprehensive income" (or "Unrealized gains reserve" on our consolidated statement of financial position) for the years ended at December 31, 2013 and 2012, are set out in the table below:

	Cash-flow hedges			Available-for-sale financial instruments	Actuarial gains and losses	Exchange differences on translation of foreign operations	Total
	Exchange rates hedges	Interest rate swaps	Equity swaps				
Balance at December 31, 2011	**57,655**	**(9,993)**	**(205)**	**(6)**	**(9,187)**	**(13,211)**	**25,053**
Changes in fair value	8,423	(1,223)	(3,423)	(2)	(14,405)	(1,858)	(12,488)
Tax effect of changes in fair value	(2,378)	322	1,027	-	5,196	-	4,167
Transfers to income and expense	(6,892)	4,380	3,722	-	-	-	1,210
Tax effect of transfers	2,068	(1,314)	(1,121)	-	-	-	(367)
Balance at December 31, 2012	**58,876**	**(7,828)**	**-**	**(8)**	**(18,396)**	**(15,069)**	**17,575**
Changes in fair value	(4,781)	8,253	-	1	6,389	(11,796)	(1,934)
Tax effect of changes in fair value	1,434	(2,466)	-	-	(2,231)	-	(3,263)
Transfers to income and expense	(20,374)	-	-	-	-	-	(20,374)
Tax effect of transfers	6,112	-	-	-	-	-	6,112
Balance at December 31, 2013	**41,267**	**(2,041)**	**-**	**(7)**	**(14,238)**	**(26,865)**	**(1,884)**

The "Cash-flow hedges" component of our "Unrealized gains reserve" is, as detailed in note 20, a reserve used to recognize the changes in fair value, net of taxes, of certain effective hedge instruments held by the Group in order to cover foreign exchange, interest rate and own shares valuation risks.

The "Available-for-sale financial instruments" component is a reserve used to recognize the changes in the fair value of those financial assets that have been designated as available-for-sale at inception.

The "Actuarial gains and losses" component is a reserve used to recognize all of the actuarial gains and losses for the period of all our defined benefit plans. The actuarial gains and losses comprise mainly the effects of the changes in actuarial assumptions as detailed in note 12.

The "Exchange differences on translation of foreign operations" component is a reserve used to record the exchange differences arising from the translation of the financial statements of foreign operations, when their currency is different from Euro.

15.7 Non-controlling interests

As of December 31, 2013 and 2012, the Group held the following Amadeus IT Group, S.A. shares:

Shareholder	31/12/2013	31/12/2012	% of total economic rights at December 31, 2013	% of total economic rights at December 31, 2012
Amadeus IT Holding, S.A.	4,217,617,904	4,217,617,904	99.89%	99.89%
Non-controlling interests	4,453,283	4,453,283	0.11%	0.11%
Total	**4,222,071,187**	**4,222,071,187**	**100.00%**	**100.00%**

On December 27, 2013, the Group has acquired indirectly through its subsidiary Amadeus IT Group, S.A. 60% additional interest in Amadeus Eesti AS. At December 31, 2013, the Group controls 65% of the issued shares of Amadeus Eesti AS. The non-controlling interests arising from the acquisition is KEUR 199 (note 13).

On July 18, 2012, the Group acquired, indirectly through its subsidiary Amadeus France SNC, the remaining non-controlling interests in Amadeus France Services SA. The value of the stake was KEUR 2,000. These companies have been merged during 2013.

16 CURRENT AND NON-CURRENT DEBT

The breakdown of carrying amounts of debt with financial institutions at December 31, 2013 and 2012, is set forth below:

	31/12/2013	31/12/2012
Unsecured Senior Credit Facility	299,755	546,941
Deferred financing fees	(6,171)	(2,909)
Bonds	750,000	750,000
Deferred financing fees on Bonds	(4,023)	(5,606)
European Investment Bank	338,251	190,113
Deferred financing fees on European Investment Bank	(681)	(643)
Other debt with financial institutions	37,288	49,677
Obligations under finance leases	12,922	13,682
Total non-current debt	1,427,341	1,541,255
Unsecured Senior Credit Facility	219,794	305,315
Deferred financing fees	(1,391)	(2,598)
Accrued interest (1)	20,646	21,167
Other debt with financial institutions	23,377	23,007
Obligations under finance leases	8,442	6,399
Total current debt	270,868	353,290
Total debt	**1,698,209**	**1,894,545**

(1) Under the "Accrued Interest" caption, the Group includes the interest payable in relation to the interest rate derivatives (IRS) in the amount of KEUR 1,845 and KEUR 2,293 at December 31, 2013 and 2012, respectively.

On May 29, 2013 and June 14, 2013, Standard & Poor's and Moody's have raised the Group's debt rating to "BBB/A-2" and "Baa2", respectively. The outlook of the rating of our debt is stable.

At December 31, 2013, after taking into account the effect of interest rate swaps, approximately 90% (94% in December 31, 2012) of the Groups' outstanding debt is at fixed rate of interest until November 2015. All the debt maturing after that date is fixed rate debt.

The Group is required to meet two financial covenants, for the Unsecured Senior Credit Facility, the European Investment Bank senior loans and the Revolving Credit Facility, calculated on the basis of (i) the ratio of total Net Debt to EBITDA (Earnings before Interests, Taxes, Depreciation and Amortization), and (ii) the ratio of EBITDA to Net Interest Payable. As at December 31, 2013 and 2012, the Group is in compliance with the financial covenants.

16.1 Unsecured Senior Credit Facility

At December 31, 2013, the outstanding amount under the unsecured senior credit facility is structured under the following tranches and features:

Facility	Outstanding balance	Currency	Type of maturity	Final maturity date
Facility A	265,932	EUR	Amortizing	November 2015
	253,617	USD		
Total	519,549			

On May 16, 2013, the Group has repaid as established in the conditions of the financing agreements, KEUR 51,245 and KUSD 63,593 (KEUR 49,335) from the Facility A and KEUR 106,428 corresponding to the full outstanding amount of the Facility B.

On May 16, 2013, the Facility D has reached its termination date. The facility had a credit limit of KEUR 100,000 and was undrawn at the date of termination, as such no repayment was made.

On June 3, 2013, the Group has voluntarily prepaid KEUR 81,245 corresponding to the Facility A. This voluntary debt repayment reduces the scheduled debt repayments taking place in November 2013 and May 2014 by KEUR 51,245 and KEUR 30,000, respectively.

On November 4, 2013, additional funds were disposed from the Facility A by an amount of KEUR 16,644 due to the USD/EUR evolution.

On November 18, 2013, the Group has repaid as established in the conditions of the financing agreements, KEUR 2,560 and KUSD 63,593 (KEUR 47,047) from the Facility A.

The Unsecured Senior Credit Facility has a margin over the variable interest rate of Euribor/US Libor of 1.10% as of December 31, 2013 (1.24% in December 31, 2012).

16.2 Unsecured Senior Term Loan Facility

On December 18, 2013, the Group entered an unsecured senior term loan facility with a maximum principal amount of KUSD 500,000 to finance the acquisition of NMTI Holdings, Inc. and its group of companies ("Newmarket International" or "Newmarket"). The US Federal Trade Commission has approved the acquisition on January 30, 2014. The loan has scheduled repayments every six months starting on March 2017 and in its final maturity date on December 2018. The term loan facility will have a margin over the variable interest rate of US Libor of 1.5%, once is disposed.

In relation to this new facility, the Group has paid to banks transaction costs ("Deferred financing fees") by KEUR 3,428.

16.3 Revolving Credit Facility

On November 18, 2013, the Group has entered into a Revolving Credit Facility via a "club deal" with a group of banks, with five year maturity date from completion date for an amount of EUR 300,000. This Revolving Credit Facility replaces the one signed on April 24, 2012, of KEUR 200,000, with maturity date December 1, 2013. When entering into the new Revolving Credit Facility, the Group has paid to banks transaction costs ("Deferred financing fees") by KEUR 2,254.

16.4 Bonds

As of June 24, 2011, the Company, through its subsidiary Amadeus Capital Markets S.A.U., registered with the Financial Conduct Authority (FCA) in London a program to issue debt instruments "Euro Medium Term Notes Programme" guaranteed by Amadeus IT Holding, S.A. The issue has a maturity of five years, a fixed annual coupon of 4.875%, and an issue price of 99.493% of its nominal value.

16.5 European Investment Bank (EIB)

On April 29, 2013, the European Investment Bank has granted to the Group an unsecured senior loan for an amount of KEUR 150,000. The loan has been drawn on May 17, 2013 and is structured in a single tranche by KEUR 150,000 with scheduled payments every six months starting on November 2017.

The loan proceeds have to be used to undertake a minimum agreed amount of investment on research and development activities in the area of Distribution business line.

On May 14, 2012, the European Investment Bank has granted to the Group an unsecured senior loan for an amount of KEUR 200,000. The loan has been drawn on May 24, 2012, and is structured in two separate tranches, a first tranche by KEUR 150,000 with scheduled payments every six months starting on November 2015, and a second tranche by KEUR 50,000 with scheduled payments every six months starting on November 2016.

The loan proceeds have to be used to undertake a minimum agreed amount of investment on research and development activities in the area of IT Solutions for the Group's passenger service systems.

The difference, amounting at inception to KEUR 10,755 (for the first EIB loan) and to KEUR 3,760 (for the second EIB loan), between the carrying amount of the loans initially measured at fair value, and the proceeds received, has been accounted for as a government grant under "Deferred revenue non-current" caption. The market interest rate for the loans has been calculated and the cash flows resulting from the loans have been discounted at that rate. The market interest rate has been determined by reference to the market conditions that existed as the origination date of the loans, and interest rates charged for similar debt instruments. This fair value measurement is categorised within level 2.

16.6 Other debt with financial institutions

On August 22, 2012, the Group agreed a new mortgage loan by KEUR 62,000 to cancel the outstanding finance lease obligation over its data processing centre in Erding (note 9). This new loan was contracted by Amadeus Data Processing GmbH and has a 3.04% nominal interest rate and quarterly instalment repayments from March 31, 2013 to December 31, 2017. The new mortgage loan is secured by a first-ranking charge on the land and the building facilities of Amadeus Data Processing GmbH in the amount of the nominal of the loan. The outstanding amount as of December 31, 2013, is KEUR 49,600.

The table below set out the Group's debt payable by maturity and currency as of December 31, 2013:

			Maturity					
			Current	Non-current				
		31/12/2013	2014	2015	2016	2017	2018 and beyond	Total non-current
Unsecured Senior Credit Facility	EUR	265,932	104,514	161,418	-	-	-	161,418
(1)	USD	253,617	115,280	138,337	-	-	-	138,337
Bonds	EUR	750,000	-	-	750,000	-	-	750,000
EIB	EUR	350,000	-	12,500	30,000	50,000	257,500	350,000
Accrued interest	EUR	19,558	19,558	-	-	-	-	-
	USD	1,088	1,088	-	-	-	-	-
Other debt with financial institutions	EUR	60,665	23,377	12,488	12,400	12,400	-	37,288
Leases	EUR	21,364	8,442	6,489	3,040	1,257	2,136	12,922
Total Debt payable		1,722,224	272,259	331,232	795,440	63,657	259,636	1,449,965
Non-current Deferred financing fees		(10,875)						
Current Deferred financing fees		(1,391)						
Remaining fair value adjustment on EIB loan		(11,749)						
Total Debt		1,698,209						

(1) The amortization calendar of the Unsecured Senior Facilities in USD could change if significant changes in the USD exchange rate take place.

Notes (thousands of euros – KEUR)

The table below set out the Group's debt payable by maturity and currency as of December 31, 2012:

			Maturity					
			Current	Non-current				
		31/12/2012	2013	2014	2015	2016	2017 and beyond	Total non-current
Unsecured Senior Credit Facility	EUR	490,766	208,918	128,112	153,736	-	-	281,848
(1)	USD	361,490	96,397	120,497	144,596	-	-	265,093
Bonds	EUR	750,000	-	-	-	750,000	-	750,000
EIB	EUR	200,000	-	-	12,500	30,000	157,500	200,000
Accrued interest	EUR	19,935	19,935	-	-	-	-	-
	USD	1,232	1,232	-	-	-	-	-
Other debt with financial institutions	EUR	72,684	23,007	12,477	12,400	12,400	12,400	49,677
Leases	EUR	20,081	6,399	5,518	3,390	954	3,820	13,682
Total Debt payable		1,916,188	355,888	266,604	326,622	793,354	173,720	1,560,300
Non-current Deferred financing fees		(9,158)						
Current Deferred financing fees		(2,598)						
Remaining fair value adjustment on EIB loan		(9,887)						
Total Debt		1,894,545						

(1) The amortization calendar of the Unsecured Senior Credit Facility in USD could change if significant changes in the USD exchange rate take place.

Notes (thousands of euros – KEUR)

17 PROVISIONS

Reconciliation of the carrying amounts for the years ended December 31, 2013 and 2012, of the items included under the "Non-current provisions" caption are as follows:

	Employee liability	Claims and litigations	Other provisions	Total
Carrying amount at December 31, 2011	**7,762**	**28,072**	**4,275**	**40,109**
Additions	-	-	1,649	1,649
Additional amounts through income statement	305	9,062	7	9,374
Payments	(179)	(700)	(275)	(1,154)
Unused reversed amounts	(37)	(4,021)	(997)	(5,055)
Transfers	(102)	-	-	(102)
Translation changes	(252)	(20)	32	(240)
Carrying amount at December 31, 2012	**7,497**	**32,393**	**4,691**	**44,581**
Additions	-	-	1,128	1,128
Additional amounts through income statement	345	4,473	132	4,950
Payments	(89)	(29)	(141)	(259)
Unused reversed amounts	(26)	(10,236)	(1,621)	(11,883)
Transfers	(6,178)	(3,956)	-	(10,134)
Translation changes	8	(1,685)	(256)	(1,933)
Carrying amount at December 31, 2013	**1,557**	**20,690**	**3,933**	**26,450**

The nature of the obligations covered by the provisions for claims and litigations that is described in the table above at December 31, 2013, principally relates to the best estimate of the final compensation that would be required to settle legal claims with third parties and provisions to fulfil certain offsetting obligations in territories where the Group operates. The amounts under other provisions are mainly related to the restoration obligations of office buildings under operating leases where the Group carries out its operations, and contingent payments linked to business combinations. The timing of the outflows is expected to occur in the long term and up to the amounts the obligations are provided for.

During the year ended December 31, 2013 and 2012, additions to the provisions for claims and litigations mainly refer to the provision mentioned above to fulfil certain offsetting obligations in territories where the Group operates.

During the year ended December 31, 2013, unused reversed amounts on the provisions for claims and litigations mainly refer to the resolution of uncertainties that related to the terms of the disposal of entities controlled by the Group that have expired and therefore have been reversed. Also, it includes a partial reverse of the onerous lease provision in a Group subsidiary. During the year ended December 31, 2012, certain claims from a customer for delays on the delivery of a product have been waived, as the product has been successfully implemented, and thus the unused amount of the provision has been reversed.

The transfers in claims and litigations during the year ended December 31, 2013, mainly relates to the reallocation of uncertain tax provisions in the territories where the Group operates to the caption "Other non-current liabilities". Also, transfers in claims and litigations in 2013 include certain current provisions reclassified to non-current as the settlement date was still uncertain at year end.

Reconciliation of the carrying amounts for the years ended December 31, 2013 and 2012, of the items included under the "Current Provisions" caption are as follows:

Carrying amount at December 31, 2011	**20,682**
Additional amounts through income statement	8,567
Payments	(1,146)
Unused reversed amounts	(816)
Transfers	102
Translation changes	(943)
Carrying amount at December 31, 2012	**26,446**
Additions	589
Additional amounts through income statement	655
Payments	(1,499)
Unused reversed amounts	(3,690)
Transfers	(10,118)
Translation changes	(1,724)
Carrying amount at December 31, 2013	**10,659**

Within current provisions the Group includes a provision for amounts which could become payable to a bank, in accordance with a comfort letter, in connection with loans granted by this bank to Quivive GmbH, an associate company. This provision amounted to KEUR 6,833 in 2013 and 2012.

During 2013 unused reversed amounts mainly relate to provisions for claims from customers that are not applicable anymore as a result of the new terms of these contractual relationships with these customers.

The transfers during the year ended December 31, 2013 relate to certain claims and litigations reclassified to non-current as the settlement date was still uncertain at year end.

Additions are related to contingent payments linked to the business combination of Amadeus IST as described in note 13.

18 RELATED PARTIES BALANCES AND TRANSACTIONS

Below is a summary of significant operations and transactions with related parties of the Company and its Group. All transactions with related parties are carried out on an arm's length basis.

18.1 Subsidiaries

Transactions between the Group and its subsidiaries, which are related parties of the Company, were eliminated on consolidation. Accordingly they are not disclosed in this note.

18.2 Shareholders and significant influence

The shareholder of reference is Air France, and the entities with significant influence over the Group are Iberia and Lufthansa beacause both entities reserve the faculty and have appointed a Director of the Board of Amadeus IT Holding, S.A. as stated within the terms and conditions of the signatory shareholders of the Relationship Agreement of Amadeus IT Holding, S.A. dated 29 April 2010.

18.3 Board of Directors

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

At meeting held on June 20, 2013, and June 21, 2012, the General Shareholders' Meeting approved a fixed remuneration of up to KEUR 1,305 and KEUR 1,220, in cash or in kind, for the years ended December 31, 2013 and 2012, respectively; and it empowered the Board of Directors with the authority to resolve on how said remuneration was to be distributed among the members of the Board, following article 16 of the Company's by-laws. The Board of Directors of the Company may agree an unequal remuneration scheme distribution. Payments of compensation for the years 2013 and 2012 were conducted in December 2013 and December 2012, respectively.

Breakdown by type of payment received by the members of the Board of Directors in 2013 and 2012 is as follows:

	31/12/2013		31/12/2012	
Board Members	Payment in cash	Payment in kind	Payment in cash	Payment in kind
José Antonio Tazón García	197	3	176	4
Guillermo de la Dehesa Romero	149	-	128	-
Bernard Bourigeaud	106	-	100	-
Christian Boireau	106	-	100	-
Clara Furse	128	-	139	-
David Webster	128	-	113	-
Francesco Loredan	106	-	100	-
Roland Busch	51	-	-	-
Pierre–Henri Gourgeon	85	-	80	-
Stephan Gemkow (1)	53	-	94	-
Enrique Dupuy de Lôme Chavarri	106	-	100	-
Stuart Anderson McAlpine	85	-	86	-
Total	**1,300**	**3**	**1,216**	**4**

(1) Left the Board of Directors of Amadeus IT Holding, S.A. on July 1, 2013

Notes (thousands of euros – KEUR)

At December 31, 2013 and 2012, investment held by the members of the Board of Directors in the share capital of the Company is as follows:

	31/12/2013	31/12/2012
Name	Shares	Shares
José Antonio Tazón García	275,000	417,510
David Webster	1	1
Bernard Bourigeaud	1	1
Roland Busch	100	-

Pursuant to section 229, article 3 of the Spanish Capital Companies Act, introduced by Act 1/2010, dated 2 July, with the purpose of reinforcing the transparency of quoted public limited companies, it is reported that no member of the Board of Directors, nor people considered related parties to the directors, have held financial interests in the capital of companies engaged in the same activities or similar or additional to those within the corporate purpose of the Company.

Furthermore, in accordance with the aforementioned precept, transactions as performed by the different members of the Board of Directors, for their own account or for a third party, in companies engaged in the same activities as or similar or additional to those of the Company, at December 31, 2013, were the following:

Name	Type of regime on own account or on behalf of third party	Name of third party on behalf of which the transaction was performed	Position or function in the company involved
José Antonio Tazón García	Own account	Amadeus IT Group, S.A.	Chairman
José Antonio Tazón García	Own account	Expedia, Inc.	Board Member
Enrique Dupuy de Lôme Chavarri	Third party	Amadeus IT Group, S.A.	Vice-Chairman
Stuart Anderson McAlpine	Third party	Amadeus IT Group, S.A.	Board Member
Francesco Loredan	Third party	Amadeus IT Group, S.A.	Board Member
Stephan Gemkow (1)	Third party	Amadeus IT Group, S.A.	Board Member
Christian Boireau	Third party	Amadeus IT Group, S.A.	Board Member

(1) Left the Board of Directors of Amadeus IT Group, S.A. on July 1, 2013

Notes (thousands of euros – KEUR)

18.4 Key Management Compensation

Remuneration of directors and other members of key management of the Group in the years 2013 and 2012, is as follows:

	31/12/2013	31/12/2012
Compensation in cash	6,724	7,013
Compensation in kind	464	407
Contributions to pension plan and collective life insurance policies	794	823
Share-based payments	5,807	4,100
Total (1)	13,789	12,343

(1) Key management personnel includes 11 members for the years ended December 31, 2013 and 2012.

Reconciliation of the number of shares held by the Group Management at December 31, 2013 and 2012, is the following:

	Shares
December 31, 2011	**2,505,645**
Additions	742,453
Retirements	(2,460,482)
December 31, 2012	**787,616**
Additions	234,402
Retirements	(483,752)
December 31, 2013	**538,266**

Notes (thousands of euros – KEUR)

18.5 Other related parties

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

The tables below set forth the Group's transactions with the related parties that are described in sections 18.1 to 18.5 above as of December 31, 2013:

	31/12/2013			
Consolidated statement of comprehensive income	Shareholders and significant influence	Board members and key management	Other related parties	Total
Cost of revenue and other operating expenses	8,094	-	64,344	72,438
Personnel and related expenses	-	15,092	-	15,092
Total expenses	8,094	15,092	64,344	87,530
Dividends received-Share in profit from associates and joint ventures accounted for using the equity method	-	-	2,918	2,918
Revenue	458,445	-	11,075	469,520
Total income	458,445	-	13,993	472,438

	31/12/2013			
Consolidated statement of financial position	Shareholders and significant influence	Board members and key management	Other related parties	Total
Dividends Receivable - Other current financial assets	-	-	2,033	2,033
Trade accounts receivable	26,716	-	7,414	34,130
Interim dividend payable	6,773	244	-	7,017
Trade accounts payable	14,079	-	14,196	28,275
Loans receivable – Other current/non-current financial assets	-	-	39	39

Notes (thousands of euros – KEUR)

The tables below set forth the Group's transactions with the related parties that are described in sections 18.1 to 18.5 above as of December 31, 2012:

	31/12/2012			
Consolidated statement of comprehensive income	Shareholders and significant influence	Board members and key management	Other related parties	Total
Cost of revenue and other operating expenses	7,654	-	66,103	73,757
Personnel and related expenses	-	13,563	-	13,563
Total expenses	7,654	13,563	66,103	87,320
Dividends received-Share in profit from associates and joint ventures accounted for using the equity method	-	-	2,042	2,042
Revenue	454,221	-	9,846	464,067
Total income	454,221	-	11,888	466,109

	31/12/2012			
Consolidated statement of financial position	Shareholders and significant influence	Board members and key management	Other related parties	Total
Dividends Receivable - Other current financial assets	-	-	1,408	1,408
Trade accounts receivable	10,892	-	5,281	16,173
Interim dividend payable	5,644	301	-	5,945
Trade accounts payable	23,108	-	14,290	37,398
Loans receivable – Other current/non-current financial assets	-	-	205	205

19 SHARE- BASED PAYMENTS

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

19.1 Performance Share Plan (PSP)

The Performance Share Plan consists of a contingent award of shares to certain members of the Amadeus Group's management. The final delivery of the shares at the end of the vesting period depends on the achievement of predetermined performance objectives that relate to value creation in Amadeus Group as well as employee service requirements.

- For the first two cycles, PSP 2010 and PSP 2011, the performance objectives related to the relative shareholder return (TSR), adjusted basic earnings per share (EPS) growth and pre-tax adjusted free cash flow (OCF) growth;

- For the following cycles, PSP 2012 and PSP 2013, the performance objectives relate to the relative shareholder return (TSR) and the adjusted basic earnings per share (EPS) growth.

For the first three cycles (2010 to 2012), the duration (vesting period) of each independent cycle is two years each, followed by a holding period during which a given percentage of the vested shares may not be sold. For the 2013 cycle, the vesting period is three years and no holding period applies except in France.

This plan is considered as equity-settled under IFRS 2 and, accordingly, the fair value of services received during the years ended as of December 31, 2013 and 2012, as consideration for the equity instruments granted, is presented in the consolidated statement of comprehensive income under the “Personnel and related expenses” caption by an amount of KEUR 9,820 and KEUR 9,233, respectively.

The fair value of the equity instruments granted has been determined using a scholastic valuation model (Monte-Carlo) for the tranche that involves market conditions, and the Black-Scholes model and an estimation of expected performance for the tranche(s) that involve non-market conditions. The fair value of the equity instruments at grant date is adjusted to incorporate the market conditions to which the performance of the plan is linked. The detail of the shares allotted and fair value at grant date in the Group’s PSP, is as follows:

	PSP 2010	PSP 2011	PSP 2012	PSP 2013
Total shares allotted at grant date (1)	564,917	532,045	548,760	496,902
Fair value of those instruments at grant date (EUR)	14.46	13.19	15.05	22.87
Dividend yield	1.6%	2.2%	1.9%	1.6%
Expected volatility	30.8%	24.0%	24.8%	23.4%
Risk free interest rate	0.8%	1.5%	0.1%	2.75%
Vesting period	2 years	2 years	2 years	3 years

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

During the year 2013, the PSP 2011 was settled shortly after the vesting date, implying that the Group transferred to the eligible employees 793,639 shares, due to the achievement of the performance objectives (160.77%), at a weighted average price of EUR 24.78 per share, and implying an impact of KEUR 2,688 on “Additional Paid in capital” caption due to the settlement. The Group used treasury shares to settle this share-based payment (see note 15).

During the year 2012, the PSP 2010 was settled at vesting date, implying that the Group transferred to the eligible employees 818,604 shares, due to the achievement of the performance objectives (152.36%), at a weighted average price of EUR 15.65 per share, and implying an impact of KEUR (380) on “Additional Paid in capital” caption due to the settlement. The Group used treasury shares to settle this share-based payment (see note 15).

The detail of the changes in the Group's PSP for the years 2013 and 2012, is as follows:

	31/12/2013				31/12/2012			
	PSP 2011	PSP 2012	PSP 2013	Total (1)	PSP 2010	PSP 2011	PSP 2012	Total (1)
Number of shares allotted at beginning of the year	505,789	547,702	-	1,053,491	539,343	523,476	-	1,062,819
Shares allotted during the period	-	-	496,902	496,902	-	-	548,760	548,760
Forfeiture during the period	(12,141)	(22,586)	(1,017)	(35,744)	(2,059)	(17,687)	(1,058)	(20,804)
Settlement of plan at vesting date	(493,648)	-	-	(493,648)	(537,284)	-	-	(537,284)
Number of shares allotted at end of the year	-	525,116	495,885	1,021,001	-	505,789	547,702	1,053,491

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

19.2 Restricted Shares Plan (RSP)

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

This plan is considered as equity-settled under IFRS 2. The fair value of services received during the years ended as of December 31, 2013 and 2012, as consideration for the equity instruments granted (74,012 in 2013 and 71,217 in 2012 Restricted Share Units awarded), is presented in the consolidated statement of comprehensive income under the "Personnel and related expenses" caption by an amount of KEUR 391 and KEUR 278, respectively.

During the year 2013, certain RSP awards were settled at vesting date, implying that the Group transferred to the eligible employees 19,786 shares, at a weighted average price of EUR 24.92 per share, and implying an impact of KEUR 41 on "Additional Paid in capital" caption due to the settlement. The Group used treasury shares to settle this share-based payment (see note 15).

19.3 Share Match Plan

The Share Match Plan consists of a contingent award of shares to Amadeus employees that voluntarily decided to participate in the plan. The final delivery of the shares at the end of the vesting period depends on the achievement of predetermined vesting conditions that relate to the purchase and holding of Amadeus IT Holding S.A. shares, as well as to the participant remaining employed by Amadeus until the end of the cycle.

Under the terms of the Share Match Plan, Amadeus will grant the participants an additional Amadeus IT Holding, S.A. share for every two purchased, provided they hold the shares for a year after the purchase period has ended. Extraordinarily, for the first cycle, Amadeus will transfer 25 Amadeus IT Holding, S.A. shares to each participant after the end of the purchase period. The first cycle of the plan started on July 2013.

This plan is considered as equity-settled under IFRS 2. The fair value of services received during the year ended as of December 31, 2013, as consideration for the equity instruments granted (222,530 in 2013), is presented in the consolidated statement of comprehensive income under the "Personnel and related expenses" caption by an amount of KEUR 1,867.

19.4 Value Sharing Plan (VSP)

The Value Sharing Plan was a non-recurring plan targeted at all employees of the Amadeus Group who as of June 30, 2010 were not eligible under the Performance Shares Plan (PSP). The plan consisted in a bonus as percentage of salary, linked to the evolution of the Amadeus share price. The VSP was a bonus with the final payout linked to the performance of the Amadeus IT Holding S.A. share at the end of the two year vesting period, from April 29, 2010 to April 29, 2012, and with a payment on account effective on May 2011. This plan had the accounting consideration of a cash-settled share-based payment. The total expense recognized for the year ended as of December 31, 2012 amounted to KEUR 7,662 (including social costs) charged to the consolidated statement of comprehensive income under the "Personnel and related expenses" caption. During the year 2012, the VSP was settled at vesting date.

20 DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business the Group enters into derivative financial instruments to manage the financial risks exposures which it is subject to. An outline of the Group's financial risks, the objectives and policies pursued in relation to those risks are described in note 5.

IAS 39 prescribes strict criteria for hedge accounting. Although all the derivatives we enter into are contracted for hedging purposes in economic terms, there might be instances when a derivative is not an effective hedge from an accounting perspective. In these situations, the derivative is classified as held for trading, and the gains and losses from changes in the fair value are accounted in profit and loss, and presented in the consolidated statement of comprehensive income within "Financial expense, net". If the derivative financial instrument is designated as a cash flow hedge for accounting purposes, the changes in the fair value of the instrument are accounted through other comprehensive income presented within "Cash flow hedges", and through profit or loss when the hedged flow takes place.

At the inception of a hedge relationship, the Group formally documents the hedge relationship to which the Group wishes to apply hedge accounting. Such hedges are expected to be highly effective in achieving offsetting changes in the fair value and cash flows, and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the reporting period for which they were designated.

The ideal hypothetical derivative method is used to measure ineffectiveness of a hedge relationships in which the hedging instrument is a derivative. The ideal hypothetical derivative method compares the change in fair value of the actual derivative designated as the hedging instrument and the change in fair value of an "ideal hypothetical derivative" that would result in perfect hedge effectiveness for the designated hedged item.

In the case of the foreign exchange natural hedge, as it is explained in the documentation of the hedge relationship, the dual spot method is used. This means that the Group compares the spot-to-spot movement of the hedged item with the spot-to-spot movement of the hedging instrument in order to calculate hedge effectiveness.

Notes (thousands of euros – KEUR)

As of December 31, 2013 and 2012, the fair values of assets and liabilities of derivative financial instruments are set out below:

	31/12/2013				31/12/2012			
	Assets		Liabilities		Assets		Liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Interest rate swaps	-	6	3,140	-	-	-	500	10,703
Cash flow hedges of interest rates	-	6	3,140	-	-	-	500	10,703
Foreign currency forward	4,948	866	5,415	3,588	10,959	5,835	1,664	664
Cash flow hedges of exchange rates	4,948	866	5,415	3,588	10,959	5,835	1,664	664
Total derivative financial instruments designated as hedge	4,948	872	8,555	3,588	10,959	5,835	2,164	11,367
Foreign currency forward	41	-	143	-	142	-	-	-
Foreign currency option	109	-	-	-	-	-	-	-
Total derivative instruments held for trading	150	-	143	-	142	-	-	-
Total	5,098	872	8,698	3,588	11,101	5,835	2,164	11,367

As of December 31, 2013 and 2012, the maturity of the notional amount of the Group's derivative financial assets and liabilities is as follows:

	31/12/2013				31/12/2012			
	2014	2015	2016	Total	2013	2014	2015	Total
Interest rate swaps	508,882	156,783	-	665,665	218,707	517,203	-	735,910
Cash flow hedges of interest rates	508,882	156,783	-	665,665	218,707	517,203	-	735,910
Foreign currency forward	201,545	90,738	44,119	336,402	225,245	105,929	34,931	366,105
Foreign currency option	4,462	2,231	-	6,693	-	-	-	-
Cash flow hedges of exchange rates	206,007	92,969	44,119	343,095	225,245	105,929	34,931	366,105
Total derivative financial instruments designated as hedge	714,889	249,752	44,119	1,008,760	443,952	623,132	34,931	1,102,015
Foreign currency forward	14,926	-	-	14,926	20,449	-	-	20,449
Total derivative instruments held for trading	14,926	-	-	14,926	20,449	-	-	20,449
Total	**729,815**	**249,752**	**44,119**	**1,023,686**	**464,401**	**623,132**	**34,931**	**1,122,464**

20.1 Cash flow hedges of interest rates

As of December 31, 2013 and 2012, the Group has derivatives contracted with external counterparties, interest rate swaps (IRS), to hedge the Group's exposure to interest rate changes by fixing most of the interest amounts to be paid in coming years.

During the year ended December 31, 2013, the pre-tax gain charged to other comprehensive income by those interest rate derivatives that are designated as effective accounting hedges has amounted to KEUR 8,253 and for the year ended December 31, 2012, the pre-tax loss amounted to KEUR 1,223.

During the year ended December 31, 2013, the Group has recognised KEUR 196 in the income statement for losses due to ineffectiveness of interest rate derivatives that are classified as effective accounting hedges, and for the year ended December 31, 2012 gains amounted to KEUR 62.

20.2 Cash flow hedges of exchange rates

The Group is exposed to risks associated with fluctuations of exchange rates in currencies different than Euro. The Group uses currency derivatives, mainly currency forward contracts to hedge the exposure to foreign currencies, and a natural hedge of US dollar-denominated net operating cash inflows with our payments of principal on our US dollar-denominated debt, to hedge the exposure to US dollar.

20.2.1 Foreign currency forwards

As of December 31, 2013 and 2012, the Group held currency forwards. For the year ended December 31, 2013, a loss of KEUR 14,859 (KEUR 10,401 net of taxes) has been charged to other comprehensive income and a gain of to KEUR 1,585 (KEUR 1,109 net of taxes) for the year ended December 31, 2012.

20.2.2 Natural hedge

As detailed in the note 16 the principals of certain tranches of the Unsecured Senior Credit Facility that are denominated in US Dollar have been designated to hedge US dollar-denominated net operating cash inflows to be earned up to the end of 2016.

The forecasted calendars of revenues which are hedged with US dollar denominated debt are detailed below:

	2013	Fair Value KEUR at December 31, 2013					
		Hedge in force		Hedge discontinued		Total	
Year	Revenues Hedged KUSD	Profit or loss	Equity	Profit or loss	Equity	Profit or loss	Equity
2014	105,989	(318)	(2,581)	2,484	25,991	2,166	23,410
2015	175,639	-	(2,694)	-	23,390	-	20,696
2016	68,136	-	(1,045)	-	18,140	-	17,095
Total	349,764	(318)	(6,320)	2,484	67,521	2,166	61,201

	2012	Fair Value KEUR at December 31, 2012					
		Hedge in force		Hedge discontinued		Total	
Year	Revenues Hedged KUSD	Profit or loss	Equity	Profit or loss	Equity	Profit or loss	Equity
2013	84,791	-	(4,082)	399	24,456	399	20,374
2014	148,384	-	(7,145)	-	28,475	-	21,330
2015	175,639	-	(8,456)	-	23,390	-	14,934
2016	68,136	-	(3,281)	-	18,140	-	14,859
Total	476,950	-	(22,964)	399	94,461	399	71,497

In some cases the US dollar denominated revenues under hedge had longer maturities than the hedging US dollar denominated debt principals used as hedging instrument. As this fact could produce ineffectiveness once the debt principals mature, we have structured this natural hedge relationships which include foreign exchange derivatives that will be used in order to extend the maturity of the hedge instruments from the maturity of the hedging US dollar denominated debt up to the date in which the US dollar denominated revenues under hedge take place.

The Group has recognized pre-tax exchange gains on the hedging instrument (US Dollar Debt) directly in other comprehensive income during the year ended December 31, 2013 by KEUR 10,078 (KEUR 7,055 after tax) and gains of KEUR 6,838 (KEUR 4,937 after tax) in 2012. During the year ended December 31, 2013 the Group has recognized profit or loss under the "Revenue" caption a pre-tax gain of KEUR 20,374 (KEUR 14,262 after tax), and KEUR 6,892 (KEUR 4,824 after tax) in 2012.

20.3 Cash flow hedges of own shares price

During 2010, the Group entered into an equity-forward transaction which hedged the exposure to which the Group was subject as a result of its obligations under the VSP remuneration scheme as described in note 19. The derivative fixed the price at which the Group had to cash settle a portion of these obligations. The derivative was settled in 2012. The loss recognized in other comprehensive income was KEUR 3,423 (KEUR 2,396 after tax) for the year 2012. The gain recognized in profit or loss under the "Personnel and related expenses" caption was KEUR 3,722 for the year ended December 31, 2012.

21 TAXATION

The companies that make up the Group are all individually responsible for their own tax assessments in their countries of residence, without any worldwide Group tax consolidation. The statute of limitations varies from one company to another, according to local tax laws in each case. Tax returns are not considered definitive until the statute of limitations expires or they are accepted by the Tax Authorities. Independently, that the fiscal legislation is open to different interpretations, it is estimated that any additional fiscal liability, as may arise from a possible tax audit, will not have a significant impact on the consolidated annual accounts taken as a whole.

According to the current legislation, taxes cannot be considered definitively settled until the filed tax forms are audited by the Tax Authorities, or until the four year statute of limitations ends. At 2013 year-end, the Company has open to tax audit the years 2008 onwards for the Corporate Income Tax, and the years 2010 onwards for the other main applicable taxes.

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

On June 17, 2013, the Spanish Tax Authorities commenced a tax audit on the Company as the Parent company of the Tax Consolidated Group 256/05 and the rest of the member companies. The verification procedures are partial in nature and relate to the 2008 to 2010 year Corporate Income Tax, both inclusive, and for the withholding tax on salaries and professional income from May 2009 to December 2011 (severance payments in particular).

The result of the tax audit for the withholding tax on salaries and professional income was a conformity appraisal, therefore no tax liabilities has been assessed.

As a result of these proceedings, differences in the interpretation of the tax regulations have arisen relating to Corporate Income Tax, regarding certain corporate transactions. No tax penalties have been applied. On November 21, 2013, the tax assessment was signed in disconformity and on December 9, 2013 an appeal was presented to Central Department of Large Taxpayers. At year-end a final tax assessment had not been issued by the Spanish Tax Authorities.

Being an interpretative discrepancy, a non-significant provision has been registered regarding certain concepts. Regarding the other matters arising, as the Company and its external advisors consider that there are solid arguments to reject the adjustment proposed by the Tax Authorities and that these arguments will be accepted by the competent jurisdictional authorities. The Company considers that the possible resulting liabilities, should they materialize, would not suppose additional provisions.

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

On May 24 and 30, 2013, an appeal was presented the Central Economic-Administrative Court with regard to the tax assessment signed in disconformity relating to Non-Residents income tax for the year 2007 and for Corporate Income Tax for the years 2005 to 2007. At the year-end a final decision by the Court had not yet been issued.

Notes (thousands of euros – KEUR)

The French Tax Authorities have raised transfer pricing tax assessments, without penalties, on Amadeus sas, for transactions carried out with the Spanish resident entity Amadeus IT Group, S.A. for the years 2003 to 2010. With respect to the years 2003 and 2004, the tax assessment was issued in October 2007, for the years 2005 and 2006 in July 2009, for the year 2007 in December 2010 and for the years 2008 to 2010 in July 2012. For each of the assessments Amadeus sas has made use of the EU Arbitration Convention, initiating the proceedings with the French tax authorities, which in turn have involved the Spanish Tax Authorities with the intention of obtaining an agreement between the two, together with corresponding bilateral adjustments in order to eliminate economic double taxation. The commencement of the arbitration proceedings is pending the outcome of a Mutual Agreement Procedure currently being in process under the terms of the France-Spain Double Tax Treaty, which is expected to be completed in 2014.

On July 20, 2005, the Extraordinary General Assembly of Amadeus IT Holding, S.A., approved the application of the Special Tax Consolidation System, in accordance with article 70 of the Spanish Act on Corporate Income Tax Act, as approved by Royal Legislative Decree 4/2004, dated 5 March, for fiscal years starting August 1, 2005 onwards, as dominant company of the Tax Consolidation Group, as the requirement set forth in article 67 of aforesaid Act were complied with. The Group number is 256/05.

Spanish Tax Consolidation Group is formed by the following companies:

Parent company:	Amadeus IT Holding, S.A.
Subsidiaries:	Amadeus IT Group, S.A.
	Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal
	Amadeus Capital Markets, S.A., Sociedad Unipersonal

The Income tax expense for the years ended on December 31, 2013 and 2012, is detailed as follows:

	31/12/2013	31/12/2012
Current	217,126	185,045
Deferred	48,824	43,874
Total Income taxes	265,950	228,919

The reconciliation between the statutory income tax rate in Spain and the effective income tax rate applicable to the Group as of December 31, 2013 and 2012, is as follows:

	31/12/2013	31/12/2012
	%	%
Statutory income tax rate in Spain	30.0	30.0
Effect of different tax rates	1.7	1.6
Other permanent differences	1.0	1.3
Tax Credits	(0.9)	(1.2)
Subtotal	31.8	31.7
Purchase price allocation impact	0.5	0.1
Effective income tax rate	32.3	31.8

Notes (thousands of euros – KEUR)

The detail of tax receivables and payables as of December 31, 2013 and 2012, is as follows:

	31/12/2013	31/12/2012
Tax receivable current and non-current		
Income tax receivable	35,113	41,278
VAT (note 12)	89,698	86,645
Others taxes receivable (note 12)	49,235	41,824
Total	174,046	169,747
Tax payable current and non-current		
Income tax payable	20,040	32,132
VAT (note 12)	4,949	3,932
Other tax payable (note 12)	20,348	19,867
Total	45,337	55,931

The Group's deferred tax balances as of December 31, 2013, are set forth as follows:

Assets	1/01/2013	Net charged to income statement	Charged to equity	Translation changes	31/12/2013
Unused tax losses	974	(240)	-	(42)	692
Unused investment tax credits	1,613	-	-	-	1,613
Finance leases	267	15	-	-	282
Net cancellation reserve	6,995	(1,126)	-	-	5,869
Depreciation and amortization	12,337	(3,088)	-	(105)	9,144
Bad debt provision	9,086	827	-	-	9,913
Hedge accounting	12,783	-	(6,991)	-	5,792
Employees benefits	21,450	2,000	(2,231)	(478)	20,741
Dividends tax credits	1,592	(398)	-	-	1,194
Tax audit	2,340	23,942	-	-	26,282
Offsetting obligations	1,197	760	-	-	1,957
Other	10,446	1,337	-	(321)	11,462
	81,080	24,029	(9,222)	(946)	94,941
Netting	(48,363)	(19,765)	926	40	(67,162)
Total	**32,717**	**4,264**	**(8,296)**	**(906)**	**27,779**

Notes (thousands of euros – KEUR)

Liabilities	1/01/2013	Net charged to income statement	Charged to equity	Translation changes	31/12/2013
Unrealized gains - foreign currency and financial instruments	392	(1,292)	-	15	(885)
Provision for decline in value of investments	29,407	(1,590)	-	-	27,817
Depreciation and amortization	251,392	62,650	-	(326)	313,716
Capitalization of Software Internally Developed	3,090	1,105	-	-	4,195
Purchase Price Allocation	312,898	(18,515)	-	-	294,383
Hedge accounting	15,810	291	(6,769)	-	9,332
Finance leases	3,869	(339)	-	-	3,530
Other	3,617	12,201	-	152	15,970
	620,475	54,511	(6,769)	(159)	668,058
Netting	(48,363)	(19,765)	926	40	(67,162)
Total	**572,112**	**34,746**	**(5,843)**	**(119)**	**600,896**

The Group's deferred tax balances as of December 31, 2012, are set forth as follows:

Assets	1/01/2012	Net charged to income statement	Charged to equity	Translation changes	31/12/2012
Amadeus Operations KG – acquisition	6,962	(6,962)	-	-	-
Unused tax losses	1,148	(152)	-	(22)	974
Unused investment tax credits	2,058	(445)	-	-	1,613
Finance leases	558	(291)	-	-	267
Net cancellation reserve	5,095	1,900	-	-	6,995
Depreciation and amortization	12,473	105	-	(241)	12,337
Bad debt provision	8,683	388	-	15	9,086
Hedge accounting	17,188	-	(4,405)	-	12,783
Employees benefits	17,198	(1,225)	5,368	109	21,450
Dividends tax credits	1,990	(398)	-	-	1,592
Tax audit	2,340	-	-	-	2,340
Offsetting obligations	853	344	-	-	1,197
Other	8,363	2,148	-	(65)	10,446
	84,909	(4,588)	963	(204)	81,080
Netting	(51,292)	7,704	(4,778)	3	(48,363)
Total	**33,617**	**3,116**	**(3,815)**	**(201)**	**32,717**

Liabilities	1/01/2012	Net charged to income statement	Charged to equity	Translation changes	31/12/2012
Unrealized gains - foreign currency and financial instruments	927	(535)	-	-	392
Provision for decline in value of investments	30,044	(637)	-	-	29,407
Depreciation and amortization	191,384	60,021	-	(13)	251,392
Capitalization of Software Internally Developed	1,927	1,163	-	-	3,090
Purchase Price Allocation	333,804	(20,906)	-	-	312,898
Hedge accounting	17,558	-	(1,748)	-	15,810
Finance leases	4,074	(205)	-	-	3,869
Other	4,844	(1,308)	-	81	3,617
	584,562	37,593	(1,748)	68	620,475
Netting	(51,292)	7,704	(4,778)	3	(48,363)
Total	**533,270**	**45,297**	**(6,526)**	**71**	**572,112**

The table below shows the expiration date of unused tax losses for which no deferred tax asset was recognized in the consolidated annual accounts, mainly due to the uncertainty of their recoverability as at December 31, 2013 and 2012:

Year(s) of expiration	31/12/2013	31/12/2012
4-5	-	10
More than 5 years	21,105	21,353
Unlimited	14,293	6,730
Total	35,398	28,093

As of December 31, 2013 and 2012, the total unrecognized tax losses includes the tax credit derived from corporate income tax losses, amounting to KEUR 21,198, as generated by the Company for the year ended July 31, 2005 prior to the application of the Tax Consolidation Regime, has not been recognized. These tax losses will not be recognized until the Company is certain that they can be offset against any profits chargeable to tax in the periods ending until 2024.

22 EARNINGS PER SHARE

Reconciliation of the weighted average number of shares and diluted weighted average number of shares outstanding at December 31, 2013 and 2012, is as follows:

	31/12/2013		31/12/2012	
	Ordinary shares	Weighted average number of ordinary shares	Ordinary shares	Weighted average number of ordinary shares
Total shares issued	447,581,950	447,581,950	447,581,950	447,581,950
Treasury shares	(2,963,138)	(3,287,334)	(3,571,810)	(3,370,859)
Total shares outstanding	444,618,812	444,294,616	444,010,140	444,211,091

The basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares issued during the year, excluding ordinary shares purchased by the Group and held as treasury shares. The dilutive earnings per share is calculated including the ordinary shares outstanding to assume conversion of a potentially dilutive ordinary shares. There are no operations with potentially dilutive ordinary shares in the Group during the year.

The calculation of basic and diluted earnings per share (rounded to two digits) for the year ended December 31, 2013 and 2012, is as follows:

Basic and diluted earnings per share			
31/12/2013		31/12/2012	
Profit attributable to the owners of the parent (KEUR)	Earnings per share (Euros)	Profit attributable to the owners of the parent (KEUR)	Earnings per share (Euros)
562,646	1.27	496,727	1.12

23 ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

23.1 Interest expense and Other financial expenses

The interest expense as of December 31, 2013 and 2012, corresponds to the borrowings which are described in note 16. The breakdown of the "Interest expense" is as follows:

	31/12/2013	31/12/2012
Unsecured Senior Credit Facility	8,983	19,423
European Investment Bank (EIB)	6,169	4,498
Interest from derivative instruments (IRS)	8,265	8,750
Bonds	36,563	36,609
Obligations under finance leases	944	5,145
Other debt with financial institutions	1,519	196
Subtotal	62,443	74,621
Cancellations from derivative instruments	-	4,380
Deferred financing fees	5,324	7,417
Bank commissions, fees and other expenses	2,055	2,615
Interest expense	**69,822**	**89,033**

The breakdown of "Other financial expenses" as of December 31, 2013 and 2012 is as follows:

	31/12/2013	31/12/2012
Net interest on the Net Defined Benefit liability (note 12)	1,719	1,718
Fair value changes of financial instruments	196	(62)
Others	(52)	6,716
Other financial expenses	**1,863**	**8,372**

23.2 Onerail liquidation

The Group finalised the liquidation process of Onerail Global Holdings Pty. Ltd. and subsidiaries during the year ended December 31, 2012. As a result of this liquidation, the consolidated statement of comprehensive income was impacted by an amount of KEUR (7,016) in the "Other income/ (expense)" caption.

Notes (thousands of euros – KEUR)

23.3 Employee distribution

The employee distribution by category and gender is as follows:

	31/12/2013		31/12/2012	
	Female	Male	Female	Male
CEO/SVP/VP	5	23	4	20
Amadeus Group Director	14	105	13	104
Non – TMF Level GM	6	16	6	16
Manager / Senior Manager	689	1,548	656	1,413
Staff	3,229	4,867	2,907	4,024

As of December 31, 2013 and 2012, the number of employees is 10,502 and 9,163, respectively.

24 ADDITIONAL CONSOLIDATED STATEMENT OF CASH FLOWS RELATED DISCLOSURE

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks and in short-term money market investments, net of outstanding bank overdrafts.

The reconciliation of the “Cash and cash equivalents net” caption of the consolidated statement of cash flows and the “Cash and cash equivalents” caption of the consolidated statement of financial position as of December 31, 2013 and 2012, is as follows:

	31/12/2013	31/12/2012
Cash on hand and balances with banks	85,817	83,756
Short-term investments	405,064	316,114
Cash and cash equivalents	490,881	399,870
Bank overdrafts	(306)	(301)
Total cash and cash equivalents net	**490,575**	**399,569**

At December 31, 2013 and 2012, the Group maintained short-term money market investments with an average yield rate of 0.09% and 0.30%, respectively for EUR investments; and 0.16% and 0.17%, respectively, for USD investments; and 0.44% and 0.51%, respectively, for GBP investments; and 2.23% and 3.12%, respectively for AUD investments.

These investments are readily convertible to a known amount of cash and do not have an appreciable risk of change in value.

Notes (thousands of euros – KEUR)

25 AUDITING SERVICES

Fees for annual accounts auditing services and other services rendered by the auditor's firm Deloitte, S.L. and other firms related thereto, for financial years ended December 31, 2013 and 2012, are as follows:

	31/12/2013		
	Company	Group	Total
Auditing	265	1,317	1,582
Other assurance services	146	350	496
Tax advice	-	327	327
Other services	-	538	538
Total	411	2,532	2,943

	31/12/2012		
	Company	Group	Total
Auditing	393	1,358	1,751
Other assurance services	34	245	279
Tax advice	-	453	453
Other services	-	366	366
Total	427	2,422	2,849

26 SUBSEQUENT EVENTS

The Group has acquired on February 5, 2014, 100% of the voting rights of NMTI Holdings, Inc. and its group of companies ("Newmarket"), through a reverse merger between its indirect subsidiary AMS-NM Acquisition, Inc. and NMTI Holdings, Inc. After the merger the surviving corporation was NMTI Holdings, Inc. Newmarket is based in Portsmouth, New Hampshire, U.S.A., and serves around 22,000 unique properties in 154 countries, operating in the group and event management segment of the hotel industry, where is a leading provider of cloud-based IT solutions.

The acquisition of Newmarket, is in line with the Group's strategy of diversification into new businesses and significantly strengthens its presence in the hotel IT market.

The consideration transferred in relation to this acquisition is set forth in the table below:

	Newmarket
Cash paid	327,997
Contingent consideration	5,143
Purchase consideration	333,140

Notes (thousands of euros – KEUR)

The carrying amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed, is:

	Newmarket
Intangible assets	116,463
Property, plant and equipment	4,445
Other non-current financial assets	141
Deferred tax assets	2,477
Total non-current assets	123,526
Trade accounts receivable	29,512
Cash and cash equivalents	6,718
Other current assets	7,645
Total current assets	43,875
Non-current debt	24,907
Deferred tax liabilities	10,895
Other non-current financial liabilities	952
Total non-current liabilities	36,754
Deferred revenue current	44,014
Trade accounts payable	16,634
Other current liabilities	6,382
Total current liabilities	67,030
Net identified assets acquired	63,617
Purchase consideration	333,140
Goodwill resulting from the acquisition	**269,523**

The fair value of trade receivables acquired has been estimated as follows:

	Newmarket
Gross carrying amount	30,034
Allowance for doubtful accounts	(522)
Fair value of receivables	29,512

On January 24, 2014 the Group has acquired, through its subsidiary Amadeus IT Group, S.A., 100% of the voting rights of UFIS Airport Solutions AS, and its group of companies ("UFIS"). UFIS is one of the leading suppliers of integrated solutions for single and multi-terminal and multi-airport operations for the global airport industry. The acquisition accelerates the Group's presence in the airport IT market, contributing a portfolio of products and customers as well an experienced workforce.

The consideration transferred in relation to this acquisition is set forth in the table below:

	UFIS
Cash paid	16,319
Contingent consideration	3,033
Purchase consideration	19,352

The carrying amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed, is:

	UFIS
Total non-current assets	903
Trade accounts receivable	2,218
Cash and cash equivalents	529
Other current assets	1,898
Total current assets	4,645
Non-current debt	1,128
Total non-current liabilities	1,128
Current debt	286
Trade accounts payable	1,438
Total current liabilities	1,724
Net identified assets acquired	2,696
Purchase consideration	19,352
Goodwill resulting from the acquisition	**16,656**

The amounts provided above, for the business combinations of Newmarket and UFIS, correspond to the initial accounting for the acquisition of both entities, which as of the date of issue of our annual accounts is still provisional. The Group will determine the acquisition-date fair value of identifiable assets acquired and the liabilities assumed, as well as any other necessary adjustment to the provisional amounts, over the measurement period as information is obtained. The Group does not expect that the goodwill will be deductible for income tax purposes.

The acquisition-related costs incurred amounted to approximately KEUR 4,888, all of which were recognised in "Other operating expenses" in the consolidated statement of comprehensive income for the year ended December 31, 2013.

Had Newmarket and UFIS been consolidated as of January 1, 2013, our consolidated statement of comprehensive income for the reporting period would have presented the following amounts:

	Proforma	Newmarket	UFIS
Revenue	3,190,213	82,408	4,102
Profit for the year	570,332	6,795	464

These amounts are calculated without adjusting the results to reflect additional depreciation and amortization that would have been charged assuming a fair value adjustment to intangible assets, interest expense for the debt levels of the Group after the business combinations, and any related tax effects.

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Fully Consolidated Companies	Social Address	Country	Activity	Participation 31/12/2013 (%) (1) (2) (3)	Participation 31/12/2012 (%) (1) (2) (3)
Airconomy Aviation Intelligence GmbH (4)	Frankfurt Airport Center 1, Hugo Eckener Ring 60549 – Frankfurt am Main.	Germany	Software Development	99.89%	99.89%
Amadeus Airport IT GmbH	Südallee 1, Luftpostleitstelle, 85356 München Airport.	Germany	Software Development	99.89%	99.89%
Amadeus América S.A.	Av. del Libertador 1068. Buenos Aires C1112ABN.	Argentina	Regional Support	99.89%	99.89%
Amadeus Americas, Inc.	3470 NW 82nd Avenue Suite 1000 Miami, Florida 33122.	U.S.A.	Regional Support	99.89%	99.89%
Amadeus Argentina S.A.	Av. del Libertador 1068. 5º Piso Buenos Aires C1112ABN.	Argentina	Distribution	95.39%	95.39%
Amadeus Asia Limited	21st, 23rd and 27th Floor, Capital Tower. 87/1 All Season Place. Wireless Road, Lumpini, Pathumwan. 10330 Bangkok.	Thailand	Regional Support	99.89%	99.89%
Amadeus Austria Marketing GmbH	Alpenstrasse 108A. A-5020 Salzburg.	Austria	Distribution	99.89%	99.89%
Amadeus Benelux N.V.	Medialaan, 30. Vilvoorde 1800.	Belgium	Distribution	99.89%	99.89%
Amadeus Beteiligungs GmbH (5)	Unterreut 6. 76135 Karlsruhe.	Germany	Holding of shares	99.89%	99.89%
Amadeus Bilgi Teknolojisi Hizmetleri A.Ş	İstanbul Havalımanı Serbest Bölgesi Plaza Ofis No: 1401 Kat: 14 34830 Yesilköy, İstanbul.	Turkey	Software Development	99.89%	-
Amadeus Bolivia S.R.L.	Av. 6 de Agosto No. 2455 Edificio Hilda piso 12 of. 1201.	Bolivia	Distribution	99.89%	99.89%
Amadeus Brasil Ltda.	Rua das Olimpiadas 205 – 5 andar, Sao Paulo 04551-000.	Brazil	Distribution	75.92%	75.92%
Amadeus Bulgaria EOOD	1, Bulgaria Square, 16th Floor. Triaditza Region. 1463 Sofia.	Bulgary	Distribution	54.95%	54.95%
Amadeus Capital Markets, S.A. Sociedad Unipersonal (6)	Salvador de Madariaga 1. 28027 Madrid.	Spain	Financial activities	100.00%	100.00%
Amadeus Central and West Africa S.A.	7, Avenue Nogues 08 BPV 228 Abidjan 01.	Ivory Coast	Distribution	99.89%	99.89%
Amadeus Customer Center Americas S.A	Oficentro La Virgen II. Torre Prisma, Piso 5, Pavas, San José.	Costa Rica	Regional Support	99.98%	99.98%
Amadeus Czech Republic and Slovakia s.r.o.	Meteor Centre Office Park Sokolovská 100 / 94 Praha 8 - Karlin 186 00 Czech Republic.	Czech Republic	Distribution	99.89%	34.96%
Amadeus Data Processing GmbH (5)	Berghamer Strasse 6. D-85435. Erding. Munich.	Germany	Data processing	99.89%	99.89%
Amadeus Denmark A/S (7)	Oldenburg Allé 3, 1.tv.. DK-2630 Taastrup.	Denmark	Distribution	99.89%	99.89%
Amadeus Eesti AS	Tuukri 19. 10152 Talinn.	Estonia	Distribution	64.93%	4.99%

	Social Address	Country	Activity	Participation 31/12/2013 (%) (1) (2) (3)	Participation 31/12/2012 (%) (1) (2) (3)
Amadeus France SNC (8)	Le Seine Saint Germain Bâtiment C, 2-8 Ave. Du Bas-Meudon. F-92445 Issy-Les-Moulineaux Cedex.	France	Distribution	-	99.89%
Amadeus France S.A. (8)	Le Seine Saint Germain Bâtiment C, 2-8 Ave. Du Bas-Meudon. F-92445 Issy-Les-Moulineaux Cedex.	France	Distribution	99.89%	99.89%
Amadeus GDS LLP	Emre Bitik, 48 Auezov Str,m 4° planta, 050008, Almaty.	Kazakhstan	Distribution	99.89%	99.89%
Amadeus GDS (Malaysia) Sdn. Bhd.	Suite 1005, 10th Floor. Wisma Hamzah-kwong Hing. nº 1 Leboh Ampang. Kuala Lumpur 50100.	Malaysia	Distribution	99.89%	99.89%
Amadeus GDS Singapore Pte. Ltd.	600 North Bridge Road 15-06. Parkview Square. Singapore 188778.	Singapore	Distribution	99.89%	99.89%
Amadeus Germany GmbH	Marienbader Platz 1. 61348 Bad Homburg.	Germany	Distribution	99.89%	99.89%
Amadeus Global Ecuador S.A.	República del Salvador N35- 126 y Portugal, Edificio Zanté; piso 2 oficina 206, Sector Estadio Olímpico Atahualpa. Quito.	Ecuador	Distribution	99.89%	99.89%
Amadeus Global Travel Israel Ltd.	14 Ben Yehuda St. 61264 Tel Aviv.	Israel	Distribution	99.89%	99.89%
Amadeus GTD Ltd.	P.O. Box 6680-00100 14,Riverside off Riverside Drive Grosvenor suite 4A, 4th Floor, Nairobi	Kenya	Distribution	99.89%	99.89%
Amadeus GTD (Malta) Limited	Birkirkara Road. San Gwann. SGN 08.	Malta	Distribution	99.89%	99.89%
Amadeus GTD Southern Africa Pty Ltd.	Turnberry Office Park. 48 Grosvenor Road, Bryanston. 2021 Johannesburg.	South Africa	Distribution	99.89%	99.89%
Amadeus Hellas S.A.	Sygrou Ave. 157. 17121 N. Smyrni Athens.	Greece	Distribution	99.89%	99.89%
Amadeus Honduras, S.A. (9)	Edificio El Ahorro Hondureño. Cía. de Seguros, S.A. 4to Nivel Local B. Av. Circunvalación. San Pedro Sula.	Honduras	Distribution	99.89%	99.89%
Amadeus Hong Kong Limited	3/F, Henley Building nº 5 Queens' Road. Central Hong Kong.	Hong Kong	Distribution	99.89%	99.89%
Amadeus Information Technology LLC	M. Golovin line 5, 2nd floor 107045, Moscow.	Russia	Distribution	99.89%	99.89%
Amadeus Integrated Solutions Pty Ltd.	Turnberry Office Park, 48 Grosvenor Road, Bryanston, Johannesburg.	South Africa	Distribution	99.89%	99.89%

	Social Address	Country	Activity	Participation 31/12/2013 (%) (1) (2) (3)	Participation 31/12/2012 (%) (1) (2) (3)
Amadeus IT Group Colombia S.A.S.	Carrera 11 No. 84 - 09 6° piso Edificio Torre Amadeus, Bogotá.	Colombia	Distribution	99.89%	99.89%
Amadeus IT Group, S.A. (6)	Salvador de Madariaga 1. 28027 Madrid.	Spain	Group management	99.89%	99.89%
Amadeus IT Pacific Pty. Ltd.	Locked Bag A5085, Sydney South, NSW 1235.	Australia	Distribution	99.89%	99.89%
Amadeus Italia S.P.A.	Via Morimondo, 26, 20143 Milano.	Italy	Distribution	99.89%	99.89%
Amadeus Japan K.K.	SPP Ginza Building 5F, 2-4-9 Ginza, Chuo-Ku, Tokio 104-0061.	Japan	Distribution	99.89%	99.89%
Amadeus Korea, Ltd	Kyobo Securities Building-Youldo 10F., Bldg. 26-4 Youido-dong, Yongdungpo-gu, Seoul 150-737.	Korea	Software development	99.89%	99.89%
Amadeus Kuwait Company W.L.L. (10)	Al Abrar Commercial Centre, 10th floor, Plot 1-2 Salhiya Area. Fahad Al Salem Street.	Kuwait	Distribution	-	99. 89%
Amadeus Lebanon S.A.R.L.	Gefinor Centre P.O. Box 113-5693 Beirut.	Lebanon	Distribution	99.89%	99.89%
Amadeus Magyaroszag Kft	1075 Budapest. Madách Imre út 13-14. Budapest.	Hungary	Distribution	99.89%	99.89%
Amadeus Marketing (Ghana) Ltd.	12 Quarcoo Lane, West Airport Residential Area. Accra.	Ghana	Distribution	99.89%	99.89%
Amadeus Marketing Ireland Ltd.	10 Coke Lane Dublin 7.	Ireland	Distribution	99.89%	99.89%
Amadeus Marketing Nigeria Ltd.	26, Ladipo Bateye Street G.R.A., Ikeja, Lagos.	Nigeria	Distribution	99.89%	99.89%
Amadeus Marketing Phils Inc.	36th Floor, LKG Tower Ayala Avenue, Makati City.	Philippines	Distribution	99.98%	99.98%
Amadeus Marketing Romania S.R.L.	246C Calea Floreasca, Sky Tower Building, 19th floor, 014476, Bucharest.	Romania	Distribution	99.89%	99.89%
Amadeus Marketing (Schweiz) A.G.	Pfingstweidstrasse 60. Zurich CH 8005.	Switzerland	Distribution	99.89%	99.89%
Amadeus Marketing (UK) Ltd.	3rd Floor First Point, Buckingham Gate, Gatwick, West Sussex RH6 0NT.	U.K.	Distribution	99.89%	99.89%
Amadeus México, S.A. de C.V. (9)	Pº de la Reforma nº 265, Piso 11. Col. Cuauhtemoc 06500 México D.F.	Mexico	Distribution	99.89%	99.89%

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	Social Address	Country	Activity	Participation 31/12/2013 (%) (1) (2) (3)	Participation 31/12/2012 (%) (1) (2) (3)
Amadeus North America Inc. (9)	3470 Northwest 82 Ave., Suite 1000, Miami, Florida.	U.S.A.	Distribution	99.89%	99.89%
Amadeus Norway AS (7)	Post boks 6645, St Olavs Plass, NO-0129 Oslo.	Norway	Distribution	99.89%	99.89%
Amadeus Paraguay S.R.L.	Luis Alberto de Herrera 195 esquina Fulgencio Yegros Edificio Inter Express - Piso 2, Oficina 202, Asunción.	Paraguay	Distribution	99.89%	99.89%
Amadeus Perú S.A.	Víctor Andrés Belaunde, 147. Edificio Real 5, Oficina 902. San Isidro, Lima.	Peru	Distribution	99.89%	99.89%
Amadeus Polska Sp. z o.o.	ul. Domaniewska 49, Warsaw 26-672.	Poland	Distribution	99.89%	99.89%
Amadeus Revenue Integrity Inc. (9)	3530 E. Campo Abierto, Suite 200, Tucson, AZ - 85718.	U.S.A.	Information technology	99.89%	99.89%
Amadeus Rezervasyon Dağıtım Sistemleri A.Ş	Muallim Naci Caddesi 81 Kat 4. Ortaköy 80840 Istanbul.	Turkey	Distribution	99.89%	99.89%
Amadeus s.a.s.	Les Bouillides, 485 Route du Pin Montard. Boite Postale 69. F-06902 Sophia Antipolis Cedex.	France	Software development & software definition	99.89%	99.89%
Amadeus Scandinavia AB	Gävlegatan 22. P.O. Box 6602. SE 113 84, Stockholm.	Sweden	Distribution	99.89%	99.89%
Amadeus Services Ltd.	World Business Centre 3. 1208 Newall Road. Heathrow Airport. Hounslow TW6 2RB Middlesex.	U.K.	Software development	99.89%	99.89%
Amadeus Software Labs India Private Limited	6th Floor, Etamin Block, Prestige Technology Park-II, Marathahalli-Srajapur Outer Ring Road, 560103 Bangalore.	India	Software Development	99.89%	99.89%
Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal	Ribera del Loira 4-6 28042, Madrid.	Spain	Distribution	99.89%	99.89%
Amadeus Sweden AB (7)	Gävlegatan 22. P.O. Box 6602. SE 113 84, Stockholm.	Sweden	Distribution	78.16%	78.16%
Amadeus Taiwan Company Limited	12F, No. 77 Sec.3, Nan-Jing E. Rd. Taipei City.	Taiwan	Distribution	99.89%	99.89%
AMS-NM Acquisition, Inc	Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801	U.S.A.	Holding of Shares	99.89%	-
Amadeus Verwaltungs GmbH	Unterreut 6. 76135 Karlsruhe.	Germany	Holding of shares	99.89%	99.89%
Content Hellas Electronic Tourism Services S.A.	157, Syngrou Av., 3rd floor, N. Smyrni, 17121 Athens.	Greece	Distribution	99.89%	99.89%
CRS Amadeus America S.A. (11)	Av. 18 de Julio 841. Montevideo 11100.	Uruguay	Regional Support	99.89%	99.89%

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	Social Address	Country	Activity	Participation 31/12/2013 (%) (1) (2) (3)	Participation 31/12/2012 (%) (1) (2) (3)
Enterprise Amadeus Ukraine	45a, Nyzhnoyurkivska Str, Kiev, 04080.	Ukraine	Distribution	99.89%	99.89%
Gestour s.a.s.	16, Avenue de l'Europe, 67300 Schiltigheim.	France	Software Development	99.89%	99.89%
LSA, Sarl (12)	16, Avenue de l'Europe, 67300 Schiltigheim.	France	Software development	-	99.89%
NMC Eastern European CRS B.V.	Schouwburgplein 30-34. 3012 CL Rotterdam.	Netherland	Distribution	99.89%	99.89%
Pixell online marketing GmbH (13)	Mozartstr. 4bD-53115 Bonn.	Germany	Distribution and Software Development	99.89%	99.89%
SIA Amadeus Latvija	8 Audeju Street, LV-1050 Riga.	Latvia	Distribution	99.89%	99.89%
Sistemas de Distribución Amadeus Chile, S.A.	Marchant Pereira No 221, piso 11. Comuna de Providencia, Santiago de Chile.	Chile	Distribution	99.89%	99.89%
Sistemas de Reservaciones CRS de Venezuela, C.A.	Av. Francisco de Miranda, Edif. Parque Cristal, Torre Este, Piso 3, Ofic 3 - 7A, Urb. Los Palos Grandes, Cod. Postal 1060, Caracas.	Venezuela	Distribution	99.89%	99.89%
Travel Audience, GmbH (13)	Carlo-Schmid-Straße 12 52146 Würselen/ Aachen.	Germany	E-commerce	99.89%	47.20%
Traveltainment GmbH	Carlo-Schmid-Straße 12 52146 Würselen/Aachen.	Germany	Software development	99.89%	99.89%
Traveltainment Polska Sp. z o.o. (10) (13)	Ul. Ostrobramska 101. 04 – 041.Warsaw.	Poland	Software development	-	99.89%
Traveltainment UK Ltd. (13)	Unit 102 Culley Court, Orton Southgate, Peterborough, PE2 6WA.	U.K.	Software development	99.89%	99.89%
Tshire Travel Solutions and Services (PTY) Ltd. (14)	Turnberry Office Park, 48 Grosvenor Road, Bryanston, Johannesburg.	South Africa	Distribution	-	-
UAB Amadeus Lietuva	Olimpieciu 1A-9B, LT-09200, Vilnius.	Lithuania	Distribution	99.89%	99.89%

Investments Carried under the Equity Method	Social Address	Country	Activity	Participation 31/12/2013 (%) (1) (2) (3)	Participation 31/12/2012 (%) (1) (2) (3)
Amadeus Algerie S.A.R.L	06, Rue Ahcéne Outaleb « les Mimosas »Ben. Aknoun.	Algerie	Distribution	39.96%	39.96%
Amadeus Egypt Computerized Reservation Services S.A.E. (15)	Units 81/82/83 Tower A2 at Citystars. Cairo.	Egypt	Distribution	99.89%	99.89%
Amadeus Gulf L.L.C.	7th Floor, Al Kazna Insurance Building, Banyas Street. P.O. Box 46969. Abu Dhabi.	United Arabian Emirates	Distribution	48.95%	48.95%
Amadeus Libya Technical Services JV	Abu Kmayshah st.Alnofleen Area.Tripoli.	Libya	Distribution	24.97%	24.97%
Amadeus Maroc S.A.S.	Route du Complexe Administratif. Aéroport Casa Anfa. BP 8929, Hay Oulfa. Casablanca 20202.	Morocco	Distribution	29.97%	29.97%
Amadeus Qatar W.L.L.	Al Darwish Engineering W.W.L. Building nº 94 "D" Ring road 250. Hassan Bin Thabit – Street 960. Doha.	Qatar	Distribution	39.96%	39.96%
Amadeus Saudi Arabia Limited (15)	Nº 301, Third Floor. Saudi Business Center. Medina Road, Sharafia Quarter. Jeddah.	Saudi Arabia	Distribution	99.89%	99.89%
Amadeus Sudani co. Ltd.	Street 3, House 7, Amarat. Khartoum 11106.	Sudan	Distribution	39.96%	39.96%
Amadeus Syria Limited Liability (15)	Shakeeb Arslan Street Diab Building, Ground Floor Abu Roumaneh, Damascus.	Syria	Distribution	99.89%	99.89%
Amadeus Tunisie S.A.	41 bis. Avenue Louis Braille. 1002 Tunis – Le Belvedere.	Tunisia	Distribution	29.97%	29.97%
Amadeus Yemen Limited (15)	3rd Floor, Eastern Tower, Sana'a Trade Center, Algeria Street, PO Box 15585, Sana'a.	Yemen	Distribution	99.89%	99.89%
Jordanian National Touristic Marketing Private Shareholding Company	Second Floor, nº2155, Abdul Hameed Shraf Street Shmaisani. Aman.	Jordan	Distribution	49.95%	49.95%
Moneydirect Americas Inc. (11) (16)	2712 Centerville Road, Suite 400, Wilmington, 19808 Delaware.	U.S.A.	Software development	49.95%	49.95%
Moneydirect Limited (11)	First Floor, Fitzwilton House, Wilton Place, Dublin.	Ireland	Electronic payment services	49.95%	49.95%
Moneydirect Limited NZ (11) (16)	Level 9, 63 Albert Street. Auckland.	New Zealand	Software development	49.95%	49.95%

	Social Address	Country	Activity	Participation 31/12/2013 (%) (1) (2) (3)	Participation 31/12/2012 (%) (1) (2) (3)
Moneydirect Pty. Ltd. (11) (16)	Level 12, 300 Elizabeth Street Locked Bag A5085 Sydney South NSW 1235.	Australia	Software development	49.95%	49.95%
Qivive GmbH (4) (11)	c/o Rechtsanwälte Amend Minnholzweg 2b. 61476 Kronberg im Taunus.	Germany	Information technology	33.29%	33.29%

(1) In certain cases, companies are considered to be wholly-owned subsidiaries, even though local statutory obligations require them to have more than one shareholder or a specific percentage of the capital stock owned by citizens and/or legal entities of the country concerned. These shareholders are not entitled to any economic right.
(2) Unless otherwise stated, all participations are indirect.
(3) The participation in these companies is held through Amadeus IT Group, S.A., or through its subsidiaries as indicated in notes (4) to (16) below.
(4) The participation in these companies is held through Amadeus Germany GmbH.
(5) The participation in these companies is held through Amadeus Verwaltungs GmbH.
(6) The participation in these companies is direct.
(7) The participation in this company is held through Amadeus Scandinavia AB.
(8) On June 27, 2013, the companies Amadeus France Services, S.A. and Amadeus France SNC merged, resulting in the formation of the company Amadeus France, S.A. The share percentage in this company is 1% direct and 98.89% indirect.
(9) The participation in these companies is held through Amadeus Americas, Inc.
(10) These companies have been liquidated during 2013.
(11) These companies are in the process of being liquidated.
(12) The participation in this company was held through Gestour s.a.s. They merged during 2013.
(13) The participation in these companies is held through Traveltainment GmbH.
(14) The control of this company is held through Amadeus Integrated Solutions Pty Ltd.
(15) These companies are considered as associates, as the Group does not have control over them.
(16) The participation in these companies is held through Moneydirect Limited.

Amadeus IT Holding, S.A.
and Subsidiaries

Directors' Report for the year ended December 31, 2013

Index

1 Summary

1.1 Introduction

Full year 2013 highlights (year ended December 31, 2013)

- **Our air travel agency bookings increased by 6.5%, to 443.4 million**
- **In our IT Solutions business line, total Passengers Boarded increased by 9.2%, to 615.7 million**
- **Revenue increased by 6.6%, to €3,103.7 million**
- **EBITDA increased by 7.2%[1], to €1,188.7 million**
- **Adjusted profit[2] increased to €619.5 million, up 7.8%**

Amadeus has once again delivered positive results. Revenue growth stood at 6.6%, whilst EBITDA increased by 7.2%[1], both supported by the positive contribution of our two business lines. Adjusted profit[2] also increased significantly, by 7.8%, assisted by the positive operating performance and a lower interest expense.

2013 has been yet another successful year for Amadeus, with profitable growth in its business lines. Amadeus has continued to benefit from its high quality businesses, proving resilience and leveraging on its economies of scale. Cash generation continued to be strong, and sustained investment in R&D remained core to our strategy, as the enabler to our success and differentiated value proposition, which translated into further market share gains and business expansion.

Amadeus continued expanding the content available to our travel agency subscribers, adding 10 new low cost carriers to the platform, and successfully extending all distribution contracts with airlines due for renewal, notably IAG, Air France-KLM, Thai Airways and American Airlines. Our air travel agency bookings grew by 6.5%, outperforming once again the industry, which remained weak, given the difficult global macroeconomic environment, although showing signs of recovery in the second half of the year. Such strong performance was fuelled by our strong market share gains (1.5 p.p.). In our Distribution business, we achieved 5.3% revenue growth, supported by our air travel agency booking growth. Strong results were also achieved in the IT Solutions business, with a 10.8% revenue increase, driven by a 9.2% growth in processed passengers. This was a year of intense migration activity, with large airlines such as Garuda Indonesia, Thai Airways and Asiana Airlines implemented in the platform, and with 27 new airlines using our Altéa DCS module.

Investment in R&D was further increased by 18.2% in 2013, reaching 15.8% of our revenue. Customer implementations, product evolution, portfolio expansion and investment in new opportunities which should support future growth represent our main R&D activity in the period.

In 2013, Amadeus reinforced its commitment to expanding into new businesses. In December 2013 we announced the acquisition of Newmarket International ('Newmarket'), a leading IT provider in the hotel sector. Also, early in 2014 we announced the acquisition of UFIS, a small-size leading airport IT player[3]. The transaction followed the signature of the new agreements with our launch partners Copenhagen and Munich airports in May 2013, in our airport IT business.

1. EBITDA adjusted to exclude extraordinary items related to the IPO in 2012, as detailed on page 25.
2. Excluding after-tax impact of the following items: (i) amortisation of PPA and impairment losses, (ii) changes in fair value and cancellation costs of financial instruments and non-operating exchange gains (losses) and (iii) extraordinary items related to the sale of assets and equity investments and, in 2012, the IPO.
3. Both acquisitions were closed in February 2014. Therefore they have not been consolidated into Amadeus' books at December 31, 2013.

As of December 31, 2013 our consolidated net financial debt was €1,210.7 million (based on covenants' definition in our senior credit agreement), representing 1.01x net debt / LTM EBITDA (1.3x net debt / LTM EBITDA proforma for the Newmarket acquisition). This is a significant decrease of €284.5 million vs. net debt of €1,495.2 million as of December 31, 2012, or 1.34x net debt / LTM EBITDA.

In December 2013, the Board of Directors extended the current dividend policy, consisting on a pay-out ratio of between 40% to 50% of the consolidated profit (excluding extraordinary items). In particular, the Board of Directors proposed a 50% pay-out ratio for the year 2013, an increase from the pay-out ratio of 44.6% paid in 2012.

Accordingly, the Board of directors will submit to the General Shareholders Meeting for approval a final gross dividend of €0.625 per share from the 2013 reported profit, an increase of 25% vs. the dividend paid in 2012. An interim gross dividend of €0.30 per share was paid in full in January 2014.

1.2 Summary financial information

Summary financial information *Figures in million euros*	**Full year 2013**	**Full year 2012¹**	**% Change**
KPI			
Air TA Market Share	**40.1%**	**38.6%**	**1.5 p.p.**
Air TA bookings (m)	443.4	416.5	6.5%
Non air bookings (m)	59.2	60.7	(2.5%)
Total bookings (m)	**502.6**	**477.2**	**5.3%**
Passengers Boarded (m)	**615.7**	**563.8**	**9.2%**
Financial results			
Distribution Revenue	2,317.8	2,201.0	5.3%
IT Solutions Revenue	785.9	709.4	10.8%
Revenue	**3,103.7**	**2,910.3**	**6.6%**
EBITDA	**1,188.7**	**1,109.0**	**7.2%**
EBITDA margin (%)	38.3%	38.1%	0.2 p.p.
Adjusted profit (2)	**619.5**	**574.8**	**7.8%**
Adjusted EPS (euros) (3)	**1.39**	**1.30**	**7.6%**
Cash flow			
Capital expenditure	411.2	348.9	17.9%
Pre-tax operating cash flow (4)	843.1	860.1	(2.0%)
	31/12/2013	**31/12/2012**	**% Change**
Indebtedness (5)			
Covenant Net Financial Debt	**1,210.7**	**1,495.2**	**(19.0%)**
Covenant Net Financial Debt / LTM Covenant EBITDA	1.01x	1.34x	

1. Figures adjusted to exclude extraordinary costs related to the IPO, in 2012.
2. Excluding after-tax impact of the following items: (i) amortisation of PPA and impairment losses, (ii) changes in fair value and cancellation costs of financial instruments and non-operating exchange gains (losses) and (iii) extraordinary items related to the sale of assets and equity investments and, in 2012, the IPO.
3. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
4. Calculated as EBITDA less capital expenditure plus changes in our operating working capital.
5. Based on the definition included in the senior credit agreement covenants.

2 Operating Review

2.1 Key business highlights for the year

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

The following are some selected business highlights for 2013:

Distribution

Airlines

- During 2013, Amadeus signed content agreements with a number of airlines including Air France-KLM, Air India, Alaska Airlines, American Airlines, China Airlines, Eva Airways, IAG, Thai Airways and Turkish Airlines. These agreements guarantee access to a comprehensive range of fares, schedules and availability for Amadeus travel agents. Today, over 80% of Amadeus bookings worldwide are made on airlines with which we have a content agreement.
- During the fourth quarter, Amadeus implemented its Amadeus Airline Ancillary Services solution for Lufthansa and Austrian Airlines. This will allow the carriers to sell advanced seat reservation in Economy Class through the travel agency channel for travellers flying on domestic and European routes, as well as sell seats offering extra leg room both on continental and intercontinental routes. This will enable both carriers to distribute their ancillary services in the indirect channel before doing so in their direct channels. With these additions, a total of 23 airlines distribute their ancillary services through the Amadeus travel agency channel using the solution across 62 countries.
- EasyJet, the UK's largest airline per passengers carried, was the first carrier to become a light ticketing[4] airline in the Amadeus system, a solution that improves the way in which travel agents access, book and provide service when selling low-cost carriers flights. This development is expected to increase low cost carrier bookings with the new pricing, ticketing and booking functionality offering the same look and feel as for traditional or flag carriers.
- Low-cost carriers continued to be an area of growth for Amadeus in 2013 with an increase in travel agency bookings of 21% during the year.

Rail and others

- Thalys, the international high-speed rail operator connecting Paris and Brussels with Germany and the Netherlands, selected Amadeus to expand distribution through the travel agency channel. Starting in Germany, its content will be available alongside airlines on selected routes in the Amadeus neutral booking display for travel agents and corporate bookers. Users of Amadeus Selling Platform, Amadeus' point of sale for travel agents, and Amadeus e-Travel Management, the company self-booking tool for corporate users,

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

will have access to the full range of Thalys' fares, including corporate negotiated fares, schedules and availability to effectively compare Thalys high speed rail services with flights on specific routes.

- Cabforce, the online booking engine behind the world's leading network of flat-rate prebooked cabs, partnered with Amadeus to make pre-booked airport transfer and taxi bookings available to travel agencies, TMCs and corporations using the Amadeus e-Travel Management and Amadeus Selling Platform Connect. Offering the potential to bring taxis to millions of travel itineraries, the joint solution will be available in the UK and Finnish markets shortly.

Travel Agencies

- Asia-Pacific remained a key growth area for Amadeus. Travel Expert Limited, Hong Kong's leading and most extensive retail travel network, successfully implemented the Amadeus suite of solutions across more than 60 retail sites in Hong Kong – making it the largest ever implementation for a global distribution system in Hong Kong. Additionally, a full content partnership with Travel Boutique Online India, Asia's leading B2B travel aggregator, was announced which will give travel agencies unparalleled search, shopping and booking capabilities on a range of hotel content.
- In July, Amadeus launched Amadeus e-Power in the UK. This fully integrated booking engine is designed to help travel professionals accommodate the demands of internet-savvy consumers who want to research travel 24/7, yet who continue to value the personal service and specialist knowledge of small, medium-sized and niche travel sellers. Amadeus e-Power is built on Amadeus Master Pricer technology, which is used by many of the biggest names in online travel.

IT Solutions

Airline IT

- 13 new customers signed IT Services agreements for the Altéa Reservation and Inventory modules, among them Condor, Luxair, SeaPort Airlines and SriLankan, with the latest three also signing for the Departure Control System module.
- A landmark deal with Scandinavian Airlines (SAS), the region's leading airline and the flag carrier of Denmark, Norway and Sweden, created a Long-term, strategic partnership that will see SAS migrate to Amadeus Altéa Revenue Management Solution. French airline Aigle Azur also signed for the Revenue Management module.
- Saudi Arabian Airlines (Saudia) became the first airline worldwide to deploy the Amadeus Passenger Revenue Accounting solution. The solution will enable the airline to increase productivity, reduce costs and accelerate revenue identification through access to real-time and complete revenue information.
- A significant number of contracted airlines migrated onto the Altéa Departure Control System, including Aigle Azur, Air Astana, Air Corsica, Air Greenland, Bulgaria Air, Scandinavian Airlines (SAS) and Ural Airlines. Air Europa contracted for Altéa Departure Control System, plus Self Service Check-in.
- Amadeus continued its effort to upsell and renew contracts for the e-commerce and stand alone IT solutions portfolio. Corsair signed for Amadeus Mobile Solutions, which enable travellers to book flights through mobile devices. Air Caraibes signed a contract for Amadeus Revenue Integrity solution, which helps airlines optimise revenues and minimise revenue leakage from shopping to post-travel. Croatia Airlines, Kenya Airways, Libyan Airlines, Qatar Airways signed up for Amadeus Ticket Changer Suite that simplifies the airline re-issuing process. Brazilian airline TAM signed for Amadeus Altéa Automated Check-in. Adria Airways, Norwegian and SATA Group signed for the electronic messaging standard Electronic Miscellaneous Document (EMD). Air France-KLM, Garuda Indonesia and SeaPort contracted the e-Commerce solution.

- Amadeus entered the airline customer loyalty arena with the acquisition of Hitit Loyalty, acquiring the CRM and loyalty solutions division of Turkey-based Hitit Computer Services. Hitit Loyalty is the market leader in the airline loyalty space, in terms of customers.
- As of the close of the year, a total number of 125 airlines were contracted for both Altéa Reservation and Altéa Inventory, 104 of which were contracted to use the full Altéa Suite. Based upon these contracts, Amadeus estimates that by 2015 the number of Passengers Boarded will be around 800 million, which would represent an increase of almost 30% vs. the 616 million passengers processed on the Altéa platform during 2013 – or a compound annual growth rate (CAGR) of around 14%.

Airport IT

- Amadeus continued its expansion into the airport IT business with the acquisition of UFIS Airport Solutions ("UFIS"), a small-size leading airport IT player, in February 2014. UFIS adds a complementary suite of airport solutions with a perfect fit on Amadeus' airport strategy. It also brings key customer relationships with over 30 airports worldwide, and 25 years of unique airport IT software development expertise. The majority of UFIS' employees are based in Singapore. The acquisition was fully financed with cash.
- In June, the launch of a new suite of solutions for airport operations was announced, leading to the signature of two agreements with Munich Airport and Copenhagen Airport. Through these agreements, Amadeus will jointly work with the airports to develop and implement two new IT solutions: Amadeus Airport Sequence Manager and Amadeus Airport Fixed Resource Optimiser.
- The number of ground handlers signing up for Altéa DCS Ground Handler continued increasing, including the agreements with Aerogate Munich, a European ground handler providing services to airlines such as AirBerlin and Iberia at Munich Airport; BAGS Ground Service in Asia; Bahrain Airport Systems; Celebi Austria, which services airlines operations in Vienna airport serving important carriers such as British Airways, Air France/KLM and Turkish Airlines; Goldair Handling, who will deliver the system to 28 airports across Greece and Bulgaria, and Menzies, a UK-based company and one of the largest ground handlers in the world. Currently, 55 ground handlers across the world, including the top six worldwide, have signed for Amadeus Altéa Ground Handler.
- Amadeus also signed an important agreement with dnata, one of the world's largest combined air services providers, to implement Amadeus Altéa Departure Control's Flight Management solution in their centralised load control offices in Dubai. The airport ground handler, part of the Emirates group, is now present in 75 airports in 38 countries. The deal spans all Emirates and flydubai domestic and international flights and over 100 other dnata customer airlines using the system.
- An agreement was signed with Map Handling f the AMC Group to pilot Amadeus Airport Contract and Billing, a new end-to-end solution to manage and control all the administrative processes related to ground handling contracts. This solution ensures ground handlers achieve improved tracking, reporting and billing of all services delivered to airlines.
- Additionally, an agreement was reached with Icelandair to develop a Amadeus Baggage Reconciliation System (BRS). This new solution will offer the carrier real-time, automated loading, tracking and management of baggage. As launch partner, Icelandair will deploy this solution as of mid-2014 on all its worldwide flights handled from its hub at Keflavik International Airport. The new solution, which is fully integrated into the Amadeus Airport IT portfolio and the Altéa Departure Control System will simplify existing baggage processes, improving overall accuracy and speed and ensuring faster turn-around and departure times for all handled flights. Amadeus Airport BRS would greatly reduce the dependency of teletype messages to manage baggage processes, thus providing substantial cost savings.

Rail

- All Ways Travelling, an Amadeus-led consortium, was appointed by the European Commission (Mobility and Transport Directorate) to develop and validate a model for a multimodal pan-European passenger transport information and booking system for railways. The appointment of the consortium forms one of the initiatives adopted by the European Commission (EC) within its Roadmap to a Single European Transport Area. The roadmap aims to build a more efficient, sustainable transport system to increase mobility across Europe, drive growth and associated employment within the transport sector, and reduce carbon emissions. The consortium is comprised of BeNe Rail, IATA, Thales, UNIFE and Zeppelin University. The long-term objective of the EC is to ease travel across Europe using various modes of transport to create a seamless door-to-door travel experience.

Hotel

- In December 2013, Amadeus accelerated its move into the Hotel IT business with the announcement of the acquisition of US based Newmarket International ("Newmarket") for USD 500 million. The addition of Newmarket will bring a strong management team and talented workforce to Amadeus that will significantly strengthen the Group's expertise and experience in the hotel IT industry, a key target sector for future growth. It also adds established relationships with key customers in the hotel segment and a complementary product set.
- Newmarket, which serves around 22,000 unique properties in 154 countries, operates in the group and event management segment of the hotel industry, which is estimated to account for 30-40% of a full-service hotel's revenues. The newly acquired company will be operated as a stand-alone business within Amadeus' Global Hotel Group which will integrate many aspects of Amadeus' robust products and services over time. The combination of Amadeus and Newmarket is expected to result in revenue synergy opportunities in both Hotel IT and Distribution. Newmarket generated revenues of $109 million and an EBITDA of $35 million in 2013. The transaction was fully financed by a new bank credit facility. Newmarket will consolidate into Amadeus' books in the first quarter of 2014, following the approval of the acquisition by the US Federal Trade Commission in January 2014.
- On the hotel distribution side, Amadeus continues to grow its hotels marketplace by integrating content from leading providers to attract even more travel agency customers especially from the leisure and online space. Over the quarter Amadeus has increased its hotel inventory to 650,000 hotel options comprising some 230,000 unique properties. Leading hotel online portal, HRS who provides wide Hotel content into the Amadeus distribution platform, implemented Amadeus Hotel Web Services whereby they source content and rates for over 30,000 hotel properties via Amadeus for their web site which is used by millions of travellers globally.

Payments

- Together with AirPlus International, a leading global provider of payment and billing solutions for business travel, Amadeus announced a joint initiative to offer travel agencies the Amadeus AirPlus Travel Agency Card. This is a new virtual payment solution that simplifies payment to travel suppliers, such as rail, hotel and non-BSP carriers, and improves cash flow. Conceived as a global solution, it will gradually be deployed across different countries and regions.

Travel Intelligence

- Philippine Airlines implemented, among other solutions from the Amadeus Travel Intelligence portfolio, a new data analysis tool to aid in its recent major expansion and service innovation programs.

Additional news from the year

- During the second quarter, Moody's Investors Service, the provider of credit ratings for investors, gave an upgrade to Amadeus. Moody's raised to 'Baa2' (up from 'Baa3') our long-term issuer and senior unsecured ratings, whilst maintaining a stable outlook for Amadeus. This encouraging news closely followed Standard & Poor's, another credit ratings agency, also upgrading its Amadeus rating to 'BBB' (up from 'BBB-').
- In November, a strategic partnership was signed with California-based Couchbase, the leading provider of open-source and NoSQL database technologies, and the company behind the Couchbase opensource project, to use high-performance data management in order to improve the online travel shopping experience. To this end, Couchbase will be supporting Amadeus with its availability applications, ensuring that travellers wishing to book fares online will only see prices which are both up-to-date and available for purchase following the search process.
- Also in November, Amadeus once again was placed on top of its sector's ranking as one of the leading European companies in Research & Development investment, as confirmed by the 2013 EU Industrial R&D Investment Scorecard. This report, published on an annual basis by the European Commission (EC), examines the largest 1,000 European companies, and the world's 2,000 largest companies investing in R&D during 2012, and ranks them according to the total amount invested.
- Amadeus reached a major milestone in its Corporate Social Responsibility programme, stepping up its role as a global actor in social development. Following announcement earlier in the year to build a global online donation programme, in collaboration with UNICEF and the travel industry, Spanish carrier Iberia became the first airline to implement the programme on its website. Every time a traveller buys a ticket on www.iberia.com, they can make a donation of between 3 to 20 Euros. The funds raised go to UNICEF projects, to ensure children's primary right: survival.
- Amadeus also renewed a long-standing agreement with Iberia, to collaborate in Corporate Social Responsibility. The goal of this agreement is to support development among disadvantaged communities through Travel and Tourism - a driver of social and economic growth. Amadeus and Iberia will continue to use their combined resources, expertise and geographic reach to deliver educational and technology transfer programmes for underprivileged communities around the world.
- Amadeus scored 79, out of a maximum of 100, on the Carbon Disclosure Project (CDP). The CDP is one of the most important international indexes that evaluate companies according to their management of carbon emissions related to their operations. Amadeus' leading position is a consequence of the implementation and continuous improvement of the Amadeus Environmental Management System since 2009. The score reflects the extent to which a company measures its carbon emissions, the comprehensiveness of the information provided and whether a third party verifies the data provided.

2.2 Key ongoing R&D projects

The main R&D investment in 2013 relates to:

- Existing contracts:
    - Migration efforts in relation to Altéa: intense migration activity to our Departure Control System (21 airlines implemented in 2013 and 9 airlines scheduled in 2014), as well as to our Reservations and Inventory modules (related to customers migrated in the year, namely Thai Airways, Asiana Airlines and Garuda Indonesia, amongst others, and to the contracted pipeline for the upcoming years, such as Korean Air and All Nippon Airways).

- Implementation of our newly launched Revenue Accounting module, with our initial launch customers, up sell activities related to our Standalone IT or e-Commerce solutions and DCS for ground handlers.
- Preparation work to migrate travel agencies in Korea from the local reservation system, Topas, to the Amadeus platform.

- Expansion of the airline IT portfolio, including new modules (revenue management, and other potential areas of expansion into other airline IT decision-making applications), and the evolution of our existing portfolio (ancillary services, payment services, new or improved functionalities such as enhanced shopping solutions).
- Investments in the Distribution business (IT applications) focused on:
  - Travel agencies: e.g. new generation front office, search engines, shopping and booking solutions or ancillary services, specific tools for Travel Management companies and the creation of the Total Travel Record (the future evolution of the PNR, containing all traveler information with cross-sell, cross-channel, multi-GDS data and related customer management functionalities). Additionally, we have invested in improved access to additional content (LCC, hotel, rail) and better integration into the travel agency workflow.
  - Airlines: availability, schedules, ancillary services.
  - Rail, with the development of the Amadeus Agent Track and FlybyRail initiatives (improved distribution systems), as well as customer implementation projects.
  - Corporations: Amadeus e-Travel management, selling interfaces for corporate travellers or mobile tools.
  - Regionalisation investment, with the aim to better adapt part of our product portfolio for specific regions.
- Expansion into hotel, rail, airport IT, payments and mobile, where we continue to work with different industry partners. In particular, investment associated to the two contracts signed with the Copenhagen and Munich airports to develop two new modules in the scope of our airport IT business.
- Ongoing TPF decommissioning, which implies the progressive migration of the company's platform to next-generation technologies such as Linux and Unix (today, close to 90% of Amadeus' software is supported by next-generation open systems, which allow for improved efficiency, greater flexibility in terms of the architecture and scalability of the platform), and other cross-area technologies such as the Amadeus Collaborative Technology (a corporate program built to enhance the Amadeus system and which will bring a new technical platform and architecture for a new selling platform, shared by our two businesses).

3 Operating performance by Business

Group EBITDA *Figures in million euros*	**Full year 2013**	**Full year 2012[1]**	**% Change**
Distribution	2,317.8	2,201.0	5.3%
IT Solutions	785.9	709.4	10.8%
Group Revenue	**3,103.7**	**2,910.3**	**6.6%**
Distribution	1,035.9	982.3	5.5%
IT Solutions [(2)]	550.7	497.1	10.8%
Contribution	**1,586.6**	**1,479.4**	**7.2%**
Indirect costs	**(495.6)**	**(447.8)**	**10.7%**
Indirect capitalisations & RTCs [(3)]	102.5	77.5	32.3%
Net indirect costs	(393.1)	(370.3)	6.1%
Extraordinary costs associated to M&A [(2)]	**(4.9)**	**0.0**	
EBITDA	**1,188.7**	**1,109.0**	**7.2%**
EBITDA Margin (%)	38.3%	38.1%	0.2 p.p.

1. Figures adjusted to exclude extraordinary costs related to the IPO, in 2012.
2. For purposes of comparability, the IT Solutions contribution in 2013 has been adjusted to exclude extraordinary costs of €4.9 million associated with the acquisition of Newmarket in Q4 2013. These costs have been reported in a separate cost line in the table above. Group EBITDA and EBITDA margin in 2013 include such costs, and are therefore not impacted by the reclassification of these costs as explained above.
3. Includes research tax credits (RTC)

Revenue increased 6.6%, to €3,103.7 million, in 2013, driven by the strong performance of both our business lines: (i) growth of €116.9 million, or 5.3%, in our Distribution business, and (ii) an increase of €76.5 million, or 10.8%, in our IT Solutions business.

For the full year period, EBITDA amounted to €1,188.7 million, 7.2% higher than 2012 and representing an EBITDA margin of 38.3%. The increase in EBITDA was supported by growth in the contributions of both our Distribution and IT Solutions businesses, partly offset by an increase in net indirect costs.

3.1 Distribution

Distribution *Figures in million euros*	Full year 2013	Full year 2012[1]	% Change
KPI			
Air TA booking industry growth [2]	**2.0%**	**1.2%**	
Air TA market share [2]	**40.1%**	**38.6%**	**1.5 p.p.**
Air TA bookings (m)	443.4	416.5	6.5%
Non air bookings (m)	59.2	60.7	(2.5%)
Total bookings (m)	**502.6**	**477.2**	**5.3%**
Profit & Loss			
Revenue	**2,317.8**	**2,201.0**	**5.3%**
Operating costs	(1,339.3)	(1,270.2)	5.4%
Direct capitalisations	57.4	51.5	11.3%
Net operating costs	**(1,281.9)**	**(1,218.7)**	**5.2%**
Contribution	**1,035.9**	**982.3**	**5.5%**
As % of Revenue	44.7%	44.6%	0.1 p.p.

1. Figures adjusted to exclude extraordinary costs related to the IPO, in 2012.
2. Total volume of travel agency air bookings processed by the global or regional CRS. Excludes air bookings made through in-house or single country operators, primarily in China, Japan, South Korea and Russia. Our market share represents our share of the air travel agency booking industry, as defined in this note.

The core offering of our Distribution business is our reservations platform. It 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 (sometimes referred to as the "indirect channel"). We also offer technology solutions, such as desktop and e-commerce platforms and mid- and back-office systems to some of our travel agency customers.

Our Distribution business continued to grow during 2013, driven by an improvement in our air booking volumes, fuelled by market share gains in the context of limited industry growth, and an increase in non-booking revenue. Both positive effects were partially offset by a slight decline in our average pricing, driven by the negative effect of the US dollar depreciation against the Euro.

As a result, our Distribution revenue increased by 5.3% to €2,317.8 million in 2013. Our contribution grew by 5.5% to €1,035.9 million, and remained broadly stable as a percentage of revenue.

3.1.1 Evolution of KPI

During the fourth quarter of 2013, the volume of air bookings processed through travel agencies connected to Amadeus increased by 6.0%. Our market share continued its expansion, most notably in North America, and reached a global market share of 40.6%. In turn, the distribution industry grew by 4.3%.

(Millions of euros)

For the full year 2013, our air bookings grew by 6.5% and our market share[5] gain was 1.5 p.p.

Distribution KPI	Oct-Dec 2013	Oct-Dec 2012	% Change	Full year 2013	Full year 2012	% Change
Air TA booking Industry growth	**4.3%**	**0.1%**		**2.0%**	**1.2%**	
Air TA market share	**40.6%**	**40.2%**	**0.4 p.p.**	**40.1%**	**38.6%**	**1.5 p.p.**
Air TA bookings (m)	102.6	96.8	6.0%	443.4	416.5	6.5%
Non air bookings (m)	14.4	14.6	(1.3%)	59.2	60.7	(2.5%)
Total bookings (m)	**117.0**	**111.4**	**5.0%**	**502.6**	**477.2**	**5.3%**

Air TA booking Industry

Total air travel agency bookings accelerated the positive trend observed since the second quarter of 2013 and increased by 4.3% in the fourth quarter. Per region, Latin America continued to be the strongest, although, similarly to CESE, showed a slowdown in the quarter vs. the previous quarters. Asia Pacific remained strong and Middle East and Africa showed a significant recovery, although still negatively impacted by political instability in some countries with a significant weight in the region. In turn, Western Europe and North America persisted as the weaker regions.

For the full year 2013, the industry increased a modest 2.0%, supported by a weak first half of the year which was followed by a soft recovery during the second half, driven generally by the macro environment. More specifically, some important factors affecting the industry in 2013 include: (i) the volume decline experienced in North America and Western Europe, although both regions showed incipient signs of recovery in the second half of the year, (ii) the negative impact from the difference in working days vs. the previous year (e.g. leap year in February 2012), (iii) the weak performance of certain countries in Middle East and Africa, mainly driven by political unrest, and in Europe, with some countries highly impacted by negative macroeconomic conditions, (iv) higher levels of disintermediation experienced in some countries in Asia as a result of the success of certain low cost carriers, in particular in India, and (v) the weakness in corporate travel, the bulk of which is managed by travel agencies. These negative factors were partially offset by a strong performance in Latin America and CESE.

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

Amadeus

Our air TA bookings increased by 6.0% in the fourth quarter of 2013, driving full year growth to 6.5%. Amadeus continued outperforming the industry, due to our market share increase. As of December 31, 2013 our global market share was 40.1%, 1.5 p.p. higher than that of 2012.

Other than Western Europe, impacted by industry decline and negative country mix effect, all geographic regions contributed positively to our booking volume increase. Latin America, CESE and Asia Pacific performed strongly in the year and increased their weighting. North America relative exposure also increased significantly, driven by strong market share gains, and despite the negative growth of the industry in the region. In turn, as mentioned above, bookings from Western Europe, which remain the most significant contributors to our total air bookings, were negatively impacted by the weakness in the industry, and in particular by the underperformance of certain countries in the region where Amadeus has a significant presence (such as Germany, Spain and France). Finally, bookings in Middle East and Africa were negatively impacted by the political unrest in some countries with strong weight in our bookings in the region (in particular, Saudi Arabia and Egypt).

Amadeus Air TA Bookings ***Figures in million***	Full year 2013	% of Total	Full year 2012	% of Total	% Change
Western Europe	187.9	42.4%	188.7	45.3%	(0.4%)
Asia & Pacific	62.2	14.0%	58.1	14.0%	7.0%
Middle East and Africa	57.7	13.0%	56.4	13.5%	2.4%
North America	55.3	12.5%	40.0	9.6%	38.1%
CESE	46.9	10.6%	43.5	10.4%	7.7%
Latin America	33.5	7.6%	29.8	7.1%	12.5%
Total Air TA Bookings	**443.4**	**100.0%**	**416.5**	**100.0%**	**6.5%**

With regard to non-air distribution, bookings for 2013 decreased by 2.5% to 59.2 million vs. 60.7 million in 2012, mostly driven by the decrease in rail bookings and despite an increase in hotel bookings, which continue to perform well. Bookings of tour operators and insurance also declined slightly.

3.1.2 Revenue

Our Distribution revenue increased by 4.7% in the fourth quarter of 2013 to €534.2 million. This increase was driven by the growth in air bookings, as detailed above and higher non-booking revenue, partially offset by lower average pricing.

In 2013, total Distribution revenue was 5.3% higher than in 2012. This increase was driven by growth both in booking revenue (+5.0%) and in non-booking revenue (+7.5%):

- **Booking revenue**: 5.0% increase, driven by a combination of volume growth (5.3% increase in total bookings) and a negative pricing impact (a decline of 0.3% in our unit booking fee due to negative FX impact). Excluding FX impact, pricing increased slightly vs. 2012, mainly driven by (i) positive booking mix, as the weight of global bookings over our total air booking volume increased (with local bookings from regions such as North America growing less than high-yield bookings from other regions such as Asia Pacific), and (ii) positive product mix in the non-air volumes, as the contribution of rail bookings, with low unit booking fee, to the total non-air volumes decreased in the year in comparison to previous year.
- **Non booking revenue:** 7.5% increase in 2013, related to higher revenues from travel agencies (growth in products and services sold to travel agencies, such as availability and shopping tools, web services or our corporate booking tool, Amadeus eTravel Management), a positive performance of our subsidiary Traveltainment in the leisure business and the positive contribution of the contract signed with Kayak in

the US. In addition, non-booking revenue benefitted from positive results from the cancellation provision and the hedging activity.

Distribution. Revenue *Figures in million euros*	**Full year 2013**	**Full year 2012**	**% Change**
Booking revenue	1,979.0	1,885.6	5.0%
Non booking revenue	338.9	315.4	7.5%
Revenue	**2,317.8**	**2,201.0**	**5.3%**
Average fee per booking (air and non-air) [1]	**3.94**	**3.95**	**(0.3%)**

1. Represents our booking revenue divided by the total number of air and non-air bookings.

3.1.3 Contribution

The contribution of our Distribution business is calculated after deducting from our revenue those operating costs which can be directly allocated to the business (variable costs, mainly related to distribution fees and incentives, and those product development, marketing and commercial costs which are directly attributable to each business).

The contribution of our Distribution business increased by 5.5% for 2013, leading to a total contribution of €1,035.9 million in 2013 vs. €982.3 million in 2012. As a percentage of revenue, this represents 44.7%, a slight improvement vs. 2012.

Operating costs, net of capitalisations, increased by 5.2% in the full year period. On a gross basis, operating costs in 2013 increased by 5.4%, as a result of:

- The increase in our booking volumes (5.3% increase in total travel agency bookings, or 6.5% increase in air bookings).
- Increase in our average unit incentive fees, paid to travel agencies, driven by a combination of the competitive environment and the mix of travel agencies originating our bookings, with significant growth in the online segment.
- As described in the R&D caption, development activities in the distribution business in the period include: (i) new products and applications for travel agencies, airlines, and corporations to provide sophisticated booking and search engines (e.g. Air Extreme, Amadeus Affinity Shopper), our e-Travel management self-booking tool for corporations (e.g.: launch of the mobile booking app, Amadeus e-Travel Management Mobile), and the creation of the Total Travel Record (the future evolution of the PNR, containing all traveler information with cross-sell, cross-channel, multi-GDS data and related customer management functionalities), (ii) regionalisation efforts, and (iii) increased investment in relation to the new businesses: hotel and rail distribution (e.g.: Rail Agent Track, a new rail-based search solution, designed exclusively for rail services or the FlyByRail functionality), as well as in payments, travel intelligence, mobile and social media.
- The annual salary reviews.
- The effects explained above were partially offset by the positive impact of efficiencies gained in our sales and commercial costs.

3.2 IT Solutions

IT Solutions *Figures in millions*	**Full year 2013[1]**	**Full year 2012[2]**	**% Change**
KPI			
Passengers Boarded (PB) (m)	615.7	563.8	9.2%
Airlines migrated (as of December 31)	114	109	
Profit & Loss			
Revenue	**785.9**	**709.4**	**10.8%**
Operating costs	(409.9)	(353.5)	16.0%
Direct capitalisations	174.7	141.2	23.8%
Net operating costs	**(235.1)**	**(212.3)**	**10.8%**
Contribution	**550.7**	**497.1**	**10.8%**
As % of Revenue	70.1%	70.1%	0.0 p.p.

1. For purposes of comparability, the operating costs, net operating costs and contribution captions in 2013 have been adjusted to exclude extraordinary costs of €4.9 million associated to the acquisition of Newmarket, posted in Q4 2013. The contribution margin, as a percentage of revenue, in 2013, shown in the table above, is also impacted by this adjustment.
2. Figures adjusted to exclude extraordinary costs related to the IPO, in 2012.

Through our IT Solutions business we provide a comprehensive portfolio of technology solutions that automate certain mission-critical business processes, such as reservations, inventory management and other operational processes for travel providers (mainly airlines), as well as providing direct distribution technologies.

Our IT Solutions business continued posting significant growth in 2013. Revenue grew by 10.8% in the year, helped by the increase in both IT Transactional revenue, fuelled by growth in PB volumes, and non-transactional revenue, and despite the expected decline in direct distribution revenue. In turn, contribution increased by 10.8% or €53.7 million, to €550.7 million. Margin in 2013 remained stable.

During the year, we continued investing significantly, not only in preparation for the migrations of the next two years, but also in the new businesses, with the aim to enlarge our total addressable market beyond airline IT.

3.2.1 Evolution of KPI

Total number of passengers boarded increased by 11.7% to 160.3 million in the fourth quarter of 2013 vs. the fourth quarter of 2012, driven by the migrations implemented in the year (most notably EVA Airways, Ural Airlines, Garuda Indonesia, Thai Airways, Asiana Airlines and Sri Lankan Airlines) as well as the full-year impact of those implemented in 2012 (Cathay Pacific, Scandinavian Airlines, Singapore Airlines and Czech Airlines) and organic growth.

During the full year 2013, the number of passengers boarded reached 615.7 million, 9.2% higher than in 2012, fuelled by the above mentioned Altéa migrations and organic growth (+2.7%).

IT Solutions KPI	Oct-Dec 2013	Oct-Dec 2012	% Change	Full year 2013	Full year 2012	% Change
Passengers Boarded (PB) (m)	160.3	143.4	11.7%	615.7	563.8	9.2%
Airlines migrated (as of December 31)[1]				114	109	

1. Airlines migrated to at least the Altéa Inventory module, in addition to the Reservations module. Number of clients has been adjusted to eliminate those airlines that are no longer using the Altéa platform.

As of December 31, 2013, 50.1% of our total PB were generated by Western European airlines, a decrease vs. the same period in 2012, given the increase in the weight of our PB volumes in Asia Pacific. This increase has been driven by the contribution of Asian airlines added to our platform over the last 12 months such as Singapore Airlines, EVA Airways, Garuda Indonesia, Thai Airways and Asiana Airlines. This shift towards Asia Pacific will continue, as we have a number of migrations of Asian carriers scheduled for the coming months (such as Korean Air in 2014 and All Nippon Airways –only the international passengers business– in 2015). In turn, the Middle East and Africa and Latin America regions have been negatively impacted by (i) the slowdown of air traffic in certain Latin American countries, and in particular in Brazil, (ii) the political unrest in some countries of the Middle East and North Africa region, and (iii) airlines that are no longer using the Altéa platform.

Amadeus PB *Figures in million*	Full year 2013	% of Total	Full year 2012	% of Total	% Change
Western Europe	308.6	50.1%	295.9	52.5%	4.3%
Asia & Pacific	109.2	17.7%	69.3	12.3%	57.6%
Middle East and Africa	96.3	15.6%	100.8	17.9%	(4.4%)
Latin America	66.6	10.8%	66.7	11.8%	(0.2%)
CESE	35.1	5.7%	31.2	5.5%	12.4%
Total PB	**615.7**	**100.0%**	**563.8**	**100.0%**	**9.2%**

3.2.2 Revenue

IT Solutions revenue increased by 24.4% in the fourth quarter of 2013, as a result of: (i) the growth experienced in IT transactional revenue, driven by higher PB volumes (+11.7%, as explained above), an improvement in the unit fee and the positive contribution of e-commerce and stand-alone solutions, (ii) increase in direct distribution, mainly driven by organic growth, and (iii) higher non-transactional revenue, supported by an increase in the deferred revenue recognised in the quarter and growth in revenue from bespoke services.

In 2013, IT Solutions revenue grew by 10.8%. As detailed in the table below, group revenue was fuelled by growth in both IT transactional and non-transactional revenues, and despite the expected decrease in direct distribution revenue.

IT Solutions. Revenue *Figures in million euros*	Full year 2013	Full year 2012	% Change
IT transactional revenue	590.5	519.2	13.7%
Direct distribution revenue	103.5	119.6	(13.4%)
Transactional revenue	**694.0**	**638.8**	**8.6%**
Non transactional revenue	91.9	70.6	30.2%
Revenue	**785.9**	**709.4**	**10.8%**
IT Transactional revenue per PB (1)	0.96	0.92	4.1%

1. Represents IT transactional revenue divided by the total PB figure

Transactional Revenue

IT Transactional Revenue

As shown above, IT Transactional revenue increased by 13.7% in 2013, to €590.5 million. This increase was supported by strong growth in all main revenue lines:

- Altéa: significant increase driven by the volume growth, both in relation to new migrations that took place in the year and the full year impact of the 2012 migrations (as described above), as well as an increase in the Altéa unit fee, driven by the DCS migrations implemented in the year, as well as up selling of functionalities.
- E-commerce: significant increase in Passenger Name Record volumes. In addition, positive contribution from up selling activities (e.g. mobile solutions).
- Stand Alone IT solutions: continued strong performance based on the success in many products, such as Amadeus Ticket Changer, Self Service Check In, ancillary services, web services and loyalty. As in the case of Altéa, growth is driven both by the organic growth from existing customers, as well as new clients implemented.
- New businesses: small contribution of the new businesses, in particular airport IT and payments.

Average IT transactional revenue per PB for the year was €0.96, above the average fee of €0.92 reported in 2012. The main reasons for this increase are a higher Altéa unit fee, driven by the migrations to the Altéa DCS module implemented in the year, and the positive results from cross-selling.

Direct Distribution

Revenue from Direct Distribution fell by 13.4% in 2013 compared to 2012. This decrease in revenue was mostly driven by a drop in bookings as a consequence of the migration of some of our existing users of our Reservations module (notably Scandinavian Airlines, Czech Airlines and Thai Airways) to the Inventory module of our Amadeus Altéa Suite in 2013. Once migrated on to the Altéa platform, these clients pay a fee per PB, and revenue is accounted for under IT Transactional revenue, rather than in Direct Distribution. In addition, revenue growth was negatively affected by the demigration of LAN in the second half of 2012.

Non Transactional Revenue

Non-transactional revenue increased by a remarkable 30.2% in 2013, mainly as a result of higher revenue from gaps and implementations. The significant growth in revenue from gaps and implementations was mostly driven by (i) deferred revenues starting to be recognised after the customer migration cutover, in particular in relation to the migrations implemented in 2013, and (ii) certain implementation costs billed to customers which, based on IFRS rules, were recognised in revenue and not deferred in the balance sheet.

3.2.3 Contribution

The contribution of our IT Solutions business is calculated after deducting from our revenue those operating costs which can be directly allocated to this business (variable costs, including certain distribution fees, and those product development, marketing and commercial costs which are directly attributable to this business).

Excluding extraordinary costs associated to the acquisition of Newmarket (see section 6 in page 36), the contribution of the IT Solutions business grew by 10.8%, or €40.7 million, to €550.7 million in 2013. As a percentage of revenue, contribution margin remained stable at 70.1%.

The 10.8% increase in the contribution of our IT Solutions business in 2013 was driven by a 10.8% increase in both revenues and net operating costs.

Operating costs, net of capitalisations, increased by 10.8% in the full year period. On a gross basis, operating costs grew by 16.0%, mainly driven by activities which were subject to capitalisation, as they are relate to investment in R&D:

- An increase in our development costs associated with client implementations (migrations that took place in 2013 as well as those scheduled for the coming years), as well as increased efforts on new functionality (such as revenue management).
- Intense commercial and development activity in the new businesses, in particular in airport IT, in relation to the new contracts signed during the year, but also in hotel, rail and payments.
- The annual salary reviews.

3.3 EBITDA

In 2013, our EBITDA grew by 7.2%, to €1,188.7 million. EBITDA margin expanded to 38.3%, mainly driven by the increasing weight of the IT segment, with higher margins.

Growth in EBITDA was driven by the increase in contribution from both Distribution and IT Solutions, partially offset by higher net indirect costs, which grew by 6.1% in 2013 vs. 2012. This growth in net indirect costs, as shown in the table below, was driven by the combination of an increase in gross indirect costs, which were 10.7% higher vs. 2012, and indirect capitalisations, which grew by 32.3%. The increase in indirect costs was mainly attributable to:

- Increased efforts in cross-area R&D (mainly related to system performance and TPF decommissioning).
- Additional FTEs in the corporate function to support our business expansion, and in our data centre in Erding, to ensure a sustained level of maximum reliability and support to our development function.
- An increase in general and administration expenses such as computing, consultancy, training and recruitment (driven by growth in FTEs and development activities).
- The annual salary reviews.

The growth in capitalisations was linked to increased investment in projects with higher capitalisation ratios, such as cross-area R&D and the TPF decommissioning exercise.

As mentioned above, EBITDA in 2013 was negatively impacted by extraordinary costs associated to the acquisition of Newmarket, amounting to €4.9 million (see section 6 in page 36).

Indirect costs ***Figures in million euros***	**Full year 2013**	**Full year 2012[1]**	**% Change**
Indirect costs	(495.6)	(447.8)	10.7%
Indirect capitalisations & RTCs [2]	102.5	77.5	32.3%
Net indirect costs	**(393.1)**	**(370.3)**	**6.1%**

1. Figures adjusted to exclude extraordinary costs related to the IPO, in 2012.
2. 2. Includes the Research Tax Credit (RTC).

4 Consolidated financial statements

4.1 Group income statement

Group Income Statement *Figures in million euros*	Oct-Dec 2013	Oct-Dec 2012	% Change	Full year 2013	Full year 2012[1]	% Change
Revenue	**741.7**	**677.2**	**9.5%**	**3,103.7**	**2,910.3**	**6.6%**
Cost of revenue	(187.3)	(181.0)	3.5%	(803.7)	(747.2)	7.6%
Personnel and related expenses	(227.0)	(205.2)	10.7%	(846.3)	(762.5)	11.0%
Depreciation and amortisation	(91.3)	(84.7)	7.9%	(306.0)	(273.5)	11.9%
Other operating expenses	(86.5)	(71.5)	21.0%	(259.7)	(287.0)	(9.5%)
Operating income	**149.6**	**134.9**	**10.8%**	**888.0**	**840.2**	**5.7%**
Financial income	0.9	0.4	151.8%	2.1	2.5	(17.1%)
Interest expense	(17.3)	(20.3)	(14.8%)	(69.8)	(89.0)	(21.6%)
Other financial income (expenses)	0.7	(3.4)	n.m.	(1.9)	(8.4)	(77.8%)
Exchange gains (losses)	(2.1)	(0.1)	n.m.	(1.6)	0.1	n.m.
Net financial expense	(17.8)	(23.5)	(24.2%)	(71.2)	(94.8)	(24.9%)
Other income (expense)	4.6	(3.9)	n.m.	7.1	(16.9)	n.m.
Profit before income taxes	**136.4**	**107.5**	**26.8%**	**823.9**	**728.6**	**13.1%**
Income taxes	(46.4)	(38.8)	19.5%	(266.0)	(231.3)	15.0%
Profit after taxes	**89.9**	**68.7**	**30.9%**	**558.0**	**497.3**	**12.2%**
Share in profit from associates and JVs	1.4	1.2	23.8%	5.1	4.1	24.1%
Profit for the period	**91.4**	**69.9**	**30.8%**	**563.1**	**501.4**	**12.3%**
Key financial metrics						
EBITDA	**239.7**	**218.2**	**9.9%**	**1,188.7**	**1,109.0**	**7.2%**
EBITDA margin (%)	32.3%	32.2%	0.1 p.p.	38.3%	38.1%	0.2 p.p.
Adjusted profit (2)	**108.3**	**93.7**	**15.6%**	**619.5**	**574.8**	**7.8%**
Adjusted EPS (euros)(3)	**0.24**	**0.21**	**15.3%**	**1.39**	**1.30**	**7.6%**

1. Figures adjusted to exclude extraordinary costs related to the IPO, in 2012.
2. Excluding after-tax impact of the following items: (i) amortisation of PPA and impairment losses, (ii) changes in fair value and cancellation costs of financial instruments and non-operating exchange gains (losses) and (iii) extraordinary items related to the sale of assets and equity investments and, in 2012, the IPO.
3. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

4.1.1 Revenue

Revenue in the fourth quarter of 2013 increased by 9.5%, from €677.2 million to €741.7 million in 2012. For the full year 2013, revenue increased 6.6%, to €3,103.7 million. Group revenue growth was driven by strong underlying growth in both our business lines:

- Growth of €23.8 million, or 4.7%, in our Distribution business in the fourth quarter of 2013, mainly driven by our air TA bookings increase - which were fuelled by market share gains and an improvement in the air travel agency booking industry - and higher non-booking revenue, partially offset by lower average pricing. For the full year period, Distribution revenue grew by 5.3%.

- An increase of €40.7 million, or 24.4%, in our IT Solutions business in the fourth quarter of 2013, driven by growth in our IT transactional revenue, as a result of passengers volume increase and an improvement in our average unit fee per PB, as well as higher direct distribution and non–transactional revenue. IT Solutions revenue increased by 10.8% in the full year period.

Revenue ***Figures in million euros***	Oct-Dec 2013	Oct-Dec 2012	% Change	Full year 2013	Full year 2012	% Change
Distribution Revenue	534.2	510.5	4.7%	2,317.8	2,201.0	5.3%
IT Solutions Revenue	207.5	166.8	24.4%	785.9	709.4	10.8%
Revenue	**741.7**	**677.2**	**9.5%**	**3,103.7**	**2,910.3**	**6.6%**

4.1.2 Cost of revenue

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

Cost of revenue increased by 3.5% from €181.0 million in the fourth quarter of 2012 to €187.3 million in the fourth quarter of 2013. For the full year period, cost of revenue amounted to €803.7 million, an increase of 7.6% vs. 2012.

This increase was mainly due to higher air booking volumes in the Distribution business in the year. In addition, our unit incentive grew vs. 2012, as a combination of client mix and competitive pressure. In turn, the growth in distribution fees slowed down as some of the countries where Amadeus has non-fully owned ACOs (third party distribution), in particular in the Middle East and North Africa region, had a lower contribution to our air TA booking volume growth.

As a percentage of revenue, cost of revenue represented 25.9% in 2013, in line with the percentage rate reported in 2012.

4.1.3 Personnel and related expenses

Personnel and related expenses increased by 10.7% in the fourth quarter of 2013, driving total growth for the full year vs. 2012 to 11.0% (from €762.5 million in 2012 to €846.3 million in 2013). This increase is the result of:

- An increase of 9% in average FTEs vs. 2012, as well as the transfer of close to 500 Amadeus contractors in Bangalore to Amadeus staff from July 2012.
- The annual salary reviews on a global basis, undertaken in April 2013.

The increase in average FTEs in 2013 was mainly driven by the growth in our development staff, but we have also seen an increase in employees to reinforce the commercial, corporate support and operational areas:

- Higher headcount in R&D in relation to implementation work, both in IT Solutions and in Distribution, as well as new projects (new products and functionalities).
    - Significant investment devoted to the migration of clients to the Reservations and Inventory modules of Altéa in the year (EVA Airways, Ural Airlines, Garuda Indonesia, Thai Airways, Sri Lankan Airlines and Asiana Airlines, amongst others) and those scheduled over the coming 24 months (Southwest Airlines, Korean Air, All Nippon Airways, etc.), as well as the efforts to migrate 21 airlines to our Altéa DCS module (such as Scandinavian Airlines, Ural Airlines, Air Astana, EVA Airways and UNI

Airways). In the Distribution segment, higher investment devoted to the Topas project, as well as our new rail distribution platform.

- Increase in headcount for new R&D projects such as Revenue Management, as well as functionality such as availability control. Other key projects in the distribution area include the Total Traveller Record and our offering for corporations, including the Amadeus e-Travel Management self-booking tool. Notably, there's a significant increase in our new businesses, relative to the previous year, in particular in the ground handling and airport IT areas, but also hotel, rail, payments and mobile.

- Reinforcement of our commercial and technical support in geographical areas with significant business growth (regionalisation) or areas where a significant business opportunity is identified (e.g. our new businesses, especially airport IT and hotel).
- The acquisition of Amadeus IT Services Turkey (former Hitit Loyalty), the market leader in the airline loyalty space, in terms of customers.
- The growth in the headcount in our data centre in Erding, in order to ensure a sustained level of maximum reliability as well as to increase the development support (test environments, governance and efficiency, etc.).

4.1.4 Other Operating Expenses

Other operating expenses increased by 21.0% to €86.5 million in the fourth quarter of 2013. This caption was negatively impacted by certain non-recurring effects, such as extraordinary costs related to the acquisition of Newmarket, one-off costs related to consulting services and an increase in the bad debt provision. In addition, capitalisations of R&D investment slowed down in the quarter. Excluding these effects, other operating expenses declined in the fourth quarter of 2013 vs. same period of 2012.

For the full year period, other operating expenses declined by 9.5% to €259.7 million. This decrease is mainly explained by the shift of operating costs from other operating expenses to personnel expenses. As discussed earlier, close to 500 contractors in our development centre in Bangalore were hired as permanent staff during the period.

On a net basis, personnel and other operating expenses increased by 5.4% in 2013.

Personnel expenses + Other operating expenses *Figures in million euros*	**Oct-Dec 2013**	**Oct-Dec 2012**	**% Change**	**Full year 2013**	**Full year 2012**	**% Change**
Personnel expenses + Other operating expenses	**(313.6)**	**(276.7)**	**13.3%**	**(1,106.0)**	**(1,049.5)**	**5.4%**

4.1.5 EBITDA

EBITDA amounted to €239.7 million in the fourth quarter of 2013, representing a 9.9% increase vs. the fourth quarter of 2012 and a 32.3% margin over revenue.

For the full year period, EBITDA amounted to €1,188.7 million, 7.2% higher than 2012. As explained in the section 3.3 above, the increase in EBITDA was supported by growth in both our Distribution and IT Solutions businesses, partly offset by an increase in net indirect costs. EBITDA margin expanded to 38.3%, mainly driven by the increasing weight of the IT segment, with higher margins.

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

EBITDA *Figures in million euros*	Oct-Dec 2013	Oct-Dec 2012	% Change	Full year 2013	Full year 2012[1]	% Change
Operating income	**149.6**	**134.9**	**10.8%**	**888.0**	**840.2**	**5.7%**
Depreciation and amortisation	91.3	84.7	7.9%	306.0	273.5	11.9%
Depreciation and amortisation capitalised	(1.1)	(1.4)	(19.9%)	(5.3)	(4.6)	15.2%
EBITDA	**239.7**	**218.2**	**9.9%**	**1,188.7**	**1,109.0**	**7.2%**
EBITDA margin (%)	32.3%	32.2%	0.1 p.p.	38.3%	38.1%	0.2 p.p.

1. Figures adjusted to exclude extraordinary costs related to the IPO, in 2012.

4.1.6 Depreciation and Amortisation

D&A increased by 7.9% in the fourth quarter of 2013, or 11.9% in the full year period.

Ordinary D&A increased by 16.9% in the fourth quarter of 2013, or 16.0% full year. This increase is mainly driven by higher amortisation of intangible assets, in turn mostly linked to the amortisation of capitalised development expenses in our balance sheet, as the associated product / contract started generating revenues during the year (for example, those costs related to Altéa migrations which were implemented in the period, as well as to certain projects related to product development). Additionally, depreciation expense was also higher in the quarter vs. the fourth quarter of previous year.

During 2013 we reported certain impairment losses in relation to products that we estimate will not deliver the expected economic benefits, due to either unforeseen efforts required to deliver the customer's needs, or a reassessment of the expected demand downwards.

Depreciation and Amortisation *Figures in million euros*	Oct-Dec 2013	Oct-Dec 2012	% Change	Full year 2013	Full year 2012	% Change
Ordinary depreciation and amortisation	(63.2)	(54.1)	16.9%	(218.1)	(188.1)	16.0%
Amortisation derived from PPA	(16.8)	(17.8)	(5.5%)	(69.1)	(71.0)	(2.7%)
Impairments	(11.3)	(12.8)	(12.0%)	(18.8)	(14.4)	30.6%
Depreciation and amortisation	**(91.3)**	**(84.7)**	**7.9%**	**(306.0)**	**(273.5)**	**11.9%**
Depreciation and amortisation capitalised[1]	1.1	1.4	(19.9%)	5.3	4.6	15.2%
Depreciation and amortisation post-capitalisations	**(90.2)**	**(83.3)**	**8.3%**	**(300.6)**	**(268.8)**	**11.8%**

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

4.1.7 Operating income (EBIT)

Operating Income for the fourth quarter of 2013 increased by €14.6 million or 10.8%, driving our Operating Income in the full year to €888.0 million, 5.7% higher than 2012. The increase was driven by growth in our Distribution and IT Solutions business lines, partially offset by an increase in the indirect costs line and higher D&A charges.

4.1.8 Net financial expense

Net financial expense decreased by 24.2% in the fourth quarter of 2013, from €23.5 million in 2012 to €17.8 million in the fourth quarter of 2013.

For the full year period, net financial expense decreased by 24.9% or €23.6 million to €71.2 million. This decrease is explained by the lower amount of average gross debt outstanding, resulting in a 21.6% lower interest expense, as well as a reduction of €6.5 million in other financial expenses to €1.9 million (this caption was negatively impacted by extraordinary cancellation costs of certain financial instruments in 2012).

4.1.9 Income taxes

Income taxes for the full year 2013 amounted to €266.0 vs. €231.3 million for 2012 (excluding the impact of extraordinary IPO costs). The income tax rate for 2013 was 32.3%, higher than the 31.7% income tax rate in 2012. Average effective corporate tax rate has increased as a result of recent changes in corporate tax regulations in France.

4.1.10 Profit for the period

As a result of the above, profit in the fourth quarter of 2013 amounted to €91.4 million, an increase of 30.8% vs. a profit of €69.9 million in the fourth quarter of 2012.

For the full year, profit increased by 12.3% or €61.7 million to €563.1 million.

4.1.11 Adjusted profit

Adjusted profit ***Figures in million euros***	**Oct-Dec 2013**	**Oct-Dec 2012**	**% Change**	**Full year 2013**	**Full year 2012**	**% Change**
Reported profit	**91.4**	**69.9**	**30.8%**	**563.1**	**496.1**	**13.5%**
Adjustment: Extraordinary IPO costs[1]	0.0	(0.0)		0.0	5.3	
Profit	**91.4**	**69.9**	**30.8%**	**563.1**	**501.4**	**12.3%**
Adjustments						
Impact of PPA[2]	11.5	12.2	(6.1%)	47.3	49.0	(3.4%)
Non-operating FX results and mark-to-market[3]	0.9	(0.0)	n.m.	1.2	2.9	(57.9%)
Extraordinary items[4]	(3.1)	2.7	n.m.	(4.8)	11.6	n.m.
Impairments	7.6	8.9	(13.8%)	12.8	9.9	28.3%
Adjusted profit	**108.3**	**93.7**	**15.6%**	**619.5**	**574.8**	**7.8%**

1. After tax impact of extraordinary costs related to the IPO, in 2012.
2. After tax impact of amortisation of intangible assets identified in the purchase price allocation exercise undertaken following the leveraged buy-out.
3. After tax impact of changes in fair value and cancellation costs of financial instruments and non-operating exchange gains (losses).
4. After tax impact of extraordinary items related to the sale of assets and equity investments.

Profit (adjusted to exclude extraordinary IPO costs) increased by 30.8%, or €21.5 million, in the fourth quarter of 2013. For the full year, profit (adjusted to exclude extraordinary IPO costs) increased by 12.3%, or €61.7 million in 2013.

After adjusting for (i) non-recurring items and (ii) accounting charges related to the PPA (purchase price allocation) amortisation and other mark-to-market items, adjusted profit increased by 15.6% in the fourth quarter of 2013 and by 7.8%, to €619.5 million, in 2013.

4.1.12 Earnings per share (EPS)

Earnings per share	Oct-Dec 2013	Oct-Dec 2012	% Change	Full year 2013	Full year 2012	% Change
Weighted average issued shares (m)	447.6	447.6		447.6	447.6	
Weighted average treasury shares (m)	(3.0)	(3.6)		(3.3)	(3.4)	
Outstanding shares (m)	**444.6**	**444.0**		**444.3**	**444.2**	
EPS (euros)[1]	**0.21**	**0.16**	**30.4%**	**1.27**	**1.13**	**12.1%**
Adjusted EPS (euros)[2]	**0.24**	**0.21**	**15.3%**	**1.39**	**1.30**	**7.6%**

1. EPS corresponding to the Profit attributable to the parent company (excluding extraordinary costs related to the IPO in 2012). Calculated based on weighted average outstanding shares of the period.
2. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

The table above shows EPS for the period, based on the profit attributable to the parent company (after minority interests, which amounted to a profit of €0.4 million in 2013 vs. a loss of €0.6 in 2012), both on a reported basis (excluding extraordinary IPO costs in 2012) and on an adjusted basis (adjusted profit as detailed in section 4.1.11 above).

4.2 Statement of financial position (condensed)

Statement of Financial Position *Figures in million euros*	31/12/2013	31/12/2012
Property, plant and equipment	304.6	299.4
Intangible assets	1,983.9	1,879.0
Goodwill	2,068.3	2,065.4
Other non-current assets	164.9	140.0
Non-current assets	4,521.8	4,383.9
Current assets	414.5	371.7
Cash and equivalents	490.9	399.9
Total assets	**5,427.1**	**5,155.4**
Equity	1,840.1	1,531.4
Non-current debt	1,427.3	1,541.3
Other non-current liabilities	946.7	871.0
Non-current liabilities	2,374.0	2,412.2
Current debt	270.9	353.3
Other current liabilities	942.2	858.5
Current liabilities	1,213.0	1,211.8
Total liabilities and equity	**5,427.1**	**5,155.4**
Net financial debt (as per financial statements)	**1,207.3**	**1,494.7**

4.2.1 Property, plant and equipment (PP&E)

This caption principally includes land and buildings, data processing hardware and software, and other PP&E assets such as building installations, furniture and fittings and miscellaneous.

Capital expenditure in PP&E in 2013 amounted to €61.6 million, as described in the section 4.3.2 of this report.

4.2.2 Intangible assets

This caption principally includes (i) the net cost of acquisition or development and (ii) the excess purchase price allocated to patents, trademarks and licenses[6], technology and content[7] and contractual relationships[8]. Following the acquisition of Amadeus IT Group, S.A. (the former listed company) by Amadeus IT Holding, S.A. (the current listed company, formerly known as WAM Acquisition, S.A.) in 2005, the excess purchase price derived from the business combination between them was partially allocated (purchase price allocation ("PPA") exercise) to intangible assets. The intangible assets identified for the purposes of our PPA exercise in 2005 are amortised on a straight-line basis over the useful life of each asset and the amortisation charge is recorded in our P&L. The amortisation charge attributable to PPA amounted to €16.8 million in the fourth quarter of 2013 and €69.1 million in the full year 2013.

Capital expenditure in intangible assets in 2013 amounted to €349.6 million, as described in the section 4.3.2 of this report.

4.2.3 Goodwill

Goodwill mainly relates to the unallocated amount of €2,068.3 million of the excess purchase price derived from the business combination between Amadeus IT Holding, S.A. (the current listed company, formerly known as WAM Acquisition, S.A.) and Amadeus IT Group, S.A. (the former listed company), following the acquisition of Amadeus IT Group, S.A. by Amadeus IT Holding, S.A. in 2005.

4.2.4 Equity. Share capital

As of December 31, 2013 the share capital of our Company was represented by 447,581,950 shares with a nominal value of €0.01 per share.

For information in relation to dividend payments, see section 5.3 "Dividend payment and dividend policy".

4.2.5 Financial indebtedness

Net financial debt as per the existing financial covenants' terms amounted to €1,210.7 million on December 31, 2013, a reduction of €284.5 million vs. December 31, 2012, thanks to the cash generated during the period, after the payment of a dividend in a total amount of €222.2 million. In addition, the reported figure is reduced by the evolution of the EUR/USD FX rate in our USD denominated debt.

As of December 31, 2013, our covenant net financial debt represented 1.01 times covenant net financial debt to EBITDA.

During the year, the following changes to our debt structure took place:

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6. Net cost of acquiring brands and trademarks (either by means of business combinations or in separate acquisitions) as well as the net cost of acquiring software licenses developed outside the Group for Distribution and IT Solutions
7. Net cost of acquiring technology software and travel content either by means of acquisitions through business combinations / separate acquisitions or internally generated (software applications developed by the Group, including the development technology of the IT solutions business). Travel content is obtained by Amadeus through its relationships with travel providers
8. Net cost of contractual relationships with travel agencies, as acquired through business combinations, as well as costs subject to capitalisations, related to travel agency incentives, that can be recognised as an asset.

- Partial amortisation of the bank financing (tranche A of the senior credit facility), as agreed in the senior credit agreement, as well as a voluntary repayment of €81.2 million.
- Total repayment of the bridge loan (tranche B of the senior credit facility) by an amount of €106 million.
- The European Investment Bank granted Amadeus an additional development loan by an amount of €150 million.
- A new revolving credit facility in an amount of €300 million, with maturity in November 2018, in replacement of our previous €200 million revolving credit facility (which matured in December 2014). This new facility remained undrawn at December 31, 2013.

As explained in section 6 in page 36, we announced the acquisition of Newmarket in December 2013. The acquisition price was USD 500 million. On December 18, 2013, the Group entered an unsecured senior term loan facility with a maximum principal amount of USD 500 million to finance the acquisition of Newmarket. The US Federal Trade Commission approved the acquisition on January 30, 2014. The loan has scheduled repayments every six months starting on March 2017 and a final maturity date on December 2018. As of December 31, 2013 the loan remained fully undrawn.

Proforma of the additional credit facility related to the Newmarket acquisition, our covenant net financial debt would have been €1,573.3 million as of December 31, 2013, representing 1.3 times covenant net financial debt to EBITDA.

Indebtedness ***Figures in million euros***	**31/12/2013**	**31/12/2012**
Covenants definition[1]		
Senior Loan (EUR)	265.9	490.8
Senior Loan (USD)[2]	253.6	361.5
Long term bonds	750.0	750.0
EIB loan	350.0	200.0
Other debt with financial institutions	60.7	72.7
Obligations under finance leases	21.4	20.1
Covenant Financial Debt	**1,701.6**	**1,895.0**
Cash and cash equivalents	(490.9)	(399.9)
Covenant Net Financial Debt	**1,210.7**	**1,495.2**
Covenant Net Financial Debt / LTM Covenant EBITDA[3]	**1.01x**	**1.34x**
Reconciliation with financial statements		
Net financial debt (as per financial statements)	**1,207.3**	**1,494.7**
Interest payable	(20.6)	(21.2)
Deferred financing fees	12.3	11.8
EIB loan adjustment	11.7	9.9
Covenant Net Financial Debt	**1,210.7**	**1,495.2**

1. Based on the definition included in the Senior Credit Agreement.
2. The outstanding balances denominated in USD have been converted into EUR using the USD / EUR exchange rate of 1.3791 and 1.3194 (official rate published by the ECB on Dec 31, 2013 and Dec 31, 2012, respectively).
3. LTM Covenant EBITDA as defined in the Senior Credit Agreement.

(Millions of euros)

Reconciliation with net financial debt as per our financial statements

Under the covenant terms, Covenant Financial Debt (i) does not include the accrued interest payable (€20.6 million at December 31, 2013) which is treated as debt in our financial statements, (ii) is calculated based on its nominal value, while in our financial statements our financial debt is measured at amortised cost, i.e., after deducting the deferred financing fees (that correspond mainly to fees paid upfront in connection with the set-up of new credit agreements and amount to €12.3 million at December 31, 2013) and (iii) does not include an adjustment for the difference between the nominal value of the loan granted by the EIB at below-market interest rate and its fair value (€11.7 million at December 31, 2013).

USD denominated debt

In line with our company policy of minimising our financial risks, part of our financial debt is denominated in USD, in order to hedge our exposure to FX movements in the EUR-USD exchange rate. As of December 31, 2013, we had USD 350 million bank debt[9], which is serviced with the cash flow generated in USD. Therefore, both the interest and the principal of the USD denominated debt are providing an economic hedge of the operating cash flows generated in that currency.

Hedging arrangements

At December 31, 2013, 31% of our total covenant financial debt was subject to floating interest rates, indexed to the EURIBOR or the USD LIBOR, while 69% of our debt had a fixed cost and was therefore not subject to interest rate risk. However, we use hedging arrangements to limit our exposure to movements in the underlying interest rates. Under these arrangements, our euro-denominated gross debt, fully subject to floating interest rates had its base interest rate fixed until June 2014 at an average rate of 1.9%, and 79% of our USD-denominated gross debt subject to floating interest rates had its base interest rate fixed until November 2015 at an average rate of 0.8%. In total, up to November 2015, 90% of our total covenant financial debt had fixed interest.

Debt structure at December 31, 2013(9)

	Description	Amount	Maturity
Bank financing	Amortizing Term Loan	€520m(1)	November 2015
Capital markets financing	Euro Bond	€750m	July 2016
EIB Loans	Development loans	€200m €150m	May 2021 May 2022
Revolving Credit Facilities	Revolver	€300m	November 2018

1. USD denominated debt converted into EUR using the USD/EUR exchange rate of 1.3791 (official rate published by the ECB on Dec 31, 2013).

[9] Excludes the USD 500 million credit facility arranged to finance the acquisition of Newmarket International, as explained in section 6 on page 36 of this report.

4.3 Group cash flow

Consolidated Statement of Cash Flows *Figures in million euros*	Oct-Dec 2013	Oct-Dec 2012	% Change	Full year 2013	Full year 2012[1]	% Change
EBITDA	239.7	218.2	9.9%	1,188.7	1,109.0	7.2%
Change in working capital	88.7	88.5	0.3%	65.6	99.9	(34.3%)
Capital expenditure	(105.1)	(112.2)	(6.3%)	(411.2)	(348.9)	17.9%
Pre-tax operating cash flow	**223.4**	**194.5**	**14.9%**	**843.1**	**860.1**	**(2.0%)**
Taxes	(131.0)	(94.3)	39.0%	(231.1)	(194.3)	18.9%
Equity investments	(0.9)	(0.3)	186.7%	(8.0)	(11.6)	(31.2%)
Non-operating cash flows	(2.1)	0.7	n.m.	(4.8)	4.1	n.m.
Cash flow from extraordinary items	0.3	0.2	50.3%	1.2	(22.5)	n.m.
Cash flow	**89.6**	**100.8**	**(11.1%)**	**600.5**	**635.7**	**(5.5%)**
Interest and financial fees paid	(11.7)	(11.9)	(1.3%)	(70.3)	(90.2)	(22.1%)
Debt payment	(42.9)	(79.7)	(46.2%)	(212.1)	(372.5)	(43.1%)
Cash to shareholders	0.0	(0.0)	n.m.	(227.1)	(197.4)	15.0%
Change in cash	**35.0**	**9.2**	**282.1%**	**91.0**	**6.6**	**1,283.7%**
Cash and cash equivalents, net [2]						
Opening balance	455.5	390.4	16.7%	399.6	393.0	1.7%
Closing balance	490.6	399.6	22.8%	490.6	399.6	22.8%

1. Figures adjusted to exclude extraordinary costs related to the IPO, in 2012.
2. Cash and cash equivalents are presented net of overdraft bank accounts.

4.3.1 Change in working capital

Amadeus typically works on negative working capital (i.e. cash inflows), driven by the fact that Amadeus collects payments from most airlines (more than 80% of our group collections) through IATA, ICH and ACH, with an average collection period of just over one month, whilst payments to providers and suppliers are made on average over a significantly longer period.

Cash inflow in 2013 was lower than in 2012, mainly driven by the negative effect that factoring had in 2013 figures, as no factoring was done in the year as opposed to factoring done in 2012, and, to a lesser extent, lower collections from client implementations (due to timing differences and the mix of projects undertaken).

4.3.2 Capital expenditure

The table below details the capital expenditure in the period, both in tangible and intangible assets. Based on the nature of our investments in tangible assets, the figures may show variations on a quarterly basis, depending on the timing on certain investments. The same applies to our investments in contractual relationships where payments to travel agencies may take place in different periods, based on the timing of the renegotiations.

Capex in the fourth quarter of 2013 amounted to €105.1 million, 6.3% lower than in the same period of 2012. This decrease was explained by lower signing bonuses paid in the period, as well as a reduction in investment in fixed assets and software. In turn, capitalised R&D continued increasing in the quarter.

For the full year period, capex increased by €62.3 million, or 17.9%, and represented 13.2% of revenue.

This increase in capex was driven by (i) a €56.5 million or 19.3% growth in investment in intangible assets, due to higher software capitalisations derived from the increased R&D activity, partly offset by a decline in the amount of signing bonuses paid in the year, and (ii) €5.8 million higher investment in tangible assets, in hardware for our data centre in Erding.

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

Capital Expenditure ***Figures in million euros***	**Oct-Dec 2013**	**Oct-Dec 2012**	**% Change**	**Full year 2013**	**Full year 2012**	**% Change**
Capital expenditure in tangible assets	20.4	23.7	(13.8%)	61.6	55.8	10.4%
Capital expenditure in intangible assets	84.7	88.5	(4.3%)	349.6	293.1	19.3%
Capital expenditure	**105.1**	**112.2**	**(6.3%)**	**411.2**	**348.9**	**17.9%**
As % of Revenue	14.2%	16.6%	(2.4 p.p.)	13.2%	12.0%	1.3 p.p.

4.3.3 R&D expenditure

As a leading and differentiated technology provider for the travel industry, Amadeus undertakes significant R&D activities, which are the main driver for growth. Our investment in R&D can be classified in various categories, including customer implementations, portfolio expansion / product evolution, diversification into non-air IT and internal technological projects.

In the fourth quarter of 2013, R&D investment (including both capitalised and non-capitalised expenses) increased by 15.6% vs. the same period in 2012. Total R&D for the year amounted to €489.3 million, 18.2% higher than in 2012. As a percentage of revenue, R&D costs amounted to 15.8%.

This increase in R&D expenditure in 2013 reflects, amongst others:

i. Higher investment carried out as a result of the high level activity in terms of ongoing projects mainly under the airline IT solutions scope (scheduled migrations, ongoing portfolio expansion or product evolution initiatives, such as flight management, availability control, revenue management or web services)

ii. Additional investment in new projects or new initiatives such as the new businesses. In particular, increased resources devoted to airport IT, linked to the contracts signed in the year as well as to portfolio development, as well as to hotel, rail, payments and mobile.

iii. Ongoing investment in the TPF reengineering and increased efforts on system performance to sustain the highest possible reliability and service levels to our client base.

R&D Expenditure *Figures in million euros*	Oct-Dec 2013	Oct-Dec 2012	% Change	Full year 2013	Full year 2012[1]	% Change
R&D expenditure[(2)]	**145.4**	**125.7**	**15.6%**	**489.3**	**414.1**	**18.2%**
R&D as a % of Revenue	19.6%	18.6%	1.0 p.p.	15.8%	14.2%	1.5 p.p.

1. Figures adjusted to exclude extraordinary costs related to the IPO, in 2012.
2. Net of Research Tax Credit.

4.3.4 Pre-tax operating cash flow

Pre-tax operating cash flow in the fourth quarter of 2013 amounted to €223.4 million, or €28.9 million above that of the same period of 2012. For the full year, Pre-tax operating cash flow amounted to €843.1 million vs. €860.1 million in 2012. This decrease was driven by an increase in capex in the year as well as the lower cash inflow from change in working capital, which more than offset the growth in EBITDA.

4.3.5 Taxes

Taxes paid in the fourth quarter of 2013 amounted to €131.0 million, compared to €94.3 million in the same period in 2012. For the full year 2013, tax payments amounted to €231.1 million, compared to €194.3 million in 2012. Taxes paid were negatively impacted by the timing difference of an extraordinary amount paid to the tax authorities in the fourth quarter of 2013, to be compensated through a collection from the tax authorities in 2014.

4.3.6 Equity investments

Equity investments amounted to €8.0 million in 2013. This cash outflow mainly corresponds to payments in relation to the acquisition of companies, such as Hitit or Travelaudience.

4.3.7 Cash flow from extraordinary items

Extraordinary items in 2012 are mostly related to a partial cash payment to employees, in relation to the Value Sharing Plan incentive, an extraordinary incentive plan that was released at the time of the IPO, and which was payable in May 2011 and May 2012.

4.3.8 Interest and financial fees received / (paid)

Interest payments under our debt arrangements fell by 22.1% in 2013. This decrease is due to the lower amount of average debt after debt repayments in 2012 and 2013.

4.3.9 Cash to shareholders

The cash outflow to shareholders in 2013, amounting to €227.1 million, mainly corresponds to the dividend of 222.2 million euros, or €0.50 per share (gross), on the 2012 profit, paid in the year.

5 Investor information

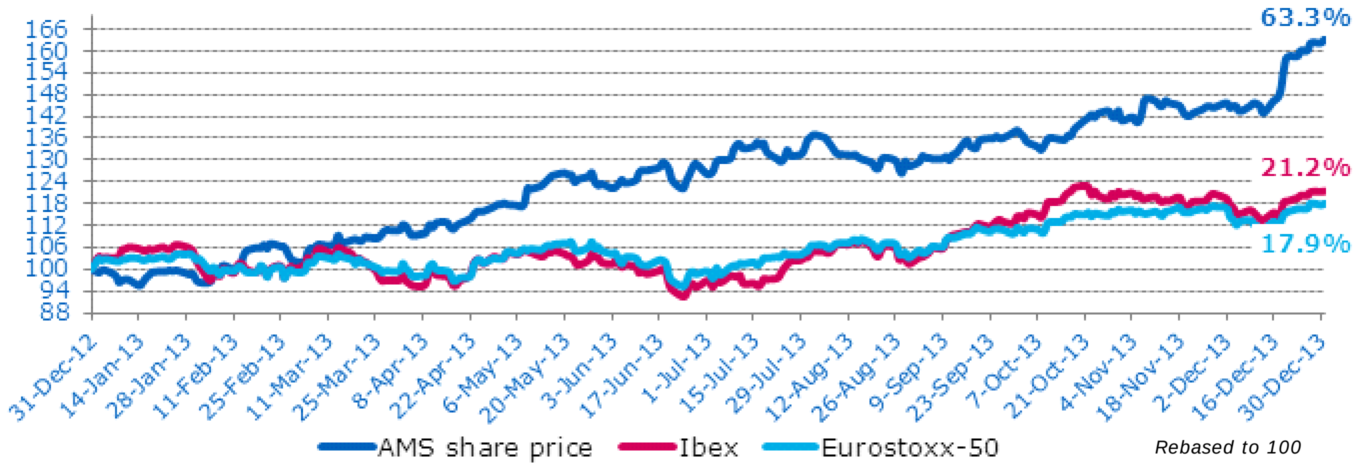
5.1 Capital stock. Share ownership structure

As of December 31, 2013 the capital stock of our company is €4,475,819.5 represented by 447,581,950 shares with a nominal value of €0.01 per share, all belonging to the same class, completely subscribed and paid in.

The shareholding structure as of December 31, 2013 is as described in the table below:

Shareholders	Shares	% Ownership
Air France Finance	22,578,223	5.04%
Malta Pension Investments	17,903,279	4.00%
Free float	403,862,208	90.23%
Treasury shares	2,963,138	0.66%
Board of Directors	275,102	0.06%
Total	**447,581,950**	**100.00%**

5.2 Share price performance in 2013



Amadeus	
Number of publicly traded shares (# shares)	447,581,950
Share price at December 31, 2013 (in €)	31.11
Maximum share price in Jan - Dec 2013 (in €) (December 31, 2013)	31.11
Minimum share price in Jan - Dec 2013 (in €) (January 14, 2013)	18.20
Market capitalisation at December 31, 2013 (in € million)	13,922
Weighted average share price in Jan - Dec 2013 (in €)[1]	23.8
Average Daily Volume in Jan - Dec 2013 (# shares)	3,057,412

1. Excluding cross trades.

5.3 Dividend policy and dividend payments

5.3.1 Dividend policy

The Board of Amadeus IT Holding, S.A., in the meeting held on December 12, 2013, resolved to extend the 2012 dividend policy which consists on a pay-out ratio of between 40% and 50% of the consolidated profit (excluding extraordinary items). This dividend policy, applicable to the period of 2013 and onwards, includes the payment of an interim dividend related to the results of each financial period.

5.3.2 Dividend payments

At the Shareholders' General Meeting held on June 20, 2013 our shareholders approved the annual gross dividend from the profit of the year 2012. The total value of the dividend was €223.8 million, representing a pay-out of 44.6% of the 2012 reported profit for the year (excluding extraordinary items related to the IPO), or €0.50 per share (gross). Regarding the payment, an interim amount of €0.25 per share (gross) was paid on January 30, 2013 and the complementary dividend of €0.25 per share (gross) was paid in July 30, 2013.

In 2014, the Board of directors will submit to the General Shareholders Meeting for approval a final gross dividend of €0.625 per share, including an interim dividend of €0.30 per share (gross), which was paid in full on January 31, 2014. Based on this, the proposed appropriation of the 2013 results included in our 2013 audited consolidated financial statements of Amadeus IT Holding, S.A. and subsidiaries includes a total amount of €279.7 million corresponding to dividends pertaining to the financial year 2013.

6 Presentation of financial information

The source for the financial information included in this document is the audited consolidated financial statements of Amadeus IT Holding, S.A. and subsidiaries, which have been prepared in accordance with International Financial Reporting Standard as adopted by the European Union.

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

Acquisition of Newmarket International

Amadeus acquired on February 5, 2014, 100% of the voting rights of NMTI Holdings, Inc. and its group of companies ("Newmarket"). Newmarket is based in Portsmouth, New Hampshire, U.S.A., and serves around 22,000 unique properties in 154 countries, operating in the group and event management segment of the hotel industry, where is a leading provider of cloud-based IT solutions. Newmarket generated revenues of $109 million and an EBITDA of $35 million in 2013.

The acquisition of Newmarket is in line with the Amadeus' strategy of diversification into new businesses and significantly strengthens its presence in the hotel IT market.

The acquisition price was USD 500 million. The transaction was fully financed by a new bank credit facility, which was signed in December 2013 and remained fully undrawn as of December 31, 2013. Newmarket will consolidate into Amadeus' books in the first quarter of 2014, following the approval of the acquisition by the US Federal Trade Commission in January 2014.

Acquisition-related costs incurred amounted to approximately €4.9 million, all of which were recognised in "Other operating expenses" in the consolidated statement of comprehensive income for the year ended December 31, 2013.

Segment cost reallocation

In 2013, the Group has implemented new allocation rules for certain fixed costs, such as personnel and building and office costs, to improve cost allocation between the operating segments (Distribution and IT Solutions). This reallocation has resulted in a cost structure of the operating segments that better reflects how the organisation is managed and decisions are made, providing a more accurate reflection of our segment reporting and profitability levels. The changes are effective starting from January 1, 2013, and for comparability purposes, the corresponding segment reporting information for 2012 has been restated. For the avoidance of doubt, this is only a reallocation exercise between operating segments and there is no change in the Group's Operating Income as a result of the new allocation rules.

Change in accounting policy

The Group has retrospectively adopted a change in accounting policy to adopt the amendments to IAS 19 from January 1, 2013. For comparative purposes, the condensed statement of financial position for the year ended December 31, 2012 and the Group income statement for 2012 have been restated (and differ from those previously reported). The impact of the change applied is immaterial.

Extraordinary costs related to the Initial Public Offering

On April 29, 2010 Amadeus began trading on the Spanish Stock Exchanges. The Company incurred extraordinary costs in relation to the offering that impacted the figures for 2010, 2011 and 2012. IPO expenses have not recurred in 2013. For purposes of comparability, figures for 2012 shown in this report have been adjusted to exclude such costs, in relation to personnel expenses.

Extraordinary costs related to the IPO ***Figures in million euros***	**Full year 2012**
Personnel and related expenses[1]	(7.7)
Total impact on Profit before taxes	**(7.7)**
Income taxes	2.4
Total impact on Profit	**(5.3)**

1. Costs included in "Personnel expenses" relate to the cost accrued in relation to the non-recurring incentive scheme (Value Sharing Plan) that became effective upon the admission of our shares to trading on the Spanish Stock Exchanges and which is accrued on a monthly basis over the two years following its implementation.

7 Other additional information

7.1 Expected Business Evolution

7.1.1 Macroeconomic backdrop and Amadeus business model

Amadeus is a leading technology provider and transaction processor for the global travel and tourism industry. Our business model is transactional and volume driven. We charge our clients - airlines and other travel providers - a fee per transaction (mainly bookings made by online and offline travel agencies connected to the Amadeus system or passengers boarded by airlines using our IT solutions). Our businesses and operations are therefore in large part dependent on the worldwide travel and tourism industry, which is sensitive to general economic conditions and trends.

As the International Monetary Fund (IMF) report on World Economic Outlook (WEO) had announced, global activity has strengthened during the second half of 2013. According to the same sources the perspectives are positive for the near term, with activity expected to improve further in 2014 and 2015, largely on account of recovery in the advanced economies. Global growth is now projected to be slightly higher in 2014, at around 3.7%, rising from 3.0% in 2013. Still downside risks remain and recent downward revisions to growth prospects in some economies highlight the fragility of the recovery in certain regions.

By regions, the IMF projects growth in the United States is expected to reach 2.8 % in 2014, up from 1.9 % in 2013, assisted by domestic demand improvement due to the reduction in the fiscal drag as a result of the budget agreement.

The euro area is turning the corner from recession to recovery. Growth is projected to strengthen to 1% in 2014, but the recovery will be uneven. The pick-up will generally be more modest in economies under stress, despite some upward revisions in countries like Spain.

Overall, growth in emerging market and developing economies is expected to increase to 5.1% in 2014. Growth in China rebounded strongly in the second half of 2013, due largely to acceleration in investment. However this surge is expected to be temporary, driven by policy measures aimed at slowing credit growth and raising the cost of capital.

Many other emerging market and developing economies have started to benefit from stronger external demand in advanced economies and China. Nevertheless domestic demand has remained weaker than initially expected and as a result, growth forecasts have been revised downwards since October 2013 WEO forecast for countries like Russia or Brazil and in Middle East and North African region.

This positive stance is also reflected in the traffic figures, given the existing relationship between this metric and GDP growth. In February 2014 the International Air Transport Association (IATA) reported a 5.2% increase in traffic for the full year 2013.This growth was based on an outstanding growth coming from the Middle East (above 11%); mid-single digit growth in Latin America, Africa and Asia Pacific and Europe and US as laggards posting low single digit growth in both cases.

Looking ahead, the IATA expects traffic increase of 6% for 2014, as business confidence continues to recover and with improvements in all the regions described. Based on our geographical footprint it would be especially important to see it happening in Europe, a relevant market for us where growth levels have been very low throughout 2013.

The financial performance of the Air transport industry in 2014 should improve driven by a combination of economic growth, an increase of the business confidence, a slow ramp up in industrial production at the latter part of 2013, lower than forecasted jet fuel prices, amendments in the industry structure and increased efficiency levels.

Based on the above, we expect a similar pattern for Amadeus in 2014. The headwinds on traffic growth seem to be overcome; the recovery of the business confidence should raise the levels of corporate travel, mainly concentrated on the indirect channel. Those effects coupled with economic recovery in certain regions and additional contracted market share gains will allow us to post results in accordance with the expectations of the market.

Additionally the recent M&A activity will support new potential opportunities in business areas which we are trying to further penetrate, like Airport IT or Hotel IT.

7.1.2 Amadeus strategic priorities and expected business evolution in 2014

Distribution is Amadeus traditional business, and it is management's goal to continue profitably grow the business; seek new pockets of demand and to continue delivering a best-in-class service to all of our clients. We will continue to invest in our platform, in order to support our customers in adapting to the fast changing travel industry. Merchandising, personalisation tools and improved shopping solutions are examples of innovative solutions that are key to our development strategy.

Our content agreements give us visibility and help us to ensure that the most comprehensive content possible is contained in our platform to maintain the travel agency channel as a valuable channel for distribution. During 2013, we successfully renewed some important content agreements such as IAG, Air France-KLM or American Airlines and in 2014 we will repeat this process with other providers up for renewal.

We continue to foresee a difficult competitive environment, and as a result this might have a dilutive impact on the contribution margin of this segment as it happened in 2013. Business mix and penetration in new areas of business such us the low cost carrier market and further penetration in the US market would be additional reasons for this downward pressure.

In terms of additional market share gains, during years 2014 and 2015 we will see an extra-push coming from the migration to Amadeus of the travel agencies in Korea previously linked to TOPAS, the Korean operator CRS (Computer Reservation System) handling around 15 million bookings on annual basis.

Our IT Solutions business has posted 9.2% growth for 2013 given that the most relevant migrations have taken place during the last quarter of the year. In 2014, Passenger Boarded growth rate will accelerate as a result of: (i) the full year effect of the recent migrations that will account for additional 40m Passenger Boarded processed through our platform (ii) the new migrations happening during 2014, accounting for around 20 m on annualized basis (iii) the improved traffic levels which will positively affect the growth expected over the base of clients.

During year 2014 we will also achieve a highly important milestone for Amadeus with the migration of Southwest international, the first US customer for the Altea platform. Continued commercial efforts, and ongoing product and service evolution should also bring new client wins that will further extend our current visibility and target of close to 800m PB by 2015.

During 2013 and early 2014 some forward steps have been taken to enhance our business opportunities in certain new areas, through two corporate acquisitions. We have acquired Newmarket, an American cloud-based Hotel IT provider focused on the provision of technology around events and group bookings, an important source of revenue of up to 40% for a hotel property. This acquisition provides with the appropriate structure, brings in existing contractual relationships with our target clients, the top 20 hotel chains in the word, and a highly experienced management team.

The second acquisition is UFIS, acquired during the first quarter of 2014 and included in our Airport IT business group. UFIS nicely complements the IT portfolio we are currently building while increasing our company awareness in the sector; giving us important levels of synergies and enhancing our customer base.

Amadeus' compromise with R&D investment has always been part of our DNA, and is one of the pillars for the success in our existing businesses. Since 2013, we are selectively supporting certain new business units, projects with high value-creation potential, always within the vision of the company of shaping the travel industry with our partners. In 2014 we will continue with similar levels of R&D expenditure, related not only to the new activities but also related to our airline migration activity and some other investments in the Distribution area.

Finally, it is our objective to preserve our strong cash flow generation and sound financial position. Having almost reached the lower part of the stated capital structure target (1.0x - 1.5x net debt / EBITDA) as of September 2013, we will be back in the middle of the range after the mentioned acquisitions. In relation to our dividend policy, the Amadeus Board of Directors on December 12, 2013 has agreed to:

- Increase the pay-out ratio to 50% for the year 2013, within the current dividend policy of a pay-out range of 40%-50% of the consolidated profit.

- Distribute an interim gross dividend from the 2013 profit of €0.30 per ordinary share payable on January 31, 2014.

In addition, the Board of Directors will submit to the Ordinary General Shareholders´ Meeting for approval, a final gross dividend of EUR 0.625 per share carrying dividend rights, against 2013 profit for the year, which represents an increase of 25% versus the dividend distributed against 2012 results.

7.2 Research and Development activities

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

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

During the year ended December 31, 2013, Amadeus expensed €185,8 million for R&D activities and capitalized €327,8 million (before deducting any incentives), which compares to €179,7 million and €260,6 million, respectively, in 2012.

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

7.3 Environmental matters

Amadeus' operations involve relatively low environmental risks and impacts compared with other industries. Nonetheless, with more than 10,000 employees, presence in more than 190 markets and operating in a high energy intensity industry, we acknowledge our responsibility to minimize the company's environmental impact and at the same time make our contribution to the sustainability of the travel industry.

7.3.1 Amadeus environmental strategy

Our environmental strategy addresses the impact of our operations and the concerns of stakeholders in the travel industry, including customers, employees, partners, regulatory bodies and the society in general.

We believe our first and most important responsibility is to address the environmental impact of our operations. Fortunately, for most cases we find a common economic and environmental interest that facilitates action in reducing resource consumption and environmental impact. Our Environmental Management System includes a systematic approach by which we:

- Measure resource consumption
- Identify best practices
- Implement actions and
- Follow up results

The items covered by the EMS include electricity, paper, water, waste and greenhouse gas emissions.

Additionally, our numerous sites across the world take their own environmental initiatives that range from activities as diverse as car-pooling, recycling campaigns, reduce paper used in office through the use of specific software, etc.

7.3.2 Improving environmental performance in our industry

Below are some examples of our involvement with other industry stakeholders in relation to industry environmental sustainability objectives.

Carbon calculation standards for aviation:

The calculation of emissions per aircraft passenger is complicated by a number of issues and different calculators offer significantly diverse emissions estimations for the same itinerary. A carbon calculator standard must meet therefore at least requirements of neutrality, global reach and legitimacy.

The International Civil Aviation Organisation (ICAO, UN body in charge of civil aviation) and Amadeus reached an agreement by which Amadeus can make use of ICAO's carbon calculator in our distribution platforms.

The current version of the Amadeus corporate booking tool (Amadeus eTravel Manager) includes a CO2 display functionality that uses CO2 estimations from the ICAO carbon calculator.

Fuel savings achieved through technology:

Amadeus has developed technologies to help airlines and other industry players reduce emissions, therefore reducing also the cost of new environmental regulations. Through optimum weight allocation and optimisation tools, Amadeus Altéa Departure Control System (DCS) Flight Management module saves significant amounts of fuel, and therefore greenhouse gas emissions, as compared with less sophisticated technologies currently on the market.

Amadeus aims at continually bringing benefits to our customers and the industry through the continuous innovation of our technology, and this is our strongest tool for contributing to the sustainability of the travel industry.

Participation in common projects with industry stakeholders:

The environmental challenges the travel industry, and the society in general, is facing are immense. Towards the overall industry sustainability target, Amadeus or any other industry player cannot do much in isolation. It's fundamental that industry stakeholders work together and agree on strategies and responsibilities towards sustainability. From Amadeus we participate in various forums and specific projects with trade associations like the World Travel and Tourism Council or the Global Sustainable Tourism Council.

Our R&D teams have recently developed Amadeus Sequence Manager, a solution that helps implement Collaborative Decision Making (CDM) at airports; and that can be used by airports, Air Traffic Controllers, ground handling companies and airline operators. Amadeus Sequence Manager is expected to minimize aircraft ground movements by defining an aircraft pre-departure sequence. Conservative estimations based on the expectation of reducing by one minute the taxi time per flight for major European airports (those with more than 50,000 aircraft movements per annum) indicate a potential annual fuel cost savings of more than 120 M€ and a CO2 reduction of more than 250,000 t. Further, there would be other benefits in noise and air quality impacts which are known current major causes of constraint on Airports and hence on the European air traffic management. Amadeus Sequence Manager has been developed by Amadeus R&D teams.

Greenhouse gas emissions and climate change are a principal concern in the travel industry, particularly due to the high energy intensity of means of transport in general. The risks associated to climate change for Amadeus are principally linked to the demand for travel. This is due in part to the fact that incremental environmental costs translate with some delay into increased economic costs; and, all other things being equal, an increase in costs leads to a reduced demand for travel. Besides, consumers, in order to avoid negative environmental impacts, may look for alternatives to travelling.

On the other hand, regarding opportunities linked to climate change, we are in Amadeus in a privileged position to help raise environmental awareness in the industry. We need to bear in mind that Amadeus is involved in one way or the other in the travel of more than one million passengers every day. Environmental services included in our distribution platforms and/or IT Solutions are a way in which Amadeus can improve customer loyalty, reputation in the travel industry, contract new customers and retain current ones, improve our network and relationship with industry stakeholders and, importantly, play our part in the contribution to industry sustainability.

Regarding our sustainability efforts it's important for us to receive feedback from external sustainability indexes, in order to understand how do we perform as compared to other companies, to identify areas of focus for the future and to improve the quality and transparency of our non-financial reporting. In September 2012 Amadeus entered the Dow Jones Sustainability Index (DJSI) and achieved the highest score in our sector. In the environmental area, Amadeus reached 90 points out of a total maximum of 100. In addition, in 2013 Amadeus remained again in the DJSI and early in 2014 Amadeus was included in the Sustainability Year Book and received the Bronze Class Sustainability award. Finally, Amadeus in 2013 participated in the Carbon Disclosure Project, which collects carbon emissions information from companies across the world and evaluates performance in terms of disclosure of information (0-100) and performance (A-E) Amadeus score in the Carbon Disclosure Project for 2013 was 79 B.

7.4 Treasury Shares

Reconciliation of the carrying amounts for the years ended December 31, 2013 and 2012, of the treasury shares is as follows:

	Treasury Shares	€ million
Balance at December 31, 2011	**2,093,760**	**1.7**
Acquisition	2,300,000	32.6
Retirement	(821,950)	(3.7)
Balance at December 31, 2012	**3,571,810**	**30.6**
Acquisition	204,753	4.9
Retirement	(813,425)	(5.5)
Balance at December 31, 2013	**2,963,138**	**30.0**

The Group holds treasury shares for hedging the future specific share delivery commitments with the Group employees and management.

7.5 Financial Risks

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

7.5.1 Foreign exchange rate risk

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

- The strategy for US Dollar (USD) exposures is fundamentally based on the use of natural hedges although it also makes use of derivatives if necessary. This strategy aims at reducing the exposure created by the USD denominated operating cash inflows of the Group with the USD payments of principals of the USD denominated debt.

- Aside from the USD, the foreign currency exposures are expenditures denominated in a variety foreign currency. The most significant of these exposures are denominated in Sterling Pounds (GBP), Australian Dollars (AUD) and Swedish Kronas (SEK). For these exposures, a natural hedge strategy is not possible. In order to hedge a significant portion of the aforementioned short exposures (net expenditures) the Group can engage into derivative contracts with banks: basically currency forwards, currency options and combinations of currency options.

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

(Millions of euros)

The CFaR methodology is similar in many respects to the Value at Risk (VaR) methodology. However, whereas VaR is generally centered in the changes in the value of a portfolio of exposures in a given future interval of time, CFaR is focused on the changes in the value of the cash-flows of that portfolio from the calculation date to the moment in which these cash-flows effectively take place. CFaR is a more adequate measure of the risk of the Group given that the goal of our risk management strategy with relation to foreign exchange risk is reducing the volatility of the EUR value of the foreign currency denominated cash-flows. An additional reason for focusing on cash-flows is that, eventually, the cash-flows of a company result in its level of liquidity which in the case of a non-financial corporation it is a generally scarce and valuable element.

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

- One of the limitations of this methodology is that its results are based on several of hypotheses on the future volatilities of the exchange rates and the future correlation among them which may correspond with the real evolution of the exchange rates or not[10].
- Additionally, the foreign exchange exposure estimates used as inputs to the model may deviate with respect to the exposures which will finally take place in the future[11].
- Finally, it is important to mention that given a level of CFaR calculated with a 95% confidence level, the losses which could take place in the remaining 5% of the cases may be significantly greater than the level of risk as measured with the CFaR methodology.

See below the CFaR of the foreign exchange exposures of the Group calculated with a 95% confidence level:

31/12/2013			31/12/2012		
2014 CFaR	2015 CFaR	2016 CFaR	2013 CFaR	2014 CFaR	2015 CFaR
(2.9)	(12.8)	(28.3)	(3.4)	(9.7)	(24.7)

The main reason for the drop in the CFaR level for 2014 in comparison with the CFaR for 2013 that the Group had at the end of 2012 is the larger amount of Australian Dollar, and to minor extent Sterling Pound, hedges in place. Regarding the greater exposures for 2015 and 2016 in comparison with the CFaR that we had in 2012 for 2014 and 2015 they are mainly the result of slightly greater exposures for both years and smaller Swedish Krona hedges in 2015 and smaller USD natural hedges in 2016.

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

7.5.2 Interest rate risk

The objective of the Group in terms of interest rate risk management is reducing the volatility of the net interest flows payable by the Group. In line with this goal, the Group has set up hedges that fix a significant part of the interests to be paid up to November 2015. At December 31, 2013, after taking into account the

[10] The volatilities implicit in the market prices of currency options and the historic correlations among the different currencies in which Amadeus has exposures are used as inputs to the model.

[11] In order to calculate the foreign currency exposures of the Group we take into account the estimated cash flows in each currency according to the last available forecast and the hedges contracted as of the CFaR calculation date.

(Millions of euros)

effect of the interest rate swaps in place, approximately 90% of the Groups outstanding debt are at fixed rate of interest (2012: 94%) until November 2015.

Although the interest rate swaps which hedge the floating rate debt of the Group fix the amount of interests to be paid in the coming years, their fair values are sensitive to changes in the level of interest rates. In the table below you can see an estimation of the Group's sensitivity to a 0.1% (10 bps) parallel shift of the interest rate curve:

Sensitivity of fair value to parallel changes in the interest rate curve:

	31/12/2013		31/12/2012	
	+10 bps	-10 bps	+10 bps	-10 bps
EUR denominated debt	4.46	(4.38)	4.39	(4.38)
USD denominated debt	0.03	(0.03)	0.04	(0.04)
EUR accounting hedges	0.06	(0.06)	0.39	(0.41)
USD accounting hedges	0.19	(0.19)	0.27	(0.27)
Total	**4.74**	**(4.66)**	**5.09**	**(5.10)**

In 2013 there has been a slight increase in the sensitivity of the EUR denominated debt to the movements of the interest rate curve with respect to the previous year. This increase is due the addition of new fixed rate debt during 2013 (the new loan negotiated with the European Investment Bank) which more than compensates the reduction in the duration in the rest of the outstanding debt. Although the future flows of the fixed rate debt instruments are not sensitive to the changes in the level of interest rates, the fair value of the instruments are sensitive to these changes.

Note that in the case of the floating rate debt, the spread payable on this debt is fixed and therefore the changes in the level of interest rates have a small impact in the fair value of this type of debt.

According to the table above a 10 bps drop in the level of interest rates would cause a loss in the fair value of the debt (an increase of the liability) and the derivatives hedging it amounting to €4.66 million at December 31, 2013, and €5.10 million at December 31, 2012 respectively. However, given that changes in the fair value of the derivatives that qualify for hedge accounting are recognized directly in equity and the hedged item (the underlying debt) is measured at amortized cost, the impact of a 10 bps drop in the level of interest rate would imply no loss recognized in the profit for the year at December 31, 2013 and 2012, since all the derivatives in the interest rate portfolio of the Group apply for hedge accounting.

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

7.5.3 Own shares price evolution risk

At December 31, 2013, the Group has three different remuneration schemes outstanding which are settled with Amadeus shares; the Performance Share Plan (PSP), the Restricted Share Plan (RSP) and the Share Match Plan.

According to the rules of these plans, when they mature their beneficiaries will receive a number of Amadeus' shares which for the outstanding plans will be (depending on the evolution of certain performance conditions) between a maximum of 2,350,000 shares and a minimum of 950,000 shares, approximately. It is Amadeus intention to make use of the 2,963,138 treasury shares to settle these plans at their maturity.

(Millions of euros)

7.5.4 Credit risk

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

Amadeus' cash and cash equivalents are deposited in major banks on the basis of diversification and the credit risk of the available investment alternatives.

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

7.5.5 Liquidity risk

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

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

- A cash pooling agreement with most of the subsidiaries located in the Euro area.
- Through bilateral Treasury Optimization agreements between Amadeus IT Group, S.A. and its subsidiaries.

Corporate Treasury monitors the Group's cash position through rolling forecasts of expected cash flows. These forecasts are performed by all the companies of the Group and later on consolidated in order to examine both the liquidity situation and prospects of the Group and its subsidiaries.

In addition to other smaller treasury lines agreed with several banks, the Group has access to a Revolving Credit facilities amounting to €300 million, which could be used to cover working capital needs and general corporate purposes. As of December 31, 2013, all the outstanding Revolving Credit facilities were unused.

7.6 Subsequent Events

The Group has acquired on February 5, 2014, 100% of the voting rights of NMTI Holdings, Inc. and its group of companies ("Newmarket"), through a reverse merger between its indirect subsidiary AMS-NM Acquisition, Inc. and NMTI Holdings, Inc. After the merger the surviving corporation was NMTI Holdings, Inc. Newmarket is based in Portsmouth, New Hampshire, U.S.A., and serves around 22,000 unique properties in 154 countries, operating in the group and event management segment of the hotel industry, where is a leading provider of cloud-based IT solutions.

The acquisition of Newmarket, is in line with the Group's strategy of diversification into new businesses and significantly strengthens its presence in the hotel IT market.

The consideration transferred in relation to this acquisition is set forth in the table below:

	Newmarket
Cash paid	328.0
Contingent consideration	5.1
Purchase consideration	333.1

(Millions of euros)

The carrying amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed, is:

	Newmarket
Intangible assets	116.5
Property, plant and equipment	4.4
Other non-current financial assets	0.1
Deferred tax assets	2.5
Total non-current assets	123.5
Trade accounts receivable	29.5
Cash and cash equivalents	6.7
Other current assets	7.7
Total current assets	43.9
Non-current debt	24.9
Deferred tax liabilities	10.9
Other non-current financial liabilities	1.0
Total non-current liabilities	36.8
Deferred revenue current	44.0
Trade accounts payable	16.6
Other current liabilities	6.4
Total current liabilities	67.0
Net identified assets acquired	63.6
Purchase consideration	333.1
Goodwill resulting from the acquisition	**269.5**

The fair value of trade receivables acquired has been estimated as follows:

	Newmarket
Gross carrying amount	30.0
Allowance for doubtful accounts	(0.5)
Fair value of receivables	29.5

On January 24, 2014 the Group has acquired, through its subsidiary Amadeus IT Group, S.A., 100% of the voting rights of UFIS Airport Solutions AS, and its group of companies ("UFIS"). UFIS is one of the leading suppliers of integrated solutions for single and multi-terminal and multi-airport operations for the global airport industry. The acquisition accelerates the Group's presence in the airport IT market, contributing a portfolio of products and customers as well an experienced workforce.

The consideration transferred in relation to this acquisition is set forth in the table below:

	UFIS
Cash paid	16.3
Contingent consideration	3.0
Purchase consideration	19.3

(Millions of euros)

The carrying amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed, is:

	UFIS
Total non-current assets	0.9
Trade accounts receivable	2.2
Cash and cash equivalents	0.5
Other current assets	1.9
Total current assets	4.6
Non-current debt	1.1
Total non-current liabilities	1.1
Current debt	0.3
Trade accounts payable	1.4
Total current liabilities	1.7
Net identified assets acquired	2.7
Purchase consideration	19.3
Goodwill resulting from the acquisition	**16.6**

The amounts provided above, for the business combinations of Newmarket and UFIS, correspond to the initial accounting for the acquisition of both entities, which as of the date of issue of our annual accounts is still provisional. The Group will determine the acquisition-date fair value of identifiable assets acquired and the liabilities assumed, as well as any other necessary adjustment to the provisional amounts, over the measurement period as information is obtained. The Group does not expect that the goodwill will be deductible for income tax purposes.

The acquisition-related costs incurred amounted to approximately €4.9 million, all of which were recognised in "Other operating expenses" in the consolidated statement of comprehensive income for the year ended December 31, 2013.

Had Newmarket and UFIS been consolidated as of January 1, 2013, our consolidated statement of comprehensive income for the reporting period would have presented the following amounts:

	Proforma	Newmarket	UFIS
Revenue	3,190.2	82.4	4.1
Profit for the year	570.3	6.8	0.4

These amounts are calculated without adjusting the results to reflect additional depreciation and amortization that would have been charged assuming a fair value adjustment to intangible assets, interest expense for the debt levels of the Group after the business combinations, and any related tax effects.

8 Corporate Governance Information

Annexe 1: Key terms

- "ACH": refers to "Airlines Clearing House"
- "ACO": refers to "Amadeus Commercial Organisation"
- "Air TA bookings": air bookings processed by travel agencies using our distribution platform
- "APAC" refers to "Asia & Pacific"
- "CESE": refers to "Central, Eastern and Southern Europe"
- "CRS" : refers to " Computerised Reservation System"
- "DCS": refers to "Departure Control System"
- "EMD": refers to "electronic miscellaneous document"
- "EPS": refers to "Earnings Per Share"
- "EIB": refers to "European Investment Bank"
- "FTE": refers to "full-time equivalent" employee
- "GDS": refers to a "global distribution system", i.e. a worldwide computerised reservation system (CRS) used as a single point of access for reserving airline seats, hotel rooms and other travel-related items by travel agencies and large travel management corporations
- "Distribution industry": includes the total volume of air bookings processed by GDSs, excluding (i) air bookings processed by the single country operators (primarily in China, Japan, South Korea and Russia) and (ii) bookings of other types of travel products, such as hotel rooms, car rentals and train tickets
- "HTML": refers to "HyperText Markup Language"
- "IATA": the "International Air Transportation Association"
- "ICH": the "International Clearing House"
- "IFRIC": refers to "International Financial Reporting Interpretation Committee"
- "IPO": refers to "Initial Public Offering"
- "JV": refers to "Joint Venture"
- "KPI": refers to "key performance indicators"
- "LATAM": refers to "Latin America"
- "LCC": refers to "low cost carrier"
- "LTM": refers to "last twelve months"
- "MEA": refers to "Middle East and Africa"
- "MENA": refers to "Middle East and North Africa"
- "n.m.": refers to "not meaningful"
- "PB": refers to "passengers boarded", i.e. actual passengers boarded onto flights operated by airlines using at least our Amadeus Altéa Reservation and Inventory modules
- "PNR": refers to "Passenger Name Record"
- "p.p.": refers to "percentage point"
- "PPA": refers to "purchase price allocation"
- "RTC": refers to "Research Tax Credit"
- "TA": refers to "travel agencies"
- "TPF": refers to "Transaction Processing Facility", a software license from IBM

Annexe 2: Amadeus CSR

The travel industry comprises diverse and interdependent sectors which together represent 9% of both global GDP and employment worldwide. Connecting the complex ecosystem of sellers and buyers of travel, Amadeus is in a privileged position to drive social and environmental responsibility initiatives, leveraging underlying technology capabilities, expertise and stakeholder relations.

Our social responsibility initiatives can be divided into three categories. First, our community support programme covers the projects that Amadeus offices and people carry out in their locations, generally in partnership with their local communities. The specific activities range from fundraising events to Amadeus volunteers that dedicate part of their time on educational activities for children in various parts of the world.

Secondly, Amadeus technology for good program takes advantage of our core business technology to use it for social responsibility programmes. In 2013, Amadeus reached a major milestone with the implementation of a global online donation project, in partnership with UNICEF and players in the travel industry. Spanish carrier IBERIA became the first airline to go live with the programme on its website. Every time a traveller buys a ticket on www.iberia.com, they can make a donation of between 3 to 20 Euros. The funds raised go to UNICEF projects.

Thirdly, the Amadeus knowledge and skills transfer programme aims primarily at bridging the gap between mainstream academia and real-life business needs. Amadeus works in cooperation with NGOs or academic institutions and contributes with the expertise and industry knowledge of our people. In 2013, we carried out knowledge and skills transfer initiatives in 24 countries.

On the environmental front, our activities can also be divided into three kinds. Internally, we look at our operations and aim at minimising our resource consumption and impact. In this respect, the energy efficiency program in our Data Centre in Erding is particularly relevant. The Data Centre received the certification from TÜV SÜD as an energy efficient centre in 2010, and the certification was renewed in 2012 with validity until 2015. The Power Usage Effectiveness of the Data Centre was 1.39, a figure that is associated with a very efficient performance. On the other hand, the Amadeus Environmental Management System (EMS) monitors energy and resource consumption at our top sites worldwide. The EMS also provides a basis for continuous improvement since best practices are identified and actions for improvement recommended. Since 2010, when the system was systematically implemented, we have continuously improved performance. The parameters covered in the EMS are energy consumption, greenhouse gas emissions, paper consumption, water consumption and waste generation.

The second category of environmental initiatives analyses and fosters the environmental benefits of Amadeus products and services. Since Amadeus solutions generally improve efficiencies, some of these efficiencies also translate into environmental improvements. For example, the Amadeus Altéa Departure Control System (DCS) improves productivity and efficiency for airlines and it also reduces airlines fuel consumption. The sophisticated methodology that Altéa DCS uses to estimate the weight of the aircraft before the fuel is loaded is fundamental to optimize the amount of fuel uplift and aircraft fuel consumption.

Finally, we work together with other industry stakeholders to achieve industry environmental goals. In our partnership with the International Civil Aviation Organisation (ICAO), Amadeus contributes with our global reach and exposure to millions of travelers daily, and ICAO contributes with its carbon calculator and its legitimacy to represent the industry as the UN body that takes care of civil aviation. The result is that travelers can have access to the ICAO carbon calculator in Amadeus platforms and be informed about the estimated carbon emissions released as a consequence of their flights.

Board of Directors

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

CHAIRMAN

José Antonio Tazón García

VICE-PRESIDENT

Guillermo de la Dehesa Romero

DIRECTORS

Stuart Anderson McAlpine
Francesco Loredan
Clara Furse
David Webster
Enrique Dupuy de Lôme Chávarri
Bernard Bourigeaud
Pierre-Henri Gourgeon
Roland Busch
Christian Boireau

SECRETARY (non-Director)

Tomás López Fernebrand

VICE-SECRETARY (non-Director)

Jacinto Esclapés Díaz

Madrid, February 27, 2014