Amadeus IT Group, S.A. and Subsidiaries

Consolidated and Condensed Interim Financial Statements for the six months period ended June 30, 2017, prepared in accordance with International Accounting Standard 34 and review report of independent auditors

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Translation of a report originally issued in Spanish based on our work performed in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". In the event of a discrepancy, the Spanish-language version prevails.

REPORT ON LIMITED REVIEW OF CONSOLIDATED AND CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of Amadeus IT Group, S.A. at the request of the Company's Board of Directors:

Report on the consolidated and condensed interim financial statements

Introduction

We have performed a limited review of the accompanying consolidated and condensed interim financial statements ("the interim financial statements") of Amadeus IT Group, S.A. ("the Parent") and subsidiaries ("the Group") comprising the consolidated and condensed statement of financial position at 30 June 2017 and the related consolidated and condensed statement of comprehensive income, consolidated and condensed statement of changes in equity, consolidated and condensed statement of cash flows and explanatory notes thereto for the six-month period then ended. The Parent's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of the review

Our review was performed in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying certain analytical and other review procedures. A limited review is substantially less in scope than an audit and, consequently, it does not permit us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

As a result of our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing came to our attention that might lead us to conclude that the accompanying consolidated and condensed interim financial statements for the six-month period ended 30 June 2017 were not prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, in conformity with Article 12 of Royal Decree 1362/2007, for the preparation of interim condensed financial statements.

Emphasis matter paragraph

We draw attention to the situation described in Note 2.1 included in the accompanying consolidated and condensed interim financial statements, which indicates that such interim financial statements do not include all the information that would be required in complete consolidated financial statements prepared in conformity with International Financial Reporting Standards as adopted by the European Union and, accordingly, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2016. This matter does not qualify our conclusion.

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Report on other legal and regulatory requirements

The accompanying interim consolidated directors' report for the six-month period ended 30 June 2017 contains the explanations which the Parent's directors consider appropriate about the significant events which took place in this period and their effect on the interim financial statements presented, of which it does not form part, and about the information required pursuant to Article 15 of Royal Decree 1362/2007. We have checked that the accounting information in the directors' report is consistent with that contained in the interim financial statements for the six-month period ended 30 June 2017. Our work was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of the Amadeus IT Group, S.A. and subsidiaries.

Other matters paragraph

This report was prepared at the request of the Parent's Board of Directors in relation to the publication of the six-monthly financial report as required by Article 119 of the Consolidated Text of the Securities Market Law, approved by Legislative Royal Decree 4/2015, of October 23 and developed by Royal Decree 1362/2007, of 19 October.

DELOITTE, S.L.

Jose Luis Daroca

28 July 2017

Consolidated and condensed statement of financial position (millions of euros)

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ASSETS	Note	30/06/2017	31/12/2016
		UNAUDITED	AUDITED
Goodwill		2,743.5	2,793.3
Patents, trademarks, licenses and others		328.9	327.9
Technology and content		2,281.7	2,232.8
Contractual relationships		598.2	649.6
Intangible assets		3,208.8	3,210.3
Land and buildings		149.5	151.8
Data processing hardware and software		215.1	216.8
Other property, plant and equipment		89.5	91.1
Property, plant and equipment		454.1	459.7
Investments in associates and joint ventures		17.5	17.9
Other non-current financial assets	5	84.3	38.7
Non-current derivative financial assets	5	9.3	2.0
Deferred tax assets		24.4	21.6
Other non-current assets		134.6	138.3
Total non-current assets		**6,676.5**	**6,681.8**
Trade and other receivables		431.7	403.8
Trade accounts receivable	5	413.2	349.7
Income taxes receivable		18.5	54.1
Other current financial assets	5	15.2	21.6
Current derivative financial assets	5	14.7	6.3
Other current assets		228.5	210.5
Cash and cash equivalents	5 and 12	623.7	450.1
Total current assets		**1,313.8**	**1,092.3**
TOTAL ASSETS		**7,990.3**	**7,774.1**

Consolidated and condensed statement of financial position (millions of euros)

EQUITY AND LIABILITIES	Note	30/06/2017	31/12/2016
		UNAUDITED	AUDITED
Share Capital		4.4	4.4
Additional paid-in capital		616.7	616.5
Reserves		1,353.6	1,065.0
Treasury shares		(19.5)	(23.6)
Retained earnings		520.1	229.5
Profit for the period attributable to owners of the parent		529.1	825.5
Total capital and reserves		3,004.4	2,717.3
Cash flow hedges		0.3	(21.9)
Exchange differences on translation of foreign operations		(39.2)	71.2
Unrealised actuarial gains and losses		(30.8)	(30.8)
Unrealised gains reserve		(69.7)	18.5
Equity attributable to owners of the parent		2,934.7	2,735.8
Non-controlling interests		8.2	25.7
Equity	6	2,942.9	2,761.5
Non-current provisions		27.4	28.3
Non-current financial liabilities		1,804.6	1,449.0
Non-current debt	5 and 7	1,784.1	1,422.7
Non-current derivative financial liabilities	5	3.7	8.6
Other non-current financial liabilities	5	16.8	17.7
Deferred tax liabilities		688.2	680.0
Deferred revenue non-current		318.6	325.8
Other non-current liabilities		222.0	221.6
Total non-current liabilities		3,060.8	2,704.7
Current provisions		12.8	16.6
Current financial liabilities		824.3	1,171.1
Current debt	5 and 7	805.9	969.5
Other current financial liabilities	5	8.4	10.8
Dividend payable	5 and 7	0.3	175.3
Current derivative financial liabilities	5	9.7	15.5
Trade and other payables		729.7	682.7
Trade accounts payable	5	696.4	650.5
Income taxes payable		33.3	32.2
Deferred revenue current		126.3	138.5
Other current liabilities		293.5	299.0
Total current liabilities		1,986.6	2,307.9
TOTAL EQUITY AND LIABILITIES		7,990.3	7,774.1

See the accompanying notes to the Consolidated and Condensed Interim Financial Statements

Consolidated and condensed statement of comprehensive income (millions of euros)

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Continuing operations	Note	30/06/2017	30/06/2016
		UNAUDITED	UNAUDITED
Revenue		2,490.7	2,275.5
Cost of revenue		(655.2)	(580.1)
Personnel and related expenses		(663.8)	(636.4)
Depreciation and amortization		(259.0)	(232.6)
Other operating expenses		(166.6)	(146.6)
Operating income		746.1	679.8
Financial income		0.6	1.0
Interest expense	11	(16.9)	(36.6)
Other financial expenses	11	(4.5)	(1.7)
Exchange gains		(11.7)	(7.3)
Financial expense, net		(32.5)	(44.6)
Other income / (expense)		(0.7)	2.1
Profit before income taxes		712.9	637.3
Income tax expense	9	(185.4)	(188.0)
Profit after taxes		527.5	449.3
Share in profit of associates and joint ventures accounted for using the equity method		2.4	1.7
PROFIT FOR THE PERIOD		**529.9**	**451.0**
Profit for the period attributable to:			
Non-controlling interests		0.8	1.0
Owners of the parent		529.1	450.0
Earnings per share basic and diluted [in Euros]	10	1.21	1.03
Items that will not be reclassified to profit and loss:			
Actuarial gains and losses		-	(0.1)
Items that will be reclassified to profit or loss when specific conditions are met:			
Cash flow hedges		22.1	(19.2)
Exchange differences on translation of foreign operations		(110.3)	(20.8)
		(88.2)	(40.0)
Other comprehensive Income /(expense) for the period, net of tax		(88.2)	(40.0)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**441.7**	**411.0**
Total comprehensive income for the period attributable to:			
Non-controlling interests		0.8	1.0
Owners of the parent		440.9	410.0

See the accompanying notes to the Consolidated and Condensed Interim Financial Statements

Consolidated and condensed statement of changes in equity (millions of euros)

	Note	Share capital	Additional paid-in capital, reserves and retained earnings	Treasury shares	Profit for the year attributable to owners of the parent	Unrealized gains / (losses) reserves	Non-controlling interests	Total
								UNAUDITED
Balance at December 31, 2015		**4.4**	**1,601.0**	**(29.3)**	**683.9**	**10.9**	**26.6**	**2,297.5**
Total Comprehensive income for the period		-	-	-	450.0	(40.0)	1.0	411.0
Dividend payable	6	-	(189.7)	-	-	-	-	(189.7)
Treasury shares acquisition	6	-	-	(24.1)	-	-	-	(24.1)
Treasury shares disposal	6	-	-	-	-	-	-	-
Recognition of share-based payment	6	-	8.2	-	-	-	-	8.2
De-recognition of non-controlling interests		-	-	-	-	-	(0.3)	(0.3)
Transfer to retained earnings		-	683.9	-	(683.9)	-	-	-
Other changes in equity		-	0.2	-	-	-	-	0.2
Balance at June 30, 2016		**4.4**	**2,103.6**	**(53.4)**	**450.0**	**(29.1)**	**27.3**	**2,502.8**
Balance at December 31, 2016		4.4	1,911.0	(23.6)	825.5	18.5	25.7	2,761.5
Total Comprehensive income for the period		-	-	-	529.1	(88.2)	0.8	441.7
Dividend paid	6	-	(236.3)	-	-	-	-	(236.3)
Treasury shares acquisition	6	-	(0.2)	(7.6)	-	-	-	(7.8)
Treasury shares disposal	6	-	0.5	11.7	-	-	-	12.2
Recognition of share-based payment	6	-	0.4	-	-	-	-	0.4
De-recognition of non-controlling interests		-	(10.5)	-	-	-	(18.3)	(28.8)
Transfer to retained earnings		-	825.5	-	(825.5)	-	-	-
Balance at June 30, 2017		**4.4**	**2,490.4**	**(19.5)**	**529.1**	**(69.7)**	**8.2**	**2,942.9**

See the accompanying notes to the Consolidated and Condensed Interim Financial Statements

Consolidated and condensed statement of cash flows (millions of euros)

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	Note	30/06/2017	30/06/2016
Cash flows from operating activities		UNAUDITED	UNAUDITED
Operating income		746.1	679.8
Adjustments for:		252.8	227.3
Depreciation and amortization		259.0	232.6
Depreciation and amortization included in capitalization		(6.2)	(5.3)
Changes in working capital		(91.6)	(72.3)
Taxes paid		(157.3)	(102.4)
Net cash provided from operating activities		750.0	732.4
Cash flows from investing activities			
Subsidiaries and associates		-	(767.5)
Property, plant and equipment and intangible assets		(290.9)	(288.4)
Other financial assets		(47.8)	(2.2)
Cash paid for investments		(338.7)	(1,058.1)
Property, plant and equipment and intangible assets		0.5	0.6
Other financial assets		2.6	0.3
Cash received from disposals of assets		3.1	0.9
Dividend received		0.6	0.6
Interest received		0.2	0.1
Other cash received / (used) from investing activities		(4.7)	(2.5)
Other cash flows from investing activities		(3.9)	(1.8)
Net cash used in investing activities		(339.5)	(1,059.0)
Cash flows from financing activities			
Treasury shares acquisition	6	(7.6)	(24.1)
Acquisition of non-controlling interest in subsidiary		(28.8)	(0.4)
Proceeds		1,360.8	646.1
Repayments		(1,181.7)	(383.1)
Financial liabilities received		179.1	263.0
Dividends paid and cash paid to holders of equity instruments		(366.6)	(148.4)
Interest paid		(8.7)	(23.2)
Net cash received / (used) in financing activities		(232.6)	66.9
Effect of exchange rate changes on cash and cash equivalents		(5.0)	-
Net increase / (decrease) in cash and cash equivalents		172.9	(259.7)
Cash and cash equivalents net at the beginning of period		449.6	711.6
Cash and cash equivalents net at the end of period	12	622.5	451.9

See the accompanying notes to the Consolidated and Condensed Interim Financial Statements

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1 GENERAL INFORMATION AND ACTIVITY

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

As a consequence of the merger registered in the Companies Register on August 2, 2016, as detailed in note 15 of the Consolidated Annual Accounts for the year ended December 31, 2016, the Company, formerly known as Amadeus IT Holding, S.A. (Absorbing Company) took over Amadeus IT Group, S.A. (Absorbed Company), subsequently, adopting the Absorbed Company's registered name.

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

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

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

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

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

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

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

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

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

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

2 BASIS OF PRESENTATION AND COMPARABILITY OF THE INFORMATION

2.1 Basis of presentation

2.1.1 General Information

The accompanying consolidated and condensed interim financial statements for the six month period ended June 30, 2017 ("interim financial statements"), have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"), in particular with International Accounting Standard 34: Interim Financial Reporting (IAS 34), and with the requirements of the Royal Decree 1362/2007. The disclosure requirements of IAS 34 are based on the assumption that the reader of the interim financial statements is doing so together with the most recent consolidated annual accounts. As a consequence, the interim financial statements do not include all of the information and disclosures that would be required by IFRS-EU for complete consolidated annual accounts. The most recent annual accounts were authorized for issue by the Board of Directors of the Company on February 23, 2017 and approved at the Ordinary General Shareholders' Meeting on June 15, 2017.

The issue of these interim financial statements was authorized by the Board of Directors of the Company on July 28, 2017.

The presentation currency of the Group is the Euro. The consolidated and condensed statement of financial position is presented with a difference between current and non-current items, and the consolidated and condensed 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 and condensed statement of cash flows by applying the indirect method.

The Group presented negative working capital in the six months period ended June 30, 2017 and for the year ended December 31, 2016, 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 interim financial statements 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 interim financial statements are the same as those detailed in the Consolidated annual accounts for the year ended December 31, 2016:

- Estimated recoverable amounts used for impairment testing purposes
- Provisions
- Pension and post-retirement benefits
- Income tax liabilities
- Cancellation reserve
- Doubtful debt provision
- Share-based payments
- Business combinations

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

2.2 Comparison of information

For comparison purposes, the consolidated and condensed statement of comprehensive income, the consolidated and condensed statement of changes in equity and the consolidated and condensed statement of cash flows as of June 30, 2017 are presented with information relating to the period of six months ended on June 30, 2016 and the consolidated and condensed statement of financial position is presented with information related to the year ended on December 31, 2016.

2.3 Consolidation scope

During the six months period ended June 30, 2017, the Group, indirectly through its subsidiary Amadeus Corporate Business, has increased its participation in i:FAO to 88.81%.

During the six months period ended June 30, 2017, the Group, indirectly through its subsidiary Amadeus IT Group, S.A., has carried out the following equity investment in newly created companies:

- PT Amadeus Technology Indonesia

2.4 Seasonality of interim results

Our business and operations are linked to the global travel industry. Our transactional business model means that our financial performance is driven by travel volumes (air passengers, air and non-air travel agency bookings, etc.), which are subject to a certain degree of seasonality during the year.

In addition, different factors impacting the travel industry, such as the macro-economic environment (air traffic presents a strong correlation to GDP evolution) and other external factors that may have an effect on travel volumes (geo-political events, national holidays, natural disasters, etc.), may have a different timing in different years or are unpredictable. Therefore, the figures for the six-month period ended June 30, 2017, are not fully representative of the performance for the full year.

In particular, our Distribution revenue is influenced by the seasonality of air booking volumes done through travel agencies, which are, as a general rule, lower in the second half of the year. Additionally, our volumes are influenced by the timing of the contracts signed with our travel agencies, as well as their performance throughout the year.

In IT Solutions, revenue is influenced by the seasonality of passengers boarded (PB), which are usually higher during the second half of the year when important holiday periods take place. However, PB volume growth is significantly impacted in any particular period, by the implementation of new airlines to our Passenger Service Systems (Altéa or New Skies). The schedule of migrations has no specific seasonality and is determined by the progress of each of the processes not only at Amadeus but also at the airline. In particular, the second half of 2017 will benefit from the completion of Southwest Airlines' transition to Altéa in May 2017.

Overall, the percentage variation in our revenue tends to differ from the variations in our air travel agency bookings or passengers boarded, given a non-transactional revenue piece of our Distribution and IT Solutions revenue.

Our reported growth in 2017 will also be affected by the consolidation of the following acquisitions, made during 2016:

- Navitaire, a U.S.-based provider of technology and business solutions to the airline industry, acquired on January 26, 2016.
- Amadeus Slovenia, Albania and Macedonia, operating in the Distribution space, acquired on April 15, 2016.

Finally, although the momentum in global economic growth is expected to persist, the International Monetary Fund emphasized in its World Economic Outlook from April 2017, that a number of issues could impact medium term growth, such as inward-looking policies, low productivity growth, tightened financial conditions or geopolitical tensions (see further detail in "Risks related to the current macro-economic environment" section in the directors'report).

3 ACCOUNTING POLICIES

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

The accounting policies adopted in the preparation of the consolidated and condensed interim financial statements are consistent with those followed in the preparation of the consolidated annual accounts for the year ended December 31, 2016.

The following revised standards and amendments have become effective from the IASB, but, not being yet adopted by the European Union, are not yet effective for the six months period ended June 30, 2017:

- “Amendments to IAS 7: Statement of Cash Flow: Disclosure Initiative.The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017, with earlier application permitted.
- “Amendments to IFRS 12: Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12 from Annual Improvements Cycle – 2014-2016”. The amendments clarified the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity’s interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The amendments are effective for annual periods beginning on or after January 1, 2017.
- “Amendments to IAS 12: Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses”. The amendments clarify that unrealised losses on debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017, with earlier application permitted.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but it is not yet effective.

3.2 Impacts of standards issued but not yet effective

3.2.1 IFRS 9 Financial Instruments

The standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets and liabilities for the following reasons:

- The debt instruments that are currently classified as available-for-sale (AfS) financial assets appear to satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) and hence there will be no change to the accounting for these assets.
- A FVOCI election is available for the equity instruments which are currently classified as AfS.

- Equity investments currently measured at fair value through profit or loss (FVPL) will likely continue to be measured on the same basis under IFRS 9.
- Debt instruments currently measured at amortised cost appear to meet the conditions for classification at amortised cost under IFRS 9.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. The related expected increase of the bad debt provision will be limited at Amadeus due to the fact that the majority of our customers' accounts receivables and payables are settled through the clearing houses operated by the International Air Transport Association ("IATA") and Airlines Clearing House, Inc. ("ACH"). These systems guarantee that the cash inflows from our customers will be settled at a certain fixed date, and mitigate the credit risk partially by the fact that the members of the clearing house are required to make deposits that would be used in the event of default.

The new standard will require extensive new disclosures and changes in presentation, in particular about hedge accounting, credit risk and ECLs. The Group's preliminary assessment included an analysis to identify data gaps against current processes and the Group plans to implement the system and controls changes that it believes will be necessary to capture the required data.

3.2.2 IFRS 15 Revenue from contracts with customers

The standard establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue-Barter Transactions Involving Advertising Services.

An entity shall apply this Standard using one of the following two methods: retrospectively to each prior reporting period presented in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors or retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application. The Group plans to adopt IFRS 15 in its consolidated financial statements for the year ending December 31, 2018, using the first method, retrospectively to each prior reporting period presented. The Group may use one or more practical expedients when applying this Standard retrospectively:

- for completed contracts, an entity need not restate contracts that: (i) begin and end within the same annual reporting period or (ii) are completed contracts at the beginning of the earliest period presented.
- for completed contracts, that have variable consideration, an entity may use the transaction price at the date the contract was completed rather than estimating variable consideration amounts in the comparative reporting periods;

The Group does not expect significant differences in the timing of revenue recognition for its services. More than 91% of the revenues of Distribution and IT Solutions businesses are derived from contracts identified as "Software as a Service", not containing separately identifiable performance obligations and the current revenue recognition accounting policy is compliant with new IFRS 15 requirements.

Management has identified some revenues in Distribution, representing less than 4% of the total revenues for the Group, that should be reclassified under the cost of revenue.

IFRS 15 incorporates specific criteria to determine which costs relating to a contract should be capitalized, and distinguishes between the costs associated with obtaining a contract and the costs associated with contract fulfillment. No significant obtention costs and fulfilment costs (other than those under scope of IAS 38), have been identified in the Group.

3.2.3 IFRS 16 leases

The standard introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a leaseliability representing its obligation to make lease payments. There are optional exemptions forshort-term leases and leases of low-value items. Lessor accounting remains similar to the currentstandard – i.e. lessors continue to classify leases as finance or operating leases. IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whetheran Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Group has started an initial assessment of the potential impact on its consolidated financial statements. So far, the most significant impact identified is that the Group will recognise new assets and liabilities for its operating leases of building rentals. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

The Group has not yet decided whether it will use the optional exemptions. No significant impact is expected for the Group's finance leases.

4 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, 2016.

Group management when evaluating the performance of each operating segment uses Contribution as a performance measure. Contribution is defined as the revenue for the relevant operating segment less operating direct costs plus direct capitalizations and research incentives. The operating expenses (excluding capitalized expenses and those incentives associated to those capitalizations) of the Group are allocated either to operating direct costs or to indirect costs; operating direct costs are those direct costs that can be assigned to an operating segment.

Notes (millions of euros)

Information regarding the Group's operating segments and the reconciliation of the measure of profit or loss (Contribution) to the consolidated and condensed statement of comprehensive income as of June 30, 2017, and 2016, are set forth in the table below:

	30/06/2017			30/06/2016		
	Distribution	IT Solutions	Total	Distribution	IT Solutions	Total
Revenue	1,635.5	855.2	2,490.7	1,520.5	754.9	2,275.5
Contribution	707.5	588.5	1,296.0	677.2	499.3	1,176.5

The main reconciling items correspond to:

	30/06/2017	30/06/2016
Revenue	2,490.7	2,275.5
Contribution	1,296.0	1,176.5
Net indirect cost [(1)]	(297.1)	(269.4)
Depreciation and amortization [(2)]	(252.8)	(227.3)
Operating income	**746.1**	**679.8**

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

(2) Includes the capitalization of certain depreciation and amortization costs in the amount of €6.2 million and €5.3 million, in the six months periods ended June 30, 2017 and 2016, 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.

Notes (millions of euros)

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

	30/06/2017	30/06/2016
Western Europe (1)	1,023.3	976.5
Central, Eastern and Southern Europe	155.3	149.7
Middle East and Africa	288.2	272.7
North America	441.8	346.5
Latin America	122.4	118.3
Asia and Pacific	459.6	411.7
Revenue	**2,490.7**	**2,275.5**

(1) Includes Spain revenue by an amount of €130.6 million, and €111.6 million for the six month periods ended June 30, 2017 and 2016, respectively.

Notes (millions of euros)

5 FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUE MEASUREMENTS

The Group's classification of financial assets and liabilities as of June 30, 2017, is set forth in the table below:

	Held for trading (1)	Available for sale	Loans and Receivables	Amortized Cost	Fair Value (2)	Total
Other non-current financial assets	-	8.7	75.6	-	-	84.3
Non-current derivative financial assets	-	-	-	-	9.3	9.3
Total non-current financial assets	**-**	**8.7**	**75.6**	**-**	**9.3**	**93.6**
Trade accounts receivable	-	-	413.2	-	-	413.2
Other current financial assets	-	-	15.2	-	-	15.2
Current derivative financial assets	0.1	-	-	-	14.6	14.7
Cash and cash equivalents	-	-	623.7	-		623.7
Total current financial assets	**0.1**		**1,052.1**	**-**	**14.6**	**1,066.8**
Non-current debt	-	-	-	1,784.1	-	1,784.1
Non-current derivative financial liabilities	-	-	-	-	3.7	3.7
Other non-current financial liabilities	-	-	-	-	16.8	16.8
Total non-current financial liabilities	**-**	**-**	**-**	**1,784.1**	**20.5**	**1,804.6**
Current debt	-	-	-	805.9	-	805.9
Other current financial liabilities	-	-	-	7.7	0.7	8.4
Dividend payable	-	-	-	0.3	-	0.3
Current derivative financial liabilities	-	-	-	-	9.7	9.7
Trade accounts payable	-	-	-	729.7	-	729.7
Total current financial liabilities	**-**	**-**	**-**	**1,543.6**	**10.4**	**1,554.0**

(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

Notes (millions of euros)

5.1 Fair value measurements disclosures

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

	30/06/2017		
	Level 2	Level 3	Total
Foreign currency forward	9.3	-	9.3
Non-current derivative financial assets	**9.3**	**-**	**9.3**
Foreign currency forward	14.7	-	14.7
Current derivative financial assets	**14.7**	**-**	**14.7**
Foreign currency forward	3.7	-	3.7
Contingent consideration at fair value	-	16.8	16.8
Non-current financial liabilities	**3.7**	**16.8**	**20.5**
Foreign currency forward	9.7	-	9.7
Contingent consideration at fair value	-	0.7	0.7
Current financial liabilities	**9.7**	**0.7**	**10.4**

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

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

The Group recognises transfers between levels of fair value hierarchy as of the end of the reporting period in which the transfer has occurred. There were no transfers between levels of fair value hierarchy during the period ended June 30, 2017.

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

Notes (millions of euros)

The fair value categorized as level 3 for the period ended June 30, 2017, arose mainly from the consideration transferred in the acquisition of Itesso (as detailed in note 13 of the Annual Accounts for the year ended December 31, 2016). This fair value measurement is considered as recurring fair value measurement.

The Group estimates that the carrying amount of its financial assets and liabilities measured at amortized cost is a reasonable approximation of their fair value as of December 31, 2016, and 2015, except for the following financial liabilities:

	30/06/2017		
	Carrying amount	Fair Value	% of face value
Bonds	1,900.0	1,922.9	101.2%
European Investment Bank	285.8	303.5	106.2%

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.

6 EQUITY

6.1 Share Capital

As of June 30, 2017, the Company's share capital amounts to €4.4 million, as represented by 438,822,506 ordinary shares with a nominal value of €0.01 per share, all of them of one single class; totally subscribed and paid.

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

As of June 30, 2017, the Company's shares were held as set forth in the table below:

Shareholder	30/06/2017	
	Shares	%
Free float (1)	437,195,234	99.63%
Treasury shares (2)	1,155,291	0.26%
Board of Directors (3)	471,981	0.11%
Total	**438,822,506**	100%

(1) Includes shareholders with significant equity stake on June 30, 2017 reported to the National Commission of the Stock Exchange (CNMV).
(2) Voting rights remain ineffective given they are treasury shares.
(3) It does not include voting rights that could be acquired through financial instruments.

6.2 Additional paid-in capital

The changes in the balance of the "Additional paid in capital" caption include the recognition of the share-based payments considered as equity-settled. The fair value of the amounts received during the six months period ended June 30, 2017, as consideration for the equity instruments granted, amounts to €9.6 million offseted by the settlement of the PSP for the year 2014 by €(9.4) million (€8.2 million as of June 30, 2016).

6.3 Treasury shares

The reconciliation of the carrying amounts for the period ended June 30, 2017, of the treasury shares is set forth in the table below:

	Treasury Shares	Millions of euros
Carrying amount at December 31, 2016	**1,521,273**	**23.6**
Acquisitions	145,985	7.6
Retirements	(511,967)	(11.7)
Carrying amount at June 30, 2017	**1,155,291**	19.5

During the period, the Group acquired 145,985 shares for the settlements of the PSP and Share Match Plan.

The Group settled some employee share-based plans transferring 507,632 shares to the beneficiaries. In addition, 4,335 shares were exchanged as a result of the merger by absorption of Amadeus IT Group, S.A. into Amadeus IT Holding, S.A.

The historical cost for treasury shares retired (primarily for the settlement of the RSP and Share Match Plan) is deducted from the "Additional paid-in capital" caption of the consolidated statement of financial position.

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

6.4 Dividends

On June 15, 2017, the General Shareholders' Meeting agreed to distribute a gross dividend of €0.94 per ordinary share with the right to take part in the distribution on payment date. An interim dividend of €0.40 per share, amounting to €174.9 million, was paid in full on February 1, 2017.

The complementary dividend of €0.54 per share, amounting to €236.3 million (Treasury shares excluded) was paid in full on June 30, 2017.

Notes (millions of euros)

7 CURRENT AND NON-CURRENT DEBT

The breakdown of carrying amounts of debt with financial institutions as of June 30, 2017 and December 31, 2016, is set forth in the table below:

	30/06/2017	31/12/2016
Bonds	1,500.0	1,000.0
Deferred financing fees on Bonds	(8.8)	(7.8)
European Investment Bank	220.7	252.3
Deferred financing fees on European Investment Bank	(0.1)	(0.2)
Revolving loan facility	-	100.0
Deferred financing fees on Revolving loan facility	(3.1)	(3.5)
Other debt with financial institutions	0.1	2.6
Other deferred financing fees	-	-
Obligations under finance leases	75.3	79.3
Total non-current debt	**1,784.1**	**1,422.7**
Bonds	400.0	400.0
European Investment Bank (EIB)	65.0	50.0
European Commercial Paper	300.0	485.0
Other deferred financing fees	(0.5)	(1.0)
Accrued interest	8.0	2.5
Other debt with financial institutions	19.6	18.4
Obligations under finance leases	13.8	14.6
Total current debt	**805.9**	**969.5**
Total debt	**2,590.0**	**2,392.2**

As of June 30, 2017, approximately 88% (76% in December 31, 2016) of the Groups' outstanding debt is at fixed rate. The increase in the ratio in debt at fixed rate during the six months period ended June 30, 2017, mainly relates to the issuance of a new bond ("Senior Fixed Rate Instruments"), the decrease of Euro Commercial Paper (ECP) issuances and the fact that no amount related to the Revolving Loan Facility is disposed at that date.

The Group is required to meet two financial covenants, for the European Investment Bank senior loans and the Revolving loan facilities, calculated on the basis of (i) the ratio of total Net Debt to EBITDA (Earnings before Interests, Taxes, Depreciation and Amortization), and (ii) the ratio of EBITDA to Net Interest Payable. As of June 30, 2017, the Group is compliant with the financial covenants.

7.1 Bonds

On May 19, 2017, Amadeus Capital Markets, S.A.U. has carried out an issuance of a new bond under the denominated "Senior Fixed Rate Instruments" for a value of €500.0 million admitted to trading on the Luxembourg Stock Exchange. The issuance has a maturity of two years (May 2019), an annual coupon of 0.000%, and an issue price of 99.932% of its nominal value. This bond will be used to repay existing financial indebtedness of the Group (European Commercial Paper).

Notes (millions of euros)

The transaction costs ("Deferred financing fees") payments related to this new bond amount to €1.7 million.

7.2 Revolving Loan Facility

On April 26, 2016, the Group entered into a €500.0 million Revolving Loan Facility. This facility has a maturity of five years.

On February 2017, the Group has repaid €100.0 million of this facility. No related transaction costs ("Deferred financing fees") have been paid during the six months period ended June 30, 2017. As of June 30, 2017, the Group does not have any amount disposed.

7.3 Euro Commercial Paper programme (ECP)

During the period ended June 30, 2017, the Group has issued Euro Commercial Paper (ECP) net of interests by a total amount of €862.8 million. The total commercial paper repaid during the year amounts to €1,044.5 million. Amadeus Finance BV has issued ECP in USD by an amount of $100.0 million in March 2017, which were fully repaid in June 2017. The translation changes related to this issuances amounts to €3.2 million.

The Group's debt payable by maturity as of June 30, 2017 is set in the table below:

		Maturity					
		Current	Non-current				
	Total as of 30/06/2017	30/06/17 – 30/06/18	30/06/18 – 30/06/19	30/06/19 – 30/06/20	30/06/20 – 30/06/21	30/06/21 and beyond	Total non-current
Bonds	1,900.0	400.0	500.0	-	500.0	500.0	1,500.0
EIB	290.0	65.0	65.0	65.0	65.0	30.0	225.0
Revolving credit facility	-	-	-	-	-	-	-
ECP	300.0	300.0	-	-	-	-	-
Accrued interests	8.0	8.0	-	-	-	-	-
Other debt with financial institutions	19.7	19.6	0.1	-	-	-	0.1
Leases	89.1	13.8	11.0	7.5	4.2	52.6	75.3
Total Debt payable	2,606.8	806.4	576.1	72.5	569.2	582.6	1,800.4
Non-current Deferred financing fees	(12.0)						
Current Deferred financing fees	(0.5)						
Remaining fair value adjustment on EIB loan	(4.3)						
Total Debt	2,590.0						

8 RELATED PARTIES BALANCES AND TRANSACTIONS

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

8.1 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.

8.2 Shareholders and significant influence

As of June 30, 2017 there are neither shareholders nor significant influence considered related parties.

8.3 Board of Directors

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

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

At the meetings held on June 15, 2017 and June 24, 2016, the Ordinary General Shareholders' Meeting agreed a fixed remuneration for said functions, in cash or in kind, for the period January to December 2017 and 2016, with a limit of €1,426 thousand and €1,405 thousand respectively, and it vested the Board of Directors with the authority to resolve on how said remuneration was to be distributed among the members of the Board, following article 36 of the Company's Bylaws. The Board of Directors of the Company may agree an unequal remuneration scheme distribution. No loans, advances or stock options have been granted to the members of the Board of Directors.

The compensation received by the members of the Board of Directors during the six months periods ended June 30, 2017, and 2016, is set forth in the table below:

	In thousand of Euros	
Board of Directors	30/06/2017	30/06/2016
Total compensation	668	658

Notes (millions of euros)

As of June 30, 2017, investment held by the members of the Board of Directors in the share capital of the Company is set forth in the table below:

	30/06/2017
Name	Shares [(1)]
José Antonio Tazón García	255,000
David Webster	1
Roland Busch	100
Luís Maroto Camino	216,480
Pierre–Henri Gourgeon	400

[(1)] Financial instruments are excluded

During the six months period ended June 30, 2017, the amounts accrued to the Chief Executive Officer (Consejero Delegado) for his executive functions in respect of compensation in cash (base salary and bonus accrued), compensation in kind, contributions to pension plan and collective life insurance policies and share based payments amounted to €850 thousand, €12 thousand, €123 thousand and €2,728 thousand respectively (€780 thousand, €16 thousand, €133 thousand and €nil thousand respectively, for the period ended June 30, 2016).

8.4 Key Management Compensation

During the six months period ended June 30, 2017, the amounts accrued to the Key Management in respect of compensation in cash (base salary and bonus accrued), compensation in kind, contributions to pension plan and collective life insurance policies and share based payments amounted to €5,511 thousand, €292 thousand, €285 thousand and €6,935 thousand respectively (€2,902 thousand, €138 thousand, €300 thousand and €562 thousand respectively, for the period ended June 30, 2016). These amounts include compensation of members of the Group's Key Management that, as of June 30, 2017 are no longer part of the Company.

As of June 30, 2017, key management personnel include 11 members (10 members as of June 30, 2016).

The number of shares held by the Group Management at June 30, 2017, amounts to 384,819.

8.5 Other related parties

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

The Group's transactions with the related parties (in thousand of euros) that are described in sections 8.1 to 8.5 above as of June 30, 2017 is set forth in the table below:

	30/06/2017			
Consolidated and condensed statement of comprehensive income	Shareholders and significant influence	Board members and key management	Other related parties	Total
Cost of revenue and other operating expenses	-	-	58,727	58,727
Personnel and related expenses	-	13,691	-	13,691
Total expenses	**-**	**13,691**	**58,727**	**72,418**
Interest income	-	-	-	-
Share in profit from associates and joint ventures accounted for using the equity method	-	-	1,600	1,600
Revenue	-	-	10,477	10,477
Total income	**-**	**-**	**12,077**	**12,077**

	30/06/2017			
Consolidated and condensed statement of financial position	Shareholders and significant influence	Board members and key management	Other related parties	Total
Dividends Receivable - Other current financial assets	-	-	1,512	1,512
Trade accounts receivable	-	-	7,375	7,375
Trade accounts payable	-	-	43,150	43,150

9 TAXATION

The effective tax rate has been calculated considering the best estimate available of the full-year effective tax rate and the tax rates currently in force in the different countries defining the Group structure at the date of these consolidated and condensed interim financial statements. Due to the impact on the effective tax rate of non-deductible expenses as a percentage of income before taxes, any significant difference between the estimate and the final income before taxes achieved for the full-year could affect the final full-year effective tax rate.

The effective tax rate as of June 30, 2017, is 26.0% which is the expected effective tax rate for year-end 2017. The effective tax rate as of June 30, 2016 was 29.5%.

10 EARNINGS PER SHARE

The reconciliation of the weighted average number of shares and diluted weighted average number of outstanding shares as of June 30, 2017 and 2016, is set forth in the table below:

	30/06/2017		30/06/2016	
	Ordinary shares	Weighted average number of ordinary shares	Ordinary shares	Weighted average number of ordinary shares
Total shares issued	438,822,506	438,822,506	438,822,506	438,822,506
Treasury shares	(1,155,291)	(1,500,371)	(2,813,953)	(2,346,568)
Total shares outstanding	**437,667,215**	**437,322,135**	**436,008,553**	**436,475,938**

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.

The calculation of basic and diluted earnings per share (rounded to two digits) for the periods ended June 30, 2017 and 2016, is set forth in the table below:

	Basic and diluted earnings per share			
	30/06/2017		30/06/2016	
	Profit attributable to the owners of the parent (millions of euros)	Earnings per share (Euros)	Profit attributable to the owners of the parent (millions of euros)	Earnings per share (Euros)
Earnings per share	529.1	1.21	450.0	1.03

Notes (millions of euros)

11 ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

11.1 Interest expense and other financial expenses

The "Interest expense" for the period ended June 30, 2017 and 2016, mainly corresponds to the borrowings detailed in note 7. The breakdown of the "Interest expense" is set forth in the table below:

	30/06/2017	30/06/2016
Revolving Loan Facility (500M Navitaire)	-	1.9
European Investment Bank (EIB)	4.8	5.4
Interest from derivative instruments (IRS)	2.0	-
Bonds – "Euro Medium Term Notes Programme"	4.3	22.2
Bonds – "Senior Fixed Rate Instruments"	1.2	1.2
Obligations under finance leases	1.0	1.1
Other debt with financial institutions	0.2	0.4
Subtotal	13.5	32.2
Deferred financing fees	2.3	3.1
Bank commissions, fees and other expenses	1.1	1.3
Interest expense	16.9	36.6

The breakdown of "Other financial expenses" as of June 30, 2017 and 2016 is set forth in the table below:

	30/06/2017	30/06/2016
Net interest on the Net Defined Benefit liability	1.1	1.1
Interest expense on Tax	0.1	-
Financial expense from derivative instruments	2.7	-
Others	0.6	0.6
Other financial expenses	4.5	1.7

Notes (millions of euros)

11.2 Employee distribution

The employee distribution by category and gender as of June 30, 2017 and 2016, is set forth in the table below:

	30/06/2017		30/06/2016	
	Female	Male	Female	Male
CEO/SVP/VP	4	33	4	31
Amadeus Group Director	27	138	25	136
Manager / Senior Manager	1,384	2,797	1,035	2,205
Staff	4,293	6,232	4,279	6,166

As of June 30, 2017 and 2016, the total number of employees was 14,908 and 13,881 respectively.

12 ADDITIONAL CONSOLIDATED STATEMENT OF CASH FLOWS RELATED DISCLOSURE

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 June 30, 2017 and 2016, is set forth in the table below:

	30/06/2017	30/06/2016
Cash on hand and balances with banks	550.8	270.6
Short-term investments	72.9	181.9
Cash and cash equivalents	623.7	452.5
Bank overdrafts	(1.2)	(0.6)
Total cash and cash equivalents net	622.5	451.9

13 SUBSEQUENT EVENTS

As of the date of issuance of this Consolidated and Condensed Interim Financial Statements no subsequent events occurred after the reporting period.

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Amadeus IT Group, S.A. and Subsidiaries

Directors' Report for the six months period ended June 30, 2017

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1 Summary

1.1 Introduction

Highlights for the first six months, ended June 30, 2017

- **In Distribution, our travel agency air bookings grew 5.7%, to 295.2 million**
- **In IT Solutions, our passengers boarded increased 19.8%[1], to 753.4 million**
- **Revenue expanded by 9.5%, to €2,490.7 million**
- **EBITDA increased by 10.1%, to €998.9 million**
- **Adjusted profit[2] grew 16.1%, to €574.0 million**
- **Free Cash Flow amounted to €449.1 million, representing growth of 7.6%**
- **Covenant net financial debt was €1,975.1 million at June 30, 2017 (1.10 times last-twelve-month covenant EBITDA)**

Amadeus continued to progress positively through the first half of 2017, posting Revenue, EBITDA and Adjusted Profit growth of 9.5%, 10.1% and 16.1%, respectively. These results were driven by strong operating performances in both Distribution and IT Solutions, a Navitaire consolidation effect (acquired late January 2016) and foreign exchange impacts (positive on revenues and EBITDA, although negative on costs, diluting margins).

In Distribution, we signed or renewed content agreements with 9 carriers in the quarter, including Westjet Airlines and Korean Air, representing a total of 21 in the first half of 2017. In the first six months of the year, our air volumes increased 5.7%, outpacing industry growth, and leading to a 0.5 p.p. enhancement of our competitive position[3]. Latin America and Asia and Pacific continued to be our fastest-growing regions, increasing at a double-digit growth rate. Average revenue per booking expansion also contributed to a 7.6% Distribution Revenue increase.

During the first half of the year, 70% of air bookings processed through Amadeus could carry an attached ancillary service. As of June 30, 2017, 130 airlines had contracted Amadeus Airline Ancillary Services for the indirect channel, including Malaysia Airlines and Middle East Airlines, in the second quarter of 2017. Additionally, Amadeus Fare Families had 54 contracted customers at the end of the first half.

IT Solutions revenue grew 13.3% in the first half of the year. This expansion was driven by (i) underlying growth in Airline IT solutions, (ii) the consolidation of Navitaire and (iii) continued expansion in our new businesses. During the first six months of the year, we experienced 19.8% Passengers Boarded growth in Airline IT, from (i) organic Passengers Boarded growth of 8.1%, (ii) the latest migrations we have undertaken in 2017 and in 2016, and (iii) the full year impact from Navitaire's Passengers Boarded (since late January 2016). In the second quarter of 2017, we migrated Southwest Airlines, Malaysia Airlines and Kuwait Airways to Altéa. Viva Air Peru, Andes Líneas Aéreas, JetSMART and GoAir were among the airlines which implemented New Skies.

During the second quarter, Air Algérie contracted the full Altéa Suite, as well as Revenue Management and e-Commerce. Our Airline IT upselling activity progressed well in the quarter, with new customers for Revenue Management, Standalone Solutions, Amadeus Airline Cloud Availability

1. Navitaire New Skies passengers boarded for the first half of 2016 were restated retroactively in our September YTD 2016 results, adding 6.3 million passengers boarded in H1 2016 (no impact on revenue).
2. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) other non-recurring items.
3. Competitive position as defined in section 3.

and Amadeus Anytime Merchandising. We had new implementations in the quarter across our upselling portfolio and growth in this space was also supported by underlying organic growth.

We continued to plan in our new businesses. In Hospitality IT, InterContinental Hotels Group and Amadeus continued to work together to plan for the Amadeus Guest Reservation System roll-out in Q4 2017. The roll-out will be progressive with the aim for it to be completed by the end of 2018. We are also making progress in the development of a next-generation Property Management System and related commercial activity to bring it forward.

In June 2017, Amadeus and Ingenico launched Amadeus Airport Pay with Lufthansa Group. This is a payment solution that accepting EMV (Europay, MasterCard and Visa) chip card payments, can be used by multiple airlines, ground handlers and multiple banks. Carriers and ground handlers can take payments anywhere in the airport and the solution is independent from airport technology. Lufthansa Group, as the launch partner, has started the roll-out, to be deployed at check-in desks and ticket offices in over 170 airports.

A consistent and focused investment in technology has been key to our success. Our investment in R&D represented 14.5% of revenue in the first half of 2017. It was dedicated to support mid to long-term growth through new customer implementations, product evolution, portfolio expansion, investment in new businesses and our continued shift to open systems and cloud services, as well as system performance optimisation.

In June 2017, we retired our last TPF mainframe and our core systems are now run exclusively on open systems. In 2006, we decided to start a project to decommission our Transaction Processing Facility operating system for mainframes and since then, many Amadeus teams have worked on completely rewriting our core systems. Running in open systems allows us to drive further evolution in specific areas such as cloud, NDC, merchandising, ticketing or data analytics. These are areas in which we plan to accelerate our investments in the coming years.

Our free cash-flow grew 7.6% over the first half of 2017, to €449.1 million and our consolidated covenant net financial debt stood at €1,975.1 million at second quarter-end, representing 1.10 times last-twelve-month covenant EBITDA.

1.2 Summary of operating and financial information

	Summary of KPI (figures in million euros)		
	Jan-Jun 2017	Jan-Jun 2016	% Change
Operating KPI			
TA air competitive position[1]	**43.6%**	**43.2%**	**0.5 p.p.**
TA air bookings (m)	295.2	279.3	5.7%
Non air bookings (m)	33.2	31.2	6.3%
Total bookings (m)	**328.4**	**310.5**	**5.8%**
Passengers boarded (m)[2]	**753.4**	**628.7**	**19.8%**
Financial results			
Distribution Revenue	1,635.5	1,520.5	7.6%
IT Solutions Revenue	855.2	754.9	13.3%
Revenue	**2,490.7**	**2,275.5**	**9.5%**
Distribution Contribution	707.5	677.2	4.5%
IT Solutions Contribution	588.5	499.3	17.9%
Contribution	**1,296.0**	**1,176.5**	**10.2%**
EBITDA	**998.9**	**907.1**	**10.1%**
EBITDA margin (%)	40.1%	39.9%	0.2 p.p.
Adjusted profit[3]	**574.0**	**494.5**	**16.1%**
Adjusted EPS (euros)[4]	**1.31**	**1.13**	**15.9%**
Cash flow			
Capital expenditure	290.8	288.4	0.8%
Free cash-flow[5]	449.1	417.3	7.6%
	30/06/2017	31/12/2016	% Change
Indebtedness[6]			
Covenant Net Financial Debt	**1,975.1**	**1,957.5**	**0.9%**
Covenant Net Financial Debt / LTM Covenant EBITDA	1.10x	1.14x	

1. Competitive position as defined in section 3.
2. Navitaire New Skies passengers boarded for the first half of 2016 were restated retroactively in our September YTD 2016 results, adding 6.3 million passengers boarded in H1 2016 (no impact on revenue).
3. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) other non-recurring items.
4. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
5. Calculated as EBITDA minus capital expenditure plus changes in our operating working capital minus taxes paid minus interests and financial fees paid.
6. Based on the definition included in the senior credit agreement covenants.

2 Operating Review

2.1 Key recent business highlights

Airline Distribution

- During the first half of 2017, we signed 21 new contracts or renewals of content agreements with airlines, including Air Berlin, Westjet Airlines and Korean Air.
- Subscribers to Amadeus' inventory can now access over 100 low cost carriers (LCC) and hybrid carriers' content worldwide, including Thai Lion Air that signed a distribution agreement in February. LCC and hybrid carriers' bookings grew 10% in the first half of 2017 vs. prior year.
- Our customers continued to contract our merchandising solutions. As of June 30, 2017, 130 airlines had signed up to Amadeus Airline Ancillary Services for the indirect channel, including Malaysia Airlines and Middle East Airlines, with 101 of them already implemented.
- Emirates was also among the airlines that implemented Amadeus Airline Ancillary Services during the period. Travel agents connected to Amadeus can select their seats at the time of purchase thanks to Emirates advanced seat reservation. The airline also contracted and implemented Amadeus Fare Families solution, which allows airlines to distribute branded fares.
- During the first half of the year, 70% of the global air bookings processed through the Amadeus system were eligible to carry an attached ancillary service.
- At the close of the first half of the year, Amadeus Fare Families solution had 54 contracts in place, out of which 46 customers had implemented the solution.
- In July, we announced a customised solution for the online travel agency Kiwi.com relying on a combination of our solutions including Instant Search technology. The tailor made solution will complement Kiwi.com's unique search algorithms, which combine flight segments from low cost carriers with travel content available in the Amadeus distribution channel, in order to create unique itineraries. This requires massive search capacity and data processing power, also resulting in potential savings for travellers on some routes. Additionally, this solution ensures a response time of just milliseconds and no compromise to accuracy.
- New Chinese travel search engine iGola implemented Amadeus Extreme Search technology to further boost innovation and market growth. This solution allows iGola to broaden its offering beyond the traditional search options and offer a "Where to go" option for travellers looking for a spontaneous long weekend.

Corporate IT

- We continued to strengthen our portfolio of corporate clients in the first half of the year. In April, we announced a partnership with Daimler to redefine and simplify Daimler's business travel process. Amadeus delivers the search, booking engine and user interface through i:FAO cytric technology. During the search process, the company's travellers now receive only the most relevant air, hotel and car rental offers based on their historical behaviour, Daimler's corporate policy and their preferences: the "one best fit" option. This standardises the booking process for all employees worldwide, saving Daimler time and resources.
- In July, we launched a new mobile application for Salesforce. Amadeus cytric Travel Connect will now be available to all corporations using Salesforce and will allow them to calculate the return on investment of every business trip, as the solution provides a complete view of travel spend by connecting Salesforce opportunities and activities, with the cost of each business trip. It will also offer a smooth and personalised travel booking experience for frequent business travellers.

Airline IT

- At the close of June, 199 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 189 had implemented either of Altéa or New Skies.
- As part of its ambitious transformation plan, Air Algérie contracted the Altéa Suite including reservation, ticketing, inventory management, revenue management, DCS and e-commerce.
- Boliviana de Aviación signed for Altéa PSS, as well as Island Air, Hawaii's leading regional carrier, that contracted the full portfolio of Altéa IT solutions (including reservation, inventory and departure control systems), as well as e-commerce, revenue integrity, loyalty and travel intelligence functionality.
- Southwest Airlines migrated its domestic flights to Altéa in May. Southwest's new reservation system brings an array of features designed to allow Southwest to: optimise its flight schedule, including improved connection times; more easily manage inventory between any given origin and destination; govern the value of potential ancillary services; and automate rebookings during flight disruptions.
- Malaysia Airlines and Kuwait Airways were also among the carriers that implemented Altéa during the first half of the year. GoAir, Viva Air Peru, TUI fly Belgium, Andes Líneas Aéreas and JetSMART were among the airlines which implemented New Skies.
- Air Dolomiti, part of the Lufthansa group, renewed in May its contract for Amadeus e-Retail, the world's most widely-used airline internet booking engine, helping airlines maximise online sales. The airline also signed up for Amadeus Airline Ancillary Services, increasing the airline's merchandising options.
- Existing Altéa customers continued to show their confidence on our airline IT portfolio. We strengthened our partnership with FlyDubai with the launch of OPEN, the airline's unique loyalty programme. Using Amadeus Loyalty Management, FlyDubai now offers its customers an innovative and flexible loyalty programme that truly meets their needs: travellers can for example team up with family and friends to pool points.
- Swiss International Air Lines, launch partner of Amadeus Passenger Recovery, started using the new solution in March. Amadeus Passenger Recovery helps the airline re-accommodate disrupted passengers from multiple flights through a standard service approach. Singapore Airlines implemented Altéa Revenue Management solutions. The airline contracted this solution in April 2016 along with Amadeus Dynamic Pricing and Amadeus Altéa Group Manager.
- Air Canada unveiled in March its new aircanada.com featuring a new, responsive design, improved booking flow and enhanced search options for travellers. Powered by Amadeus' technology, the website will offer Air Canada´s customers a new booking and shopping experience.

Payments

- In an effort to simplify ancillary payments, Amadeus and Ingenico launched Amadeus Airport Pay with Lufthansa Group in June. This is a payment solution that accepting EMV (Europay, MasterCard and Visa) chip card payments (including contactless and EMV compliant mobile wallets), can be used by multiple airlines and ground handlers and multiple banks. Carriers and ground handlers can take payments anywhere in the airport and the solution is independent from airport technology. Lufthansa Group, as the launch partner, has already started the roll-out of the solution, to be deployed at check-in desks and ticket offices in over 170 airports around the globe.

Rail

- Amadeus unveiled a new business model for railways in March, which will enable railways to reach new travellers in new markets. This merchant model provides travel agencies around the world with one link to sell multiple railways. The new model currently includes the full offers of DB (German), RENFE (Spanish), SNCF (French, available in Central, Eastern and Southern Europe only), Trenitalia (Italian) and selected eastern European rail operators.

Travel Intelligence

- Amadeus Destination Insight was launched in May, using advanced data analytics to offer Destination Marketing Organisations (DMOs) timely insights into traveller intentions and competing destinations. By analysing up-to-date global air travel transactions in near real time, the suite can reveal hidden opportunities for DMOs to boost their growth. They can for example gain insights into searches and bookings, to measure, adjust and build more effective campaigns.
- Amadeus launched in March, Productivity Tracker, a solution from the Amadeus Agency Insight Suite. This new solution uses data analytics to identify areas for operational improvement and empower agencies of all sizes to make more effective decisions.

Airport IT

- Amadeus' expansion of its Airport IT business in the Asia Pacific region continued. Adelaide Airport announced in March that it will implement Australasia´s first fully automated and cloud-based airport management system. The airport will implement three Amadeus Airport Solutions: Airport Operational Database, Airport Fixed Resource Management Solution and Flight Information Display System.

Technology

- In June 2017, we retired our last TPF mainframe and our core systems are now run exclusively on open systems. In 2006, we decided to start a project to decommission our Transaction Processing Facility operating system for mainframes and since then, many Amadeus teams have worked on completely rewriting our core systems. This achievement allows us to drive further evolution in specific areas such as cloud, NDC, merchandising, ticketing or data analytics.

Additional news

- In June 2017, Decius Valmorbida was appointed Senior Vice President, Travel Channels, and will become a member of Amadeus' Executive Committee. Decius will lead Distribution and succeeds Laurens Leurink, who resigned for personal family reasons. Decius is a 13-year veteran at Amadeus and brings to this role a deep understanding of the industry and the needs of travel subscribers as well as experience of negotiating with travel providers.
- Amadeus´ Shareholders' Annual General Meeting held on June 15, 2017 approved the appointment of Mr. Nicolas Huss as independent Director to the Board for a term of three years. Mr. Huss holds a degree in Law and MA in Political Science and Government, both from the University of Toulouse, and has over twenty years' experience in the financial service industry.
- In July, Standard and Poor's affirmed its "BBB/A-2" Credit Rating and the positive outlook.
- In July, Amadeus launched the whitepaper "What if? Imagining the future of the travel industry". The study, commissioned to AT Kearney, identifies the key trends that could disrupt the travel industry over the next five to seven years (seamless travel and personalization) and presents four future scenarios and their implications for the global travel ecosystem.

2.2 Key ongoing R&D projects

As a leading and differentiated technology provider for the travel industry, Amadeus undertakes significant R&D activities. In the first half of 2017, these were mainly linked to:

- Ongoing efforts related to our Distribution and Airline IT businesses:
  - Customer implementations and services:
    - Implementation efforts related to recently completed or future PSS implementations (including Southwest Airlines, Japan Airlines and Malaysia Airlines on Altéa).
    - Implementation costs linked to our upselling activity (such as Revenue Management, e-Commerce or Standalone solutions).
    - Implementation of Distribution solutions for airlines, travel agencies, and corporations, including the migration of low-cost carriers to ticketless access, the expansion of our customer base in merchandising solutions and the migration of corporations to our self-booking and travel expense management tool.
    - Additionally, resources allocated to client specific bespoke developments or e-commerce services.
  - Product evolution and portfolio expansion:
    - For airlines: solutions related to cloud availability, NDC compliant XML connectivity, our revenue optimisation and financial suites, as well as disruption management solutions.
    - Investment focused on merchandising solutions (including Amadeus Anytime Merchandising and Customer Experience Management), Amadeus Ancillary Services and Amadeus Fare Families, as well as enhanced shopping and booking solutions.
    - For travel agencies, meta-search engines and corporations: efforts linked to our cloud-based new-generation selling platform, search engines and our self-booking and travel expense management tool.
- Resources dedicated to our new businesses (Hospitality, Rail, Airport IT, Payments and Travel Intelligence):
  - Investment to develop and implement the next-generation Guest Reservation System for the hospitality industry under our partnership with InterContinental Hotels Group and developments related to a next-generation Property Management System.
  - Continued development and evolution of our Airport IT, Payments and Travel Intelligence portfolios, as well as investment to implement new customers in these businesses.
  - Resources devoted to enhance distribution capabilities for Hospitality and Rail.
  - Efforts dedicated to our partnership with Bene Rail to create a new rail community IT platform.
- Cross-area technology investment:
  - The completion of the full decommissioning of our TPF-based operating systems and continued shift to next-generation technologies and cloud services, which provides a flexible and powerful framework for massive deployment and distributed operations of very large transactional and data traffic.

- System performance projects to deliver the highest possible reliability, availability, as well as service and security levels to our client base.
- Projects related to our overall infrastructure and processes to improve efficiency and flexibility.

3 Presentation of financial information

The consolidated financial statements of Amadeus IT Group S.A. and subsidiaries are the source to the financial information included in this document. They have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and have been subject to a limited review by the auditors.
Certain amounts and figures included in this report have been subject to rounding adjustments. Any discrepancies in any tables between the totals and the sums of the amounts listed are due to rounding.

This document includes unaudited Alternative Performance Measures such as EBITDA, operating income, covenant net financial debt and Adjusted profit, and its corresponding ratios. These Alternative Performance Measures have been prepared in accordance with the Guidelines issued by the European Securities and Markets Authority for regulated information published on or after July 3, 2016.

- EBITDA corresponds to segment contributions less net indirect costs as defined in note 4 'Segment Reporting' of the Consolidated and condensed interim financial statements for the six months' period ended June 30, 2017.
- The definition and reconciliation of the operating income is included in the Consolidated and condensed statement of comprehensive income.
- Covenant net financial debt is defined as current and non-current debt, less cash and cash equivalents, adjusted for non-debt items (such as deferred financing fees, accrued interest and fair value adjustments to an EIB loan). A reconciliation to the financial statements is included in section 6.2.1.
- Adjusted profit corresponds to reported Profit for the period, after adjusting for: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), and (iii) other non-recurring items, as detailed in section 6.1.8.

We believe that these measures provide useful and relevant information to facilitate a better understanding of the performance of Amadeus and its economic position. These measures are not standard and therefore may not be comparable to those presented by other companies.

When we refer to our competitive position, we take into account our TA air bookings in relation to the TA air booking industry, defined as the total volume of travel agency air bookings processed by the global CRS. It excludes air bookings made directly through in-house airline systems and single country operators (primarily in China, Japan and Russia), which together combined represent an important part of the industry.

3.1 2016 corporate transactions

Navitaire

On July 1, 2015, Amadeus announced its agreement to acquire Navitaire, a U.S-based provider of technology and business solutions to the airline industry. Amadeus received all the necessary regulatory approvals and the closing took place on January 26, 2016. The cash consideration in relation to this acquisition amounted to €760.1 million. The acquisition was 100% debt-financed, partially through the drawing of a €500 million bank loan facility executed on July 3, 2015 (though cancelled and replaced in October 2016 by a four-year bond), and partially through €500 million debt securities issued under our Euro Medium Term Note Programme in November 2015 (with maturity in 2021). The results of Navitaire were consolidated into Amadeus' books from January 26, 2016.

A purchase price allocation exercise in relation to the consolidation of Navitaire into Amadeus' books was carried out in the fourth quarter of 2016.

Meeting Intelligence business

On July 21, 2016, Amadeus Hospitality US (formerly Newmarket International) divested its non-core Meeting Intelligence business, which provides meetings market intelligence for the hospitality industry. The total net consideration of the transaction was €11.3 million.

3.2 2017 corporate transactions

i:FAO

On January 13, 2017, Amadeus announced the closing of the acceptance period for the tender offer it had launched on October 21, 2016 for outstanding i:FAO shares Amadeus did not already own (29.74%). i:FAO was acquired on June 23, 2014, indirectly through Amadeus Corporate Business AG and, as of December 31, 2016 the Group owned 70.72% of the shares of i:FAO. As of June 30, 2017, Amadeus has increased its shareholding in i:FAO to 88.81%. The total amount paid for the 959,094 shares acquired in the past months was €28.8 million (€30.0 per share). i:FAO was delisted from the Frankfurt Stock Exchange on December 23, 2016.

4 Main financial risks and hedging policy

4.1 Foreign exchange rate risk

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

Our revenue is almost entirely generated either in Euro or in US Dollar (the latter representing 30%-40% of our total revenue). Revenue generated in currencies other than the Euro or US Dollar is negligible.

In turn, 40%-50% of our operating costs[4] are denominated in many currencies different from the Euro, including the USD which represents 20%-30% of our operating costs. The rest of the foreign currency operating expenses are denominated in a variety of currencies, GBP, AUD, INR, SGD and THB being the most significant. A number of these currencies may fluctuate vs. the Euro similarly to the US Dollar - Euro fluctuations, and the degree of this correlation may vary with time.

Amadeus' target is to reduce the volatility generated by foreign exchange fluctuations on its non-Euro denominated net cash flows. Our hedging strategy is as follows:

4. Including Cost of revenue, Personnel expenses and Other operating expenses. Excludes Depreciation and amortisation.

- To manage our exposure to the US Dollar, we have a natural hedge to our net operating cash flow generated in US Dollar through, among others, payments of USD-denominated debt (when applicable) and taxes paid in the US. We enter into derivative arrangements when this natural hedge is not sufficient to cover our outstanding exposure.
- We also hedge a number of currencies, including the GBP, AUD, INR and SEK, for which we enter into foreign exchange derivatives with banks.

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

In the first half of 2017, foreign exchange fluctuations had a positive impact on revenue and EBITDA, a negative impact on costs and a dilutive impact on EBITDA margin. Excluding foreign exchange effects, both revenue and EBITDA increased at a high single-digit growth rate and EBITDA margin expanded.

4.2 Interest rate risk

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

At June 30, 2017, 11.5% of our total covenant financial debt (related to the European Commercial Paper Programme) was subject to floating interest rates, indexed to the EURIBOR. As of this date no interest rate hedges were in place.

4.3 Own shares price evolution risk

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

According to the rules of these plans, when they mature all beneficiaries will receive a number of Amadeus shares which for the outstanding plans amount to (depending on the evolution of certain performance conditions), between a minimum of 251,000 shares and a maximum of 1,747,000 shares, approximately. It is Amadeus' intention to make use of its treasury shares to settle these plans at their maturity.

5 Operating and financial performance by segment

	Segment Reporting (figures in million euros)		
	Jan-Jun 2017	Jan-Jun 2016	% Change
Distribution revenue	1,635.5	1,520.5	7.6%
IT Solutions revenue	855.2	754.9	13.3%
Group Revenue	**2,490.7**	**2,275.5**	**9.5%**
Distribution contribution	707.5	677.2	4.5%
IT Solutions contribution	588.5	499.3	17.9%
Total Contribution	**1,296.0**	**1,176.5**	**10.2%**
Net indirect costs	(297.1)	(269.4)	10.3%
EBITDA	**998.9**	**907.1**	**10.1%**
EBITDA Margin (%)	40.1%	39.9%	0.2p.p.

In the second quarter of 2017, revenue increased by 7.3%, slower than the 11.7% growth rate reported in the first quarter of 2017, which was favoured by the timing of Easter and the consolidation of Navitaire from January 26, 2016. Revenue growth for the first half of the year, amounting to 9.5%, which also included a 2016 leap-year effect, was driven by the positive evolution of our segments:

- In Distribution, revenue grew by 7.6%, positively supported by a 0.5 p.p. enhancement in our competitive position[5], expansive average pricing and an increase in non-booking revenue.
- In IT Solutions, revenue increased by 13.3% driven by the positive evolution of Airline IT and our new businesses, as well as the aforementioned Navitaire consolidation impact.

EBITDA expanded 10.1% in the first half of 2017, as a result of growing contributions in both Distribution (4.5%) and IT Solutions (17.9%), partly offset by an increase in net indirect costs (10.3%). EBITDA margin expanded 0.2 p.p. to 40.1% of revenue. Excluding foreign exchange effects, both revenue and EBITDA increased at a high single-digit growth rate and EBITDA margin expanded.

[5] Competitive position as defined in Section 3.

5.1 Distribution

	Distribution (figures in million euros)		
	Jan-Jun 2017	Jan-Jun 2016	% Change
Operating KPI			
TA air competitive position[1]	43.6%	43.2%	0.5 p.p.
Total bookings (m)	328.4	310.5	5.8%
Financial results			
Revenue	1,635.5	1,520.5	7.6%
Net operating costs	(928.0)	(843.3)	10.0%
Contribution	**707.5**	**677.2**	**4.5%**
As % of Revenue	**43.3%**	**44.5%**	**(1.3 p.p.)**

1. Competitive position as defined in section 3.

Distribution revenue increased 7.6% in the first half of 2017, supported by volume growth, expansive average pricing and growing non-booking revenue. Contribution grew by 4.5%, to €707.5 million. As a percentage of revenue, Distribution contribution declined by 1.3 p.p. to 43.3%. Margin dilution was negatively impacted by foreign exchange effects.

5.1.1 Evolution of Amadeus bookings

	Operating KPI					
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
TA air booking industry growth	**1.7%**	**3.7%**		**4.3%**	**2.2%**	
TA air competitive position[1]	**43.8%**	**43.8%**	**0.0 p.p.**	**43.6%**	**43.2%**	**0.5 p.p.**
TA air bookings (m)	141.0	138.1	2.1%	295.2	279.3	5.7%
Non air bookings (m)	16.2	15.4	5.1%	33.2	31.2	6.3%
Total bookings (m)	**157.2**	**153.5**	**2.4%**	**328.4**	**310.5**	**5.8%**

1. Competitive position as defined in section 3.

TA air booking Industry

Travel agency air bookings increased by 4.3% in the first half of 2017, with a marked seasonality between the first and second quarter of the year. Growth slowed from 6.7% in the first quarter of 2017, to 1.7% in the second quarter, impacted by the timing of Easter (which in 2017 happened in April and in 2016 took place in March).

In the second quarter of 2017, Western Europe was particularly impacted by the Easter timing effect, seeing industry bookings decline vs. prior year, leading to a more moderate regional growth overall for the first half of 2017. Sector volumes in Middle East and Africa posted limited growth in the first half of the year, with a decline in bookings in the second quarter of 2017, negatively impacted by the timing of the end of Ramadan and geopolitical tensions in the region (including the Qatar air space ban). In turn, travel agency air bookings in Latin America and Asia and Pacific showed robust growth in the first half of 2017, on the back of countries recovering from difficulties, such as Brazil, and others continuing their strong growth path, for example India. The positive evolution of bookings in Russia also favoured industry growth in Central, Eastern and Southern Europe. Finally, volumes in North America grew healthily in the first half of 2017.

Amadeus bookings

In the second quarter of 2017, Amadeus travel agency air bookings grew 2.1%, slowing down vs. the 9.3% increase reported in the first quarter of 2017, driven by the market's evolution.

In the first half of 2017, our competitive position improved 0.5 p.p. to 43.6%, leading to a 5.7% increase in Amadeus' travel agency air bookings. Latin America and Asia and Pacific were our best performing regions, benefiting from robust industry growth and enhancements in our competitive position. Volumes in North America grew solidly as well in the first half period on the back of also positive dynamics. The remaining regions evolved positively in the first half of 2017, despite weaker markets in Western Europe and Middle East and Africa in the second quarter.

	Amadeus TA air bookings (figures in million)				
	Jan-Jun 2017	*% of Total*	*Jan-Jun 2016*	*% of Total*	*% Change*
Western Europe	109.5	37.1%	107.0	38.3%	2.4%
Asia & Pacific	54.7	18.5%	49.7	17.8%	10.0%
North America	52.5	17.8%	49.1	17.6%	6.9%
Middle East and Africa	35.8	12.1%	34.2	12.3%	4.6%
Central, Eastern and Southern Europe	23.7	8.0%	22.7	8.1%	4.5%
Latin America	18.9	6.4%	16.5	5.9%	14.7%
Total TA air bookings	**295.2**	**100.0%**	**279.3**	**100.0%**	**5.7%**

Amadeus' non air bookings increased by 5.1% in the second quarter of 2017 vs. prior year, and 6.3% in the first half of 2017, mostly due to the positive performance of rail and hotel bookings.

5.1.2 Revenue

Distribution delivered revenue growth of 3.8% in the second quarter of 2017, driving 7.6% first half growth vs. 2016. This first half performance was the result of an increase in both booking and non-booking revenue, also positively impacted by foreign exchange effects.

Booking revenue growth in the first half resulted from an increase in bookings of 5.8%, coupled with unitary booking revenue expansion. Average revenue per booking expansion was supported by a positive booking mix as the weight of global bookings over our total bookings increased in the period. Non-booking revenue increased in the first half of 2017 mostly due to higher revenue from search solutions provided to metasearch engines and online travel agencies, growth in tools served to corporations as well as growth in our payments offering for travel agencies.

5.1.3 Contribution

Contribution increased by 4.5%, amounting to €707.5 million in the first half of 2017 and representing 43.3% of revenue. Contribution growth was supported by an increase in revenue of 7.6%, as explained in section 5.1.2 above, partly offset by 10.0% growth in net operating costs, led by:

- Higher variable costs, due to a 5.7% increase in travel agency air bookings and a unitary distribution cost expansion, as expected, due to competitive pressure and a negative regional and customer mix impact on incentives paid to travel agencies.
- A contained net fixed costs increase which mainly resulted from (i) annual salary and variable remuneration reviews and (ii) the expansion of our R&D and commercial teams devoted to corporate IT, non-air distribution and Travel Intelligence solutions, partly offset by (iii) higher capitalisations in the first half of 2017 vs. prior year.
- A negative foreign exchange impact.

5.2 IT Solutions

	IT Solutions (figures in million euros)		
	Jan-Jun 2017	*Jan-Jun 2016*	*% Change*
Operating KPI			
Passengers boarded (m)[1]	753.4	628.7	19.8%
Financial results			
Revenue	855.2	754.9	13.3%
Net operating costs	(266.7)	(255.7)	4.3%
Contribution	**588.5**	**499.3**	**17.9%**
As % of Revenue	**68.8%**	**66.1%**	**2.7 p.p.**

1. Navitaire New Skies passengers boarded for the first half of 2016 were restated retroactively in our September YTD 2016 results, adding 6.3 million passengers boarded in H1 2016 (no impact on revenue).

IT Solutions grew solidly in the first half of 2017, posting a 13.3% increase in the period vs. prior year, supported by the performance of our Airline IT business, positively impacted by organic volume growth, airline implementations and the consolidation of Navitaire from January 26, 2016, as well as the positive evolution of our new businesses. Contribution amounted to €588.5 million, growing by 17.9% in the first half of 2017 vs. prior year. As a percentage of revenue, contribution represented 68.8% or 2.7 p.p. higher than prior year.

5.2.1 Evolution of Amadeus passengers boarded

Amadeus passengers boarded grew by 16.1% to 413.7 million in the second quarter of 2017, driving first half growth vs. prior year to 19.8%.

This first half performance was positively impacted by the consolidation of Navitaire New Skies passengers boarded (consolidated since January 26, 2016). Excluding this impact, our volumes grew at a double-digit growth rate, fuelled by (i) 8.1% organic growth and (ii) new carrier implementations on our PSS platforms, including Southwest Airlines, Malaysia Airlines and Kuwait Airways on Altéa and GoAir , Viva Air Peru, Andes Líneas Aéreas and JetSMART on New Skies in the second quarter of 2017, as well as airlines implemented in 2016 (including Swiss International Air Lines, Brussels Airlines, China Airlines and Ukraine International Airlines on Altéa and Viva Group on New Skies).

	Total passengers boarded (figures in million)					
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
Organic growth[1]	364.4	333.8	9.1%	643.4	594.9	8.1%
Non organic growth	49.4	22.4	n.m.	110.0	33.8	n.m.
Total passengers boarded[2]	**413.7**	**356.2**	**16.1%**	**753.4**	**628.7**	**19.8%**

1. Calculated based on passengers boarded adjusted to reflect growth of comparable airlines on the Altéa and New Skies platforms during both periods, excluding Air Berlin and January 2016 and 2017 Navitaire New Skies passengers boarded.
2. Navitaire New Skies passengers boarded for the first half of 2016 were restated retroactively in our September YTD 2016 results, adding 3.3 million passengers boarded in Q2 2016 and 6.3 million in H1 2016 (no impact on revenue).

In the first half of 2017, 56.8% of our passengers boarded were generated outside of Europe. Our international footprint has continued to expand, supported by the acquisition of Navitaire and the implementation of Southwest Airlines and Malaysia Airlines to Altéa in the second quarter of 2017.

	Total passengers boarded (figures in million)				
	Jan-Jun 2017	% of Total	Jan-Jun 2016	% of Total	% Change
Western Europe	286.3	38.0%	252.5	40.2%	13.4%
Asia & Pacific	235.8	31.3%	199.3	31.7%	18.4%
Latin America	71.7	9.5%	61.4	9.8%	16.9%
Middle East and Africa	61.2	8.1%	56.7	9.0%	8.0%
North America	58.8	7.8%	28.8	4.6%	104.3%
Central, Eastern and Southern Europe	39.5	5.2%	30.2	4.8%	30.8%
Total passengers boarded[1]	**753.4**	**100.0%**	**628.7**	**100.0%**	**19.8%**

1. Navitaire New Skies passengers boarded for the first half of 2016 were restated retroactively in our September YTD 2016 results, adding 6.3 million passengers boarded in H1 2016 (no impact on revenue).

5.2.2 Revenue

IT Solutions revenue increased 14.2% in the second quarter of 2017 vs. prior year, driving growth for the first half of 2017 to 13.3%. This first half performance resulted from the positive evolution of both Airline IT and our new businesses, positively impacted by foreign exchange effects.

Growth in Airline IT revenue was mostly driven by (i) a 19.8% increase in passengers boarded combined with (ii) dilutive average revenue per passenger boarded as a result of a growing weight of low-cost and hybrid carriers in our customer base, partly mitigated by our successful upselling activity such as e-Commerce, Standalone solutions, Revenue Management and Airline Cloud Availability.

In addition, our new businesses performed well in the first half of 2017, with revenue increasing at a double-digit growth rate vs. prior year.

5.2.3 Contribution

In IT Solutions, contribution amounted to €588.5 million in the first half of 2017, growing by 17.9% vs. the same period in 2016. This positive performance was the combination of 13.3% revenue growth, explained in section 5.2.2 above, and a 4.3% increase in our net operating costs, resulting from:

- Annual salary and variable remuneration reviews.
- The consolidation of Navitaire since January 26, 2016.
- Reinforcement of our commercial teams to better support the expansion of our product offering and customer base.
- Increased R&D expenditure (most of which is capitalised) dedicated to our Airline IT portfolio evolution and expansion (including improved merchandising, personalisation and shopping functionalities) and our new businesses, partly offset by lower resources required to implement new carriers to our core Altéa platform.
- A number of positive non-recurring effects including lower severance payments and M&A fees.

5.3 EBITDA

In the first half of 2017, our EBITDA grew by 10.1% to €998.9 million, positively impacted by foreign exchange effects (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations). Excluding foreign exchange impacts, EBITDA grew at a high single-digit growth rate, driven by the positive performances of Distribution and IT Solutions and the contribution of Navitaire, consolidated since January 26, 2016.

EBITDA margin, which represented 40.1% of revenue and expanded 0.2 p.p. vs. prior year, was negatively impacted by foreign exchange fluctuations.

Distribution and IT Solutions contributions were partly offset by higher net indirect costs, which increased by 10.3% in the first half of 2017 vs. the same period of 2016, resulting from:

- Annual salary and variable remuneration reviews.
- The consolidation of Navitaire central costs, from January 26, 2016.
- Increased resources in our corporate functions to support our business expansion.
- A decline in the capitalisation ratio, impacted by the mix of projects undertaken in the period.
- A negative foreign exchange impact.

6 Consolidated financial statements

6.1 Group income statement

	Income Statement (figures in million euros)					
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
Revenue	**1,239.9**	**1,155.4**	**7.3%**	**2,490.7**	**2,275.5**	**9.5%**
Cost of revenue	(321.1)	(285.6)	12.4%	(655.2)	(580.1)	12.9%
Personnel and related expenses	(336.0)	(328.9)	2.1%	(663.8)	(636.4)	4.3%
Other operating expenses	(83.6)	(80.1)	4.3%	(166.6)	(146.6)	13.6%
Depreciation and amortisation	(131.5)	(116.0)	13.4%	(259.0)	(232.6)	11.4%
Operating income	**367.7**	**344.8**	**6.6%**	**746.1**	**679.8**	**9.8%**
Net financial expense	(18.7)	(16.6)	12.1%	(32.5)	(44.6)	(27.1%)
Other income (expense)	(0.4)	2.2	n.m.	(0.7)	2.1	n.m.
Profit before income taxes	**348.7**	**330.4**	**5.5%**	**712.9**	**637.3**	**11.9%**
Income taxes	(90.7)	(97.5)	(7.0%)	(185.4)	(188.0)	(1.4%)
Profit after taxes	**258.0**	**232.9**	**10.8%**	**527.5**	**449.3**	**17.4%**
Share in profit from associates and JVs	1.3	0.9	54.4%	2.4	1.7	42.8%
Profit for the period	**259.3**	**233.8**	**10.9%**	**530.0**	**451.0**	**17.5%**
Key financial metrics						
EBITDA	**496.1**	**458.3**	**8.2%**	**998.9**	**907.1**	**10.1%**
EBITDA margin (%)	40.0%	39.7%	0.3 p.p.	40.1%	39.9%	0.2 p.p.
Adjusted profit[1]	**280.4**	**248.9**	**12.7%**	**574.0**	**494.5**	**16.1%**
Adjusted EPS (euros)[2]	**0.64**	**0.57**	**12.6%**	**1.31**	**1.13**	**15.9%**

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

6.1.1 Revenue

In the second quarter of 2017, revenue amounted to €1,239.9 million, growing 7.3% vs. prior year. For the first half of 2017, revenue increased by 9.5% to €2,490.7 million.

This 9.5% increase in the first half period was driven by a positive evolution of Distribution and IT Solutions, as well as the consolidation of Navitaire (since January 26, 2016), a positive foreign exchange impact and a negative 2016 leap-year effect. Overall, revenue growth was a combination of:

- An increase of 3.8% in Distribution in the second quarter of 2017, leading to 7.6% growth for the first half period.
- An increase of 14.2% in IT Solutions in the second quarter of 2017 and 13.3% in the first half of the year.

See sections 5.1.2. and 5.2.2. for more detail on revenue growth within Distribution and IT Solutions.

	Revenue (figures in million euros)					
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
Distribution	798.1	768.8	3.8%	1,635.5	1,520.5	7.6%
IT Solutions	441.7	386.6	14.2%	855.2	754.9	13.3%
Revenue	**1,239.9**	**1,155.4**	**7.3%**	**2,490.7**	**2,275.5**	**9.5%**

6.1.2 Cost of revenue

These costs are mainly related to: (i) incentive fees paid to travel agencies, (ii) distribution fees paid to local commercial organisations which act as a local distributor (mainly in the Middle East, North Africa, India, and South Korea) and (iii) data communication expenses related to the maintenance of our computer network, including connection charges.

Cost of revenue grew by 12.4% in the second quarter of 2017 or 12.9% to €655.2 million in the first half of 2017 vs. prior year, highly impacted by negative foreign exchange effects. The increase in cost of revenue was driven by higher travel agency air bookings (+5.7%) and a higher unitary distribution cost, resulting from competitive pressure and a negative regional and customer mix impact on incentives paid to travel agencies. Also, data communications costs increased, as a consequence of higher transaction volumes driven by business expansion.

6.1.3 Personnel and related expenses and other operating expenses

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

Our combined operating expenses cost line, including both Personnel expenses and Other operating expenses, increased by 2.6% in the second quarter of 2017 vs. prior year, leading to a 6.1% growth for the first half of 2017.

Growth in fixed operating expenses in the first half of the year resulted from:

- An increase of 4% in average FTEs (permanent staff and contractors), due to:
  - Higher headcount in R&D dedicated to ongoing investment in product evolution and portfolio expansion, including the progress achieved in our new businesses (see further details in sections 2.2 and 6.3.2).
  - The reinforcement of our corporate, technical and commercial teams reflecting our business growth, to better support and serve our customers, both centrally and locally.
  - The consolidation of Navitaire since January 26, 2016.
- Global salary and variable remuneration reviews, partly offset by efficiencies reached due to a positive country mix.

- Growth in non-personnel related expenses, affecting particularly computing expenses (as Navitaire is hosted externally) and to a lesser extent, travel costs, driven by the overall business and geographical expansion. This was partly offset by a decline in M&A fees.
- A decrease in the overall capitalisation ratio, impacted by the mix of projects undertaken.
- A negative foreign exchange impact.

	Personnel expenses + Other operating expenses (figures in million euros)					
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
Personnel expenses + Other operating expenses	**(419.6)**	**(409.0)**	**2.6%**	**(830.4)**	**(783.0)**	**6.1%**

6.1.4 Depreciation and Amortisation

Depreciation and amortisation (including capitalised D&A) was 13.1% higher in the second quarter of 2017 vs. the same period in 2016, driving growth for the first half of 2017 to 11.2%. This 11.2% increase was mostly due to growth in ordinary depreciation and amortisation, partly offset by lower impairments. In the first half of 2016, we had a €8.5 million impairment to write-off the "Newmarket International" trademark and replace it by the global Amadeus brand.

Ordinary D&A grew by 20.1% in the first half of 2017 vs. prior year, mainly driven by higher amortisation of intangible assets, as capitalised development expenses on our balance sheet started being amortised in parallel with the associated project or contract revenue recognition. The depreciation expense related to hardware and software acquired for our data processing centre in Erding, as well as the consolidation impact of Navitaire, also contributed to the overall increase.

	Depreciation and Amortisation (figures in million euros)					
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
Ordinary depreciation and amortisation	(106.7)	(89.6)	19.0%	(209.8)	(174.7)	20.1%
Amortisation derived from PPA	(24.9)	(26.4)	(6.0%)	(49.2)	(49.4)	(0.3%)
Impairments[1]	0.0	0.0	n.m.	0.0	(8.5)	n.m.
Depreciation and amortisation	**(131.5)**	**(116.0)**	**13.4%**	**(259.0)**	**(232.6)**	**11.4%**
Capitalised depreciation and amortisation[2]	3.2	2.5	26.3%	6.3	5.3	18.9%
Depreciation and amortisation post-capitalisations	**(128.4)**	**(113.5)**	**13.1%**	**(252.8)**	**(227.3)**	**11.2%**

1. The impairment of €8.5 million in 2016 was related to the write off of the "Newmarket International" trademark (replaced by the global Amadeus brand).
2. Included within the other operating expenses caption in the Group Income Statement.

6.1.5 EBITDA and Operating income

EBITDA increased by 8.2% in the second quarter of 2017 and by 10.1% to €998.9 million in the first half of 2017 vs. prior year, positively impacted by foreign exchange effects (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations). Excluding foreign exchange effects, EBITDA grew at a high single-digit growth rate, supported by the positive performances of Distribution and IT Solutions as well as the contribution of Navitaire, consolidated since January 26, 2016.

Operating Income in the second quarter of 2017 grew by 6.6%, or 9.8% to €746.1 million in the first half of the year, as a result of EBITDA expansion offset by higher D&A charges.

	Operating income – EBITDA (figures in million euros)					
	Apr-Jun 2017	*Apr-Jun 2016*	*% Change*	*Jan-Jun 2017*	*Jan-Jun 2016*	*% Change*
Operating income	**367.7**	**344.8**	**6.6%**	**746.1**	**679.8**	**9.8%**
Depreciation and amortisation	131.5	116.0	13.4%	259.0	232.6	11.4%
Capitalised depreciation and amortisation	(3.2)	(2.5)	26.3%	(6.3)	(5.3)	18.9%
EBITDA	**496.1**	**458.3**	**8.2%**	**998.9**	**907.1**	**10.1%**
EBITDA margin (%)	40.0%	39.7%	0.3 p.p.	40.1%	39.9%	0.2 p.p.

6.1.6 Net financial expense

Net financial expense increased by 12.1% in the second quarter of 2017 though decreased by 27.1% in the first half of 2017 vs. prior year. Interest expense declined significantly in the first half of 2017, as a consequence of a lower average cost of debt (impacted positively by the refinancing of €750 million notes in July 2016) as well as a lower amount of average gross debt outstanding. This was partly offset by higher exchange losses and other financial expenses in the first half of 2017 compared to the same period in 2016.

	Net financial expense (figures in million euros)					
	Apr-Jun 2017	*Apr-Jun 2016*	*% Change*	*Jan-Jun 2017*	*Jan-Jun 2016*	*% Change*
Financial income	0.2	0.8	(74.3%)	0.6	1.0	(43.0%)
Interest expense	(8.5)	(18.8)	(54.8%)	(17.0)	(36.7)	(53.7%)
Other financial expenses	(3.6)	(0.9)	n.m.	(4.5)	(1.7)	n.m.
Exchange gains (losses)	(6.8)	2.2	n.m.	(11.6)	(7.3)	60.3%
Net financial expense	**(18.7)**	**(16.6)**	**12.1%**	**(32.5)**	**(44.6)**	**(27.1%)**

6.1.7 Income taxes

Income taxes for the first half of 2017 amounted to €185.4 million, vs. €188.0 million in the same period of 2016. The income tax rate for the first half of 2017 was 26.0%, lower than the 29.5% rate reported in first half of 2016. The reduction in income tax rate was driven by a number of factors, including (i) a reduction in the corporate tax rate in France in accordance with government regulatory changes, (ii) tax deductions related to non-recurring transactions, as well as (iii) the application of a reduced tax rate regime over certain research and development costs in France.

6.1.8 Profit for the period. Adjusted profit

Reported profit grew by 10.9% in the second quarter of 2017 compared to the same period in 2016, and by 17.5% in the first half of 2017, amounting to €530.0 million. After adjusting for (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), and (iii) other non-recurring items, adjusted profit increased by 12.7% in the second quarter of 2017 vs. prior year and by 16.1% to €574.0 million in the first half of 2017.

	Adjusted profit (figures in million euros)					
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
Reported profit	**259.3**	**233.8**	**10.9%**	**530.0**	**451.0**	**17.5%**
Adjustments						
Impact of PPA[1]	17.1	18.1	(5.7%)	34.3	34.0	0.9%
Non-operating FX results[2]	3.7	(1.8)	n.m.	7.3	4.9	48.8%
Non-recurring items	0.3	(1.2)	n.m.	2.5	(1.1)	n.m.
Impairments	0.0	0.0	n.m.	0.0	5.8	n.m.
Adjusted profit	**280.4**	**248.9**	**12.7%**	**574.0**	**494.5**	**16.1%**

1. After tax impact of accounting effects derived from purchase price allocation exercises.
2. After tax impact of non-operating exchange gains (losses).

6.1.9 Earnings per share (EPS)

The table below shows EPS for the period, based on the profit attributable to the parent company (after minority interests), both on a reported basis and on an adjusted basis (adjusted profit as detailed above). In the first half of 2017, our reported EPS increased by 17.4% to €1.21 and our adjusted EPS by 15.9% to €1.31.

	Earnings per share					
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
Weighted average issued shares (m)	438.8	438.8		438.8	438.8	
Weighted average treasury shares(m)	(1.5)	(2.5)		(1.5)	(2.3)	
Outstanding shares (m)	**437.3**	**436.4**		**437.3**	**436.5**	
EPS (euros)[1]	**0.59**	**0.53**	**10.9%**	**1.21**	**1.03**	**17.4%**
Adjusted EPS (euros)[2]	**0.64**	**0.57**	**12.6%**	**1.31**	**1.13**	**15.9%**

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

On March 11, 2016 the Board of Directors of Amadeus IT Holding, S.A. and that of Amadeus IT Group, S.A. approved a plan in relation to the merger of both companies (being Amadeus IT Holding, S.A. the surviving entity). On August 2, 2016, Amadeus IT Group, S.A. was legally dissolved and Amadeus IT Holding, S.A. adopted the name of Amadeus IT Group, S.A. The acquisition of treasury shares to cover the exchange ratio started in April 2016 and as of June 30, 2017, 316,854 shares were delivered in exchange of the Amadeus IT Group, S.A. shares, impacting both the weighted average issued and treasury shares during this period.

6.2 Statement of financial position (condensed)

	Statement of Financial Position (figures in million euros)	
	30/06/2017	*31/12/2016*
Property, plant and equipment	454.1	459.7
Intangible assets	3,208.8	3,210.3
Goodwill	2,743.5	2,793.3
Other non-current assets	270.1	218.4
Non-current assets	6,676.5	6,681.8
Current assets	690.1	642.3
Cash and equivalents	623.7	450.1
Total assets	**7,990.3**	**7,774.1**
Equity	2,942.9	2,761.5
Non-current debt	1,784.1	1,422.7
Other non-current liabilities	1,276.7	1,282.0
Non-current liabilities	3,060.8	2,704.7
Current debt	805.9	969.5
Other current liabilities	1,180.7	1,338.5
Current liabilities	1,986.6	2,308.0
Total liabilities and equity	**7,990.3**	**7,774.1**
Net financial debt (as per financial statements)	**1,966.3**	**1,942.1**

6.2.1 Financial indebtedness

	Indebtedness (figures in million euros)	
	30/06/2017	31/12/2016
Covenants definition[1]		
European Commercial Paper	300.0	485.1
Short term bonds	400.0	400.0
Long term bonds	1,500.0	1,000.0
EIB loan	290.0	307.5
Revolving credit facilities	0.0	100.0
Other debt with financial institutions	19.7	21.0
Obligations under finance leases	89.1	93.9
Covenant Financial Debt	**2,598.8**	**2,407.5**
Cash and cash equivalents	(623.7)	(450.1)
Covenant Net Financial Debt	**1,975.1**	**1,957.5**
Covenant Net Financial Debt / LTM Covenant EBITDA	**1.10x**	**1.14x**
Reconciliation with financial statements		
Net financial debt (as per financial statements)	**1,966.3**	**1,942.1**
Interest payable	(8.0)	(2.5)
Deferred financing fees	12.5	12.6
EIB loan adjustment	4.3	5.2
Covenant Net Financial Debt	**1,975.1**	**1,957.5**

1. Based on the definition included in the senior credit agreement.

Net financial debt as per our financial covenants' terms amounted to €1,975.1 million at June 30, 2017 (1.10 times last-twelve-month covenant EBITDA). The main changes affecting our debt structure in the first half of 2017 were:

- The issuance in May 2017 of Eurobonds (under the Euro Medium Term Note Programme) for a value of €500 million, with a maturity of two years, an annual coupon of 0.0%, and an issue price of 99.932% of their nominal value.
- The net repayment of €185.1 million related to the Multi-Currency European Commercial Paper (ECP) programme, to reach a total nominal amount of €300.0 million at the end of June 2017.
- The full repayment of €100 million related to the Revolving Loan Facility.
- The repayment of €17.5 million related to the European Investment Bank Loan.

Reconciliation with net financial debt as per our financial statements

Under the covenant terms, Covenant Financial Debt (i) does not include the accrued interest payable (€8.0 million at June 30, 2017) which is treated as debt in our financial statements, (ii) is calculated based on its nominal value, while in our financial statements our financial debt is measured at amortised cost, i.e., after deducting the deferred financing fees (that mainly correspond to fees paid upfront in connection with the set-up of new credit agreements and amount to €12.5 million at June 30, 2017), 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 (€4.3 million at June 30, 2017).

6.3 Group cash flow

	Consolidated Statement of Cash Flows (figures in million euros)					
	Apr-Jun 2017	*Apr-Jun 2016*	*% Change*	*Jan-Jun 2017*	*Jan-Jun 2016*	*% Change*
EBITDA	496.1	458.3	8.2%	998.9	907.1	10.1%
Change in working capital	(56.0)	(79.6)	(29.7%)	(91.6)	(72.3)	26.8%
Capital expenditure	(135.6)	(146.1)	(7.2%)	(290.8)	(288.4)	0.8%
Pre-tax operating cash-flow	**304.5**	**232.6**	**30.9%**	**616.5**	**546.4**	**12.8%**
Taxes	(136.8)	(74.2)	84.4%	(157.3)	(102.4)	53.6%
Interest and financial fees paid	(4.1)	(5.7)	(27.5%)	(10.1)	(26.8)	(62.4%)
Free cash-flow	**163.6**	**152.7**	**7.1%**	**449.1**	**417.3**	**7.6%**
Equity investment	(0.0)	(3.1)	n.m.	(28.8)	(767.9)	n.m.
Cash-flow from extraordinary items	(9.6)	(1.6)	n.m.	(54.0)	(3.2)	n.m.
Debt payment	192.5	(140.6)	n.m.	180.6	266.8	(32.3%)
Cash to shareholders	(198.5)	(24.1)	n.m.	(374.2)	(172.6)	n.m.
Change in cash	**147.9**	**(16.6)**	**n.m.**	**172.8**	**(259.6)**	**n.m.**
Cash and cash equivalents, net[1]						
Opening balance	474.5	468.6		449.6	711.6	
Closing balance	622.4	451.9		622.4	451.9	

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

6.3.1 Change in working capital

Working capital outflow increased by €19.4 million in the first half of the year, mostly driven by (i) the recognition of previously deferred revenue, with no cash impact in the period (as related collections were received in previous years), (ii) timing differences on advanced payments linked to internal projects, and (iii) higher personnel-related payments.

6.3.2 Capital expenditure, R&D investment

Capital expenditure

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

Capex in the second quarter of 2017 declined by 7.2% vs. prior year, mostly due to lower signing bonuses paid in the period.

In the first half of 2017, capex increased by 0.8% vs. 2016, amounting to €290.8 million. As a percentage of revenue, capex represented 11.7%, a decrease of 1.0 p.p. vs. prior year. Capex in intangible assets was 3.0% lower in the first half of the year vs. 2016, due to a decline in signing bonuses paid, partly offset by an increase in software capitalisations. In turn, capex in PP&E increased by 21.1% mostly due to higher hardware and software purchases and equipment for new office buildings in Europe and the Americas.

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

Capital Expenditure (figures in million euros)						
	Apr-Jun 2017	*Apr-Jun 2016*	*% Change*	*Jan-Jun 2017*	*Jan-Jun 2016*	*% Change*
Capital Expenditure in PP&E	32.0	19.9	60.7%	54.9	45.3	21.1%
Capital Expenditure in intangible assets	103.6	126.2	(17.9%)	235.9	243.1	(3.0%)
Capital Expenditure	**135.6**	**146.1**	**(7.2%)**	**290.8**	**288.4**	**0.8%**
As % of Revenue	10.9%	12.6%	(1.7 p.p.)	11.7%	12.7%	(1.0p.p.)

R&D investment

R&D expenditure (including both capitalised and non-capitalised expense) increased by 2.1% in the second quarter of 2017 and 3.2% in the first half of 2017 vs. prior year. As a percentage of revenue, R&D investment amounted to 14.5% in the first half of the year. Growth in R&D investment in the first half of 2017 resulted from:

- Increased resources to enhance and expand our product portfolio (including corporate IT, NDC compliant connectivity, merchandising, shopping and personalisation solutions) and to implement solutions associated with our Airline IT upselling activity, combined with lower efforts devoted to implementing new carriers to our core Altéa platform.
- Higher efforts dedicated to our new businesses: Hospitality, Airport IT, Payments, Rail and Travel Intelligence.
- A decline in the level of investment devoted to transversal projects driven by the completion of the full decommissioning of our TPF-based operating systems. Now that our systems are run exclusively on open systems, the company's investment will focus on cloud services and continued enhancement of the overall infrastructure and processes to enhance efficiency, flexibility, availability and security.

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

	R&D investment (figures in million euros)					
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
R&D investment[1]	**186.1**	**182.4**	**2.1%**	**360.6**	**349.2**	**3.2%**
As % of Revenue	15.0%	15.8%	(0.8 p.p)	14.5%	15.3%	(0.9 p.p)

1. Net of Research Tax Credit.

6.3.3 Taxes

Cash taxes increased by €54.9 million in the first half of the year, driven by a number of effects including, most importantly, (i) regularisations taking place in the second quarter of 2017 in various regions, due to higher than expected 2016 results, as well as (ii) a regulatory increase in the percentage of corporate taxes to be prepaid in Spain.

7 Investor information

7.1 Capital stock. Share ownership structure

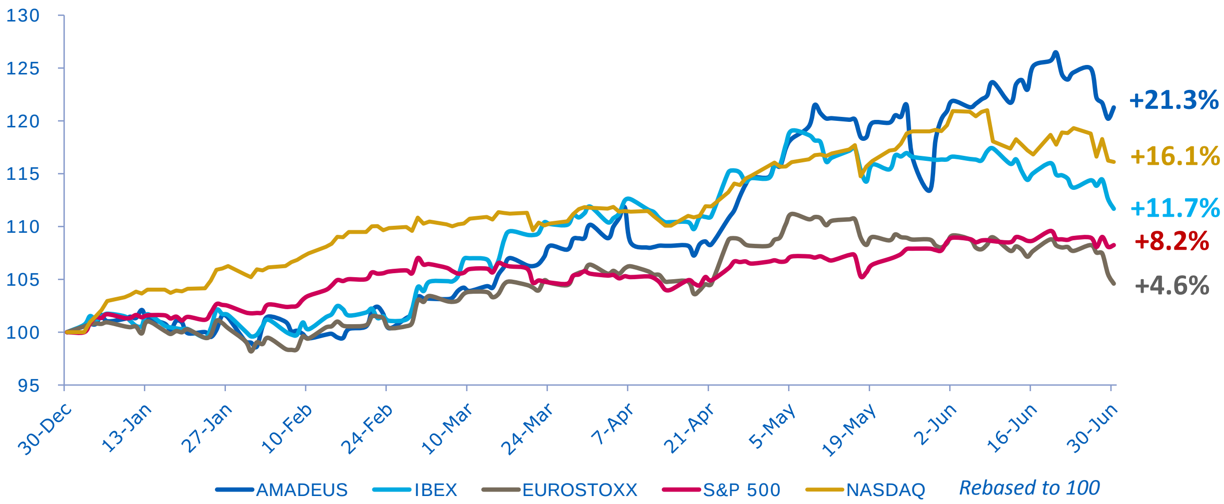
As of June 30, 2017, the capital stock of our company is €4,388,225.06 represented by 438,822,506 shares with a nominal value of €0.01 per share, all belonging to the same class, fully subscribed and paid in.

The shareholding structure as of June 30, 2017 is as described in the table below:

	Shareholders	
	Shares	% Ownership
Free float	437,195,234	99.63%
Treasury shares[1]	1,155,291	0.26%
Board members	471,981	0.11%
Total	**438,822,506**	**100.00%**

1. Voting rights suspended for as long as the shares are held by the company. Includes treasury shares acquired to cover the exchange ratio related to the merger of Amadeus IT Holding S.A. and Amadeus IT Group S.A. not yet delivered.

7.2 Share price performance in 2017



	Key trading data
Number of publicly traded shares (# shares)	438,822,506
Share price at June 30, 2017 (in €)	52.35
Maximum share price in Jan - Jun 2017 (in €) (June 20, 2017)	54.59
Minimum share price in Jan - Jun 2017 (in €) (February 1, 2017)	42.58
Market capitalisation at June 30, 2017 (in € million)	22,972
Weighted average share price in Jan - Jun 2017 (in €)[1]	47.42
Average Daily Volume in Jan - Jun 2017 (# shares)	1,924,841

1. Excluding cross trades.

7.3 Dividend payments

At the Shareholders' General Meeting held on June 15, 2017, our shareholders approved the annual gross dividend from the 2016 profit. The total value of the dividend increased 21.3% vs. prior year to €412.5 million, representing a pay-out of 50% of the 2016 reported profit for the year, or €0.94 per share (gross). Regarding the payment, an interim amount of €0.40 per share (gross) was paid on February 1, 2017 and the complementary dividend of €0.54 per share (gross) was paid on June 30, 2017.

8 Other additional information

8.1 Explanatory notes to the stand-alone statement of income

The stand-alone statement of income of the issuing Entity for the six-month period ended June 30, 2017 and 2016, respectively, is as follows:

Amounts in millions euros	30/06/2017	30/06/2016
	UNAUDITED	UNAUDITED
Services rendered	2,206.7	0.6
Dividends received from Group companies	-	0.1
Financial income from Group companies	-	18.8
Net trade revenue	**2,206.7**	**19.5**
Less charges to fixed assets	37.3	-
Other operating income	5.0	-
Personnel expenses	(55.3)	-
Operating expenses	(1,835.5)	(5.6)
Depreciation and amortisation of non-current assets	(133.1)	-
Operating Profit / (Loss)	**225.1**	**13.9**
Financial income	141.1	-
Financial expenses	(15.1)	(19.8)
Changes in fair value of financial instruments	(2.7)	-
Exchange rate differences	(12.2)	-
Financial Profit / (Loss)	**111.1**	**(19.8)**
Profit / (Loss) before Tax	**336.2**	**(5.9)**
Corporate Income Tax	(33.4)	1.5
Profit / (Loss) before Tax	**302.8**	**(4.4)**

As a consequence of the merge process registered in the Commercial Registry of Madrid on August 2, 2016 and described in the Note 2.5 of the Annual Accounts of the Company for the year ended December 31, 2016 prepared by the Board of Directors at the meeting held on February 23, 2017 and approved by the Ordinary General Shareholders' Meeting held on June 15, 2017, the information for the first semester of the years 2017 and 2016 are not comparable.

Additionally, as it is established in the enquiry 2, BOICAC 79, of the ICAC, for the holding companies which its main ordinary activity is the holding of shares in the capital of Group companies and the financing of the activities of its subsidiaries, the dividends obtained from the share capital, and in such case, the interests obtained from loans granted by the holding company will be classified as trade revenues.

Therefore, it is worth to consider that, the trade revenue for the first semester of 2016 of the Company contained the dividends and interests obtained from the Group Companies. However, in the year 2017 these dividends and financial income have been accounted as financial results, as the main ordinary activity of the entity resulting after the merger process does not maintain the nature and characteristics of a holding company.

8.2 Key risk factors and uncertainties

There are a number of risks and uncertainties of diverse nature, both related to our business and the industry in which we operate, as well as to the financial markets, which could affect our financial condition and our results of operations in the second half of 2017. The most significant are described below.

In addition to a number of hedging instruments to manage our interest rate and exchange rate related risks (as described in section 4), Amadeus regularly evaluates and puts in place a number of processes towards the identification, control and management of potential risks, and designs specific systems in order to manage and mitigate such risks.

Risks related to the current macro-economic environment

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

The International Monetary Fund believes that global economic growth should rise to 3.5%[6] in 2017, improving vs. the 3.1% global growth reached in 2016. This represents a slight upgrade (0.1 p.p.) vs. the outlook provided in January 2017. Advanced economies are projected to grow 2.0% in 2017, representing a 0.3 p.p. lift vs. 2016 mainly attributable to the United States (2.3% in 2017, vs. 1.6% in 2016) which should benefit from fiscal policy easing and increased confidence. The Euro Area should grow 1.7% in 2017, in line with 2016, while the UK and Japan are expected to grow 2.0% and 1.2% respectively. Emerging markets and developing economies should grow 4.5%, higher than the 4.1% growth rate achieved in 2016, reflecting normalization in countries which suffered from recession in 2016 (e.g. Russia, Brazil, Nigeria).

This world economic pick-up has offset the drag from the slow rise in oil prices and IATA forecasts air traffic to remain strong and increase 7.4%[7] in 2017 vs. prior year, fuelled by declining travel costs. Asia-Pacific should be the fastest growing region (10.4%) while air traffic in North America is expected to increase 4.0%. All other regions should see Revenue Passenger Kilometers grow between 7.0 and 7.5%.

The industry in which we operate is exposed to the macro-economic environment and any significant variation in the current expectation could have an impact on our performance. Nevertheless, Amadeus has had a positive track record in expanding its global presence in the distribution business, and signing new contracts and broadening its product portfolio in the IT Solutions business.

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[6] As reported in the World Economic Outlook Update – April 2017

[7] As reported in the IATA Airline Industry Economic Performance – June 2017

Execution risk related to the migration of new customers

Part of our future growth is linked to contracts within the IT Solutions business. Under these contracts, we have to undertake complex work in order to migrate these clients onto our platforms. Successful execution of these migration processes is key. We have a strong implementation track record in Airline IT and significant in-house expertise. However, failure to deliver or to seamlessly implement our clients in Airline IT and in other new IT verticals (such as Hospitality IT, Rail IT, Airport IT) could impact our future growth.

8.3 Environmental sustainability

Amadeus' operations involve relatively low environmental risks and impacts compared with other industries. Nonetheless, with a workforce exceeding 14,000 people, commercial presence in more than 190 countries and operating in a high-energy intensity industry, we acknowledge our responsibility to minimize the company's environmental impact and to make our contribution to the sustainability of the travel industry.

Our environmental strategy is built upon three pillars:

8.3.1 Minimising the environmental impact of Amadeus' operations

Our environmental strategy addresses the impact of our operations and the concerns of travel industry stakeholders, including customers, providers, employees, partners, regulatory bodies and the society in general.

We believe our foremost responsibility is to address the environmental impact of our operations. Fortunately, we often find common economic and environmental interests that facilitate action in reducing resource consumption. Amadeus Environmental Management System (EMS) is the principal tool we use in Amadeus to address our environmental impact. The Amadeus EMS includes a systematic approach by which we:

- Measure resource consumption
- Identify best practices
- Implement actions for improvement and
- Follow up results

The items covered by the EMS include energy use, paper consumption, water use, waste generated and greenhouse gas emissions. On the other hand, the EMS' scope includes the top 11 Amadeus sites by number of employees, which together represent more than 75% of the total workforce and an estimated 90% of the total resource consumption of the Amadeus Group worldwide. Importantly, the Amadeus data centre in Erding, Germany, is included in the EMS.

The sites that are not included in the EMS are also encouraged to follow the best practices identified in the EMS. In addition, some sites promote their own local environmental initiatives, which range from activities as diverse as car-pooling for commuting, recycling campaigns, reducing paper used in office through the use of specific software that helps to control and minimise paper consumption, etc.

8.3.2 Helping our customers to improve their environmental performance

A principal component of Amadeus' value proposition is based on increasing operational efficiencies for our customers through our IT solutions. Often, the increased efficiencies mean more productivity, reduced costs, better use of infrastructure and environmental benefits.

In the following paragraphs we describe four examples of Amadeus solutions that contribute to improving the environmental performance of our customers.

i) Amadeus Altéa Departure Control Flight Management

Thanks to the use of optimization tools, Amadeus Altéa Departure Control System (DCS) Flight Management (FM) helps customers to save a significant amount of fuel and greenhouse gas emissions, compared with less sophisticated technologies currently in the market.

In order to quantify the savings described above, Amadeus and Finnair worked together to analyse a sample of more than 40,000 flights from Finnair, of which approximately half were using Amadeus Altéa and the other half the previous departure control system used by Finnair. The analysis proved a higher precision from Altéa DCS FM when estimating the zero fuel weight of the aircraft (EZFW). This increased precision translates into improvements in the estimation of the fuel needed for each flight, resulting in significant savings in costs, fuel and emissions.

ii) Amadeus Airport Sequence Manager

Amadeus Airport Sequence Manager helps airports to optimise the flight departure process. The solution relies on sophisticated sequencing algorithms to calculate the Target Start-Up Approval Time (TSAT) for each departing flight. This allows the aircraft to leave the stand at the last possible moment, reducing fuel burn, economic costs and environmental impact, enabling better allocation of resources. Runway capacity can therefore be optimised at times of congestion, or de-icing processes taken into account during winter season. As a collaborative tool, Amadeus Airport Sequence Manager creates a shared situational awareness among all airport partners.

Amadeus launched Airport Sequence Manager in collaboration with Munich Airport – one of the busiest European airports, with nearly 400,000 aircraft movements per year.

iii) Amadeus Common Use Service (ACUS)

In 2014, Amadeus' cloud-based Airport Common Use Service (ACUS) was launched. With ACUS, airports are able to transfer hosting and development responsibilities to Amadeus. Our full, thin client solution and application virtualisation approach reduce the requirement for costly on-site hardware equipment, servers and local data centres, as well as IT maintenance. This generates substantial operational savings for the airport and reduces the overall environmental footprint. Energy consumption is substantially lower compared to traditional common use solutions.

iv) Amadeus Schedule Recovery

Amadeus Schedule Recovery was launched in 2015. Amadeus Schedule Recovery minimises disruptions to airline operations caused by external events such as bad weather or air traffic congestion. The solution, among other features, helps to accommodate to the new situation, minimising operational costs and environmental impact.

8.3.3 Cooperation with travel industry stakeholders in sustainability projects

The environmental sustainability of the travel industry is a common objective for all industry stakeholders. At Amadeus, we offer our data management capability, technology, expertise and network to make our contribution towards industry sustainability.

We include below some examples of our participation in projects with other stakeholders in the industry in relation to environmental sustainability objectives.

i) Industry standards for carbon calculation per passenger in aviation

The calculation of emissions per passenger in aviation is complicated for various reasons and therefore, different calculation methodologies offer considerably different emissions estimations for the same itinerary. It is important that a standard calculation methodology complies with requirements related to commercial neutrality, global reach and the legitimacy to represent the industry.

The International Civil Aviation Organisation (ICAO) and Amadeus reached an agreement by which Amadeus uses ICAO's carbon calculator to display in our distribution platforms the CO_2 emissions estimations per passenger; and by doing this we promote the use of ICAO's carbon calculator and help to raise environmental awareness in the sector. The agreement was initially signed in 2009 and renewed in 2015.

ii) Participation in common projects with industry stakeholders

It's fundamental that industry stakeholders work together and agree on strategies and responsibilities towards sustainability. From Amadeus we participate in various forums and specific projects with trade associations like the World Travel and Tourism Council (WTTC) or United Nations World Tourism Organisation (UNWTO).

In 2016, we have produced, in cooperation with Griffith University (Brisbane, Australia) a white paper on carbon reporting in the travel industry. This research document intends to gain knowledge regarding current status of various carbon reporting initiatives in the travel industry and promote the awareness and reduction of carbon emissions in the industry. In addition, Amadeus participated in the 22nd United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP) in Marrakech in a panel in which the sustainability of the travel and tourism industry was discussed and where Amadeus – Griffith's White paper on carbon reporting was officially launched.

Regarding our sustainability efforts, it's important for us to receive feedback from external sustainability indices, in order to understand how we perform as compared to other companies, to identify areas of focus for the future and to improve the quality and transparency of our non-financial reporting. Since 2012 Amadeus has remained for five consecutive years among top sustainability scorers and therefore, included in the Dow Jones Sustainability Index (DJSI). Amadeus' scores reached the maximum possible level (100) in Environmental Policy/Management System and in Environmental Reporting. Additionally, Amadeus was recognised as a world leader for corporate action on climate change, with a position on CDP's (formerly Carbon Disclosure Project) 2016 Climate A List. Moreover, Amadeus has been included for the third consecutive year in the FTSE4Good sustainability index and for the first time, Amadeus has been recognised among the 100 most sustainable companies in the world, according to Corporate Knights.

Finally, the Amadeus' risk and opportunity analysis regarding climate change identifies physical, regulatory and reputational risks related to the impact of climate change in our operations, although the probability and impact of these risks remain relatively low. On the other hand, the opportunities for Amadeus business related to climate change are linked to the possibility of launching new products and services that help customers to address climate change impacts, as well as to improve our competitive positioning.

8.4 Treasury shares

The reconciliation of the carrying amounts for the period ended June 30, 2017, of the treasury shares is set forth in the table below:

	Treasury Shares	Millions of euros
Carrying amount at December 31, 2016	**1,521,273**	**23.6**
Acquisitions	145,985	7.6
Retirements	(511,967)	(11.7)
Carrying amount at June 30, 2017	**1,155,291**	19.5

During the period, the Group acquired 145,985 shares for the settlements of the PSP and Share Match Plan.

The Group settled some employee share-based plans transferring 507,632 shares to the beneficiaries. In addition, 4,335 shares were exchanged as a result of the merger by absorption of Amadeus IT Group, S.A. into Amadeus IT Holding, S.A.

The historical cost for treasury shares retired (primarily for the settlement of the RSP and Share Match Plan) is deducted from the "Additional paid-in capital" caption of the consolidated statement of financial position.

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

8.5 Subsequent events

As of the date of issuance of this Consolidated and Condensed Interim Financial Statements no subsequent events occurred after the reporting period.

9 Key terms

- "CRS": refers to "Computerised Reservation System"
- "D&A": refers to "Depreciation and Amortisation"
- "DCS": refers to "Departure Control System"
- "DMO": refers to "Destination Marketing Organisation"
- "ECP": refers to "European Commercial Paper"
- "EIB": refers to "European Investment Bank"
- "EMV": refers to "Europay, MasterCard and Visa"
- "EPS": refers to "Earnings Per Share"
- "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
- "IFRS": refers to "International Financial Reporting Standards"
- "JV": refers to "Joint Venture"
- "KPI": refers to "key performance indicators"
- "LCC": refers to "Low-Cost Carrier"
- "LTM": refers to "last twelve months"
- "NDC": refers to "New Distribution Capability"
- "n.m.": refers to "not meaningful"
- "PB": refers to "passengers boarded", i.e. actual passengers boarded onto flights operated by airlines using at least our Amadeus Altéa Reservation and Inventory modules or Navitaire New Skies
- "p.p.": refers to "percentage point"
- "PPA": refers to "purchase price allocation"
- "PP&E": refers to "Property, Plant and Equipment"
- "PSS": refers to "Passenger Service System"
- "R&D": refers to "Research and Development"
- "TA": refers to "travel agencies"
- "TA air bookings": air bookings processed by travel agencies using our distribution platform
- "TA air booking industry": defined as the total volume of travel agency air bookings processed by the global CRS. It excludes air bookings made directly through in-house airline systems or single country operators, the latter primarily in China, Japan and Russia, which together combined represent an important part of the industry
- "TPF": refers to "Technology Processing Facility"
- "XML": refers to "eXtensible Markup Language"