1 Summary

1.1 Introduction

Full year 2016 highlights (year ended December 31, 2016)

- **In Distribution, our travel agency air bookings increased by 5.9%, to 534.9 million**
- **In IT Solutions, our total Passengers Boarded were 85.0% higher, reaching 1,382.5 million**
- **Revenue expanded by 14.3%, to €4,472.9 million**
- **EBITDA increased by 16.0%, to €1,700.1 million**
- **Adjusted profit[1] grew by 21.2%, to €911.0 million**
- **Free Cash Flow amounted to €811.4 million, representing growth of 23.1%**
- **Covenant net financial debt was €1,957.5 million at December 31, 2016 (1.14 times last-twelve-month covenant EBITDA)**

Amadeus continued to progress positively through the fourth quarter of 2016, delivering another successful year of double-digit growth. In 2016, Revenue grew by 14.3% and EBITDA increased 16.0%, supporting Adjusted Profit growth of 21.2%. These results were driven by the positive performances of our Distribution and IT Solutions segments, as well as by the contribution from our 2015 (Hotel SystemsPro, Itesso, AirIT) and 2016 (Navitaire) acquisitions.

In Distribution and during the quarter, we successfully renewed or signed content agreements with 8 carriers - 46 in total over 2016 - as we continue to secure and expand content for our subscribers. Our air volumes continued to grow at a strong pace, driven by a 0.6 p.p. improvement of our competitive position[2] in the quarter (0.8 p.p. in the year), further increasing our relevance to travel providers. As in the past quarters, Asia Pacific continued to be our fastest-growing region, expanding at a double-digit rate. In 2016, our TA air bookings increased by 5.9% and Distribution Revenue grew 6.8%.

Merchandising solutions remain key for the airlines and at Amadeus we are committed to supporting our customers in realising their full revenue potential. At quarter-end, 66% of air bookings processed through Amadeus could carry an attached ancillary service and 120 airlines had contracted Amadeus Airline Ancillary Services for the indirect channel. Additionally, Amadeus Fare Families Solution had 52 contracted customers and more than 40 online travel agencies (including Fareportal and Ozon, in the fourth quarter), had integrated Amadeus merchandising solutions at year-end.

In 2016, IT Solutions revenue expanded by 31.7%. This expansion was driven by (i) underlying double-digit growth, plus (ii) the consolidation of Navitaire and the full-year impact of our 2015 acquisitions. Total Passengers Boarded increased by 85.0% due to the inclusion of Navitaire's Passengers Boarded (since late January 2016). Altéa Passengers Boarded grew 12.2%, positively impacted by organic growth and the migrations we have undertaken in the last twelve months: most importantly China Airlines, Swiss International Air Lines and Brussels Airlines (both part of the Lufthansa Group). All our Airline IT activities continued to grow well, supported by successful upselling activity with new contracts and implementations of DCS, e-commerce and standalone solutions in the areas of revenue optimisation and merchandising as well as by underlying organic growth.

[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] Competitive position as defined in section 3.

In October, Ukraine International Airlines, the largest airline in Ukraine, implemented Altéa (Reservation and Inventory). In November, we announced Kuwait Airways had contracted a complete suite of Altéa solutions, including Revenue Management, e-Commerce, Loyalty Programmes, Inventory, Reservation, Departure Control, Payments, as well as Mobile and Travel Intelligence.

We were also pleased to announce at the beginning of 2017, that Ryanair had renewed its Passenger Service Systems agreement with Navitaire. Ryanair will continue using Navitaire´s advanced ancillary and reservations solution including merchandising, distribution, digital and departure control platforms until 2025, representing 25 years of collaboration between Ryanair and Navitaire.

We are making progress in our new businesses. We are advancing in the execution of our Hospitality IT strategy, by integrating Itesso and Hotel SystemsPro and by working with InterContinental Hotels Group (IHG) in the development of a new-generation Guest Reservation System for the hospitality industry. IHG and Amadeus plan to initiate a progressive roll-out in the fourth quarter of 2017 with the aim to complete the roll-out by the end of 2018. We are also progressing in the development of a next-generation Property Management System.

We continue to maintain a disciplined focus on technology. Our investment in R&D represented 15.8% of revenue in 2016. It was dedicated to support long-term growth through new customer implementations, product evolution, portfolio expansion, investment in new businesses and continued shift to open systems and cloud-based architecture, as well as system performance optimisation.

Our free cash flow grew 23.1% over 2016, to €811.4 million and our consolidated covenant net financial debt stood at €1,957.5 million at the end of the year, representing 1.14 times last-twelve-month covenant EBITDA.

In December 2016, the Board of Directors proposed a 50% pay-out target ratio for 2016. Accordingly, the Board of Directors will submit a final gross dividend of €0.94 per share from the 2016 reported profit to the General Shareholders Meeting for approval in June 2017, representing an increase of 21.3% vs. 2015. An interim gross dividend of €0.40 per share was paid on February 1, 2017. The complementary dividend of €0.54 per share will be paid after the General Shareholders Meeting approval.

1.2 Summary of operating and financial information

	Summary of KPI (figures in million euros)		
	Full year 2016	Full year 2015	% Change
Operating KPI			
TA air competitive position[1]	**43.2%**	**42.5%**	**0.8 p.p.**
TA air bookings (m)	534.9	505.0	5.9%
Non-air bookings (m)	60.4	61.2	(1.3%)
Total bookings (m)	**595.3**	**566.2**	**5.1%**
Passengers Boarded (m)	**1,382.5**	**747.3**	**85.0%**
Financial results			
Distribution Revenue	2,925.0	2,737.8	6.8%
IT Solutions Revenue	1,547.9	1,174.9	31.7%
Revenue	**4,472.9**	**3,912.7**	**14.3%**
Distribution Contribution	1,223.0	1,177.0	3.9%
IT Solutions Contribution	1,040.7	760.8	36.8%
Contribution	**2,263.7**	**1,937.8**	**16.8%**
EBITDA	**1,700.1**	**1,465.4**	**16.0%**
EBITDA margin (%)	38.0%	37.5%	0.6 p.p.
Adjusted profit[2]	**911.0**	**751.8**	**21.2%**
Adjusted EPS (euros)[3]	**2.08**	**1.72**	**21.3%**
Cash flow			
Capital expenditure	595.1	550.1	8.2%
Free cash-flow[4]	811.4	659.2	23.1%
	31/12/2016	31/12/2015	% Change
Indebtedness[5]			
Covenant Net Financial Debt	**1,957.5**	**1,611.6**	**21.5%**
Covenant Net Financial Debt / LTM Covenant EBITDA	1.14x	1.09x	

1. Competitive position as defined in section 3.
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. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
4. Calculated as EBITDA minus capital expenditure plus changes in our operating working capital minus taxes paid minus interests and financial fees paid.
5. Based on the definition included in the senior credit agreement covenants.

2 Operating Review

2.1 Key recent business highlights

The following section includes selected business highlights for 2016.

Arline Distribution

In 2016, over 70% of airline bookings made through the Amadeus system were with airlines that had content agreements with Amadeus. During this year, new contracts or renewals of existing content agreements were signed with 46 carriers, including Emirates, LATAM Airlines Group, Etihad Airways, easyJet and Kenia Airways.

Low cost content is increasingly demanded among corporate travellers. Subscribers to Amadeus' inventory can now access content of more than 90 low cost and hybrid carriers worldwide, including Chinese low cost carrier Spring Airlines, which signed a content agreement in April, amongst others.

Our customers continued to contract our merchandising solutions. At the end of the year 66% of the bookings made through the Amadeus system were eligible to carry a merchandising item, and more than 40 global online travel agencies (including Fareportal and Ozon, in the fourth quarter), had integrated Amadeus merchandising solutions.

At year-end, 120 airlines had contracted Amadeus Airline Ancillary Services to be able to offer ancillary services in the indirect channel (of which 91 had implemented the solution). At the end of the year, 165 airlines had contracted Amadeus Airline Ancillary Services to be able to offer ancillary services in the indirect or the direct channel or both (of which 125 had been implemented at year-end).

In turn, the Amadeus Fare Families solution, which allows airlines worldwide to distribute branded fares to travellers in the indirect channel, continued its expansion. At the end of the year, 52 airlines had contracted the solution, out of which 33 had implemented it.

KAYAK, the world's leading travel search engine, implemented Amadeus Master Pricer with Instant Search technology in October. This revolutionary solution delivers online search results in milliseconds without compromising accuracy. Every one second of improvement in search response time for consumers can translate into an increase in conversion rates.

In 2016, Amadeus launched two innovative products: Amadeus Ticket Changer Shopper (ATC) and Amadeus Selling Platform Connect. ATC is the world's first self-service online rebooking solution that allows travellers to further personalise their bookings. In turn, Amadeus Selling Platform Connect is the world's first fully cloud-based GDS booking and fulfilment platform, available in any device without the hassle of a complicated installation.

Airline IT

In January Amadeus announced that, following regulatory approval, it had completed the acquisition of Navitaire, a provider of technology and business solutions to the airline industry, from Accenture, for €766.5 million. The addition of Navitaire's portfolio of products and solutions for the low-cost and hybrid segments complements Amadeus' Altéa Suite of offerings for its largely full-service carrier customer base, giving the company the ability to serve a wider group of airlines.

At the end of 2016, more than 175 airlines had contracted either of the Amadeus Passenger Service Systems (Altéa or Navitaire's New Skies), and more than 165 had implemented them.

In 2016, both Malaysia Airlines and Kuwait Airways selected Amadeus as their new Passenger Services System provider. Swiss International Air Lines, Brussels Airlines, Ukraine International Airlines and China Airlines were among the airlines that implemented the Amadeus Altéa solutions during 2016. Also, Viva Group signed with Navitaire and was successfully migrated to New Skies, allowing VivaColombia and VivaAerobus to serve more customers and add additional destinations.

At the beginning of 2017, Ryanair renewed its Passenger Services System agreement with Navitaire until 2025. The airline will continue using the firm's advanced ancillary and reservations solutions New Skies, including merchandising, distribution, digital and departure control platforms.

The Lufthansa Group, which was already an Altéa Reservation, Inventory and Departure Control Customer Management user, contracted to complete the full Amadeus Altéa Suite across all its network carriers through the addition of Amadeus Altéa Departure Control Flight Management.

Virgin Australia also implemented Amadeus Altéa Departure Control Flight Management for its aircraft control processes and to benefit from Altéa operational excellence for fuel savings, agent productivity and flight safety.

Avianca renewed its commitment to Amadeus Altéa Suite long term, and also became the launch customer for Amadeus Anytime Merchandising. As such, Avianca will benefit from unique merchandising capabilities including the ability to reach more travellers at any stage of their trip through the Amadeus global travel ecosystem, and advanced segmentation capabilities and support for many different types of ancillary services that will help the airline deliver on travellers' expectations by providing relevant and attractive offers throughout the entire trip cycle. Avianca is also launching Amadeus Customer Experience Management, allowing Avianca to intimately understand its customers and deliver highly personalised offers.

Malaysia Airlines selected, on top of the Amadeus Passenger Service System solution mentioned above, Amadeus Anytime Merchandising and our e-commerce solutions to transform its passenger services, explore and develop new revenue streams and improve the online shopping experience for travellers.

Swiss International Air Lines and Amadeus announced a partnership to develop Amadeus Passenger Recovery, a new tool that will allow the airline to re-accommodate disrupted passengers and which will be integrated with the Altéa Suite.

Eva Air migrated to Amadeus Altéa Revenue Management Suite, which will enable the airline to price airline packages and offers based on travellers' price sensitivity and travel purpose. Singapore Airlines also contracted this solution in addition to Amadeus Dynamic Pricing and Amadeus Group Manager.

TAP Portugal implemented Amadeus Rich Merchandising in the last quarter of 2016. This product allows the airlines' customers and partners to see images of exactly what they're booking.

During the summer, Amadeus became one of the first industry players to receive the highest level (3) of NDC certification from IATA. Airlines using Amadeus' new Altéa NDC solution will have the option to distribute their prices and fares, including ancillary and fare family content, using NDC Offers & Orders. This was shortly followed by Navitaire receiving the highest level of NDC certification as well.

Hospitality

During the year, we have continued working with Intercontinental Hotels Group in the development of a new-generation Guest Reservation System for the hospitality industry, and the integration of Itesso and Hotels SystemsPro acquisitions.

In August, Amadeus and Zingle, a leading provider of mobile messaging software platforms, announced a partnership to integrate Zingle's technology with Amadeus' hospitality optimisation solutions. Thanks to this partnership hotels will be able to integrate the mobile texting and messaging technology they need to better service and communicate with their clients.

Amadeus signed a partnership with DerbySoft, a market leader in hospitality distribution technology, to connect hotels of all sizes to metasearch engines and online travel agents.

Airport IT

Looking for a more efficient passenger departure experience, as well as, substantially reduce costs and energy consumption, in March Quebec City's Jean Lesage International Airport announced that it will implement Amadeus Airport Common Use Service (ACUS). Also ASA, which owns Cape Verde's seven airports and ground handling company Cabo Verde Handling, contracted Amadeus Airport Common Use Service (ACUS) and Altéa Departure Control in four international airports.

At the beginning of the year, Copenhagen Airports and Amadeus announced that the company that owns and operates the Copenhagen airports of Kastrup and Roskilde had chosen to harness the power of the cloud through a ten-year IT partnership with Amadeus, which included Airport Collaborative Decision Making Portal, Airport Operational Database and Baggage Reconciliation System solutions. At the end of the year, Copenhagen Airports had successfully implemented Amadeus Airport Sequence Manager and A-CDM Portal solutions.

Rail

AccesRail, an IATA travel partner and content aggregator specialising in intermodal travel, strengthened its commitment to a door-to-door travel future through an extended partnership with Amadeus. Using Amadeus' Air-Rail Display, travel agents are now able to book 18 rail and bus operators across 26 countries on the same screen as air travel. This link allows railways to broaden their reach in a key sales channel and increase revenue.

Travel Intelligence

Amadeus launched two new innovative solutions in 2016: Amadeus Performance Insight, a cloud-based open architecture solution that allows airlines of all sizes to better understand their performance and use that data to take more informed business decisions; and Amadeus Booking Analytics, a solution used by airlines to monitor bookings using different criteria (such as per route, per agency point of sale or per airline) and act upon them.

Payments

During the first quarter of 2016 Amadeus launched B2B Wallet Prepaid, a virtual card payment solution which allows travel agencies to improve cash flow management when paying for travel content. Later in 2016 the offering was enhanced through two key partnerships: A partnership with MasterCard, to offer travel agencies payment acceptance and security worldwide, as well as further protection against supplier default in B2B Wallet. A second partnership with Ixaris, allowing travel agencies to easily create and add funds to their virtual payment cards.

Mobile

Amadeus and The Boston Consulting Group (BCG) launched a new itinerary management app for the consulting firm's entire workforce worldwide. This new app is based on Amadeus Mobile Platform and was personalised for BCG's travel needs.

Additional news for 2016

For the fifth consecutive year, Amadeus earned the prestigious recognition of being included in the Dow Jones Sustainability Index in the IT & Internet Software and Services sector. The Dow Jones Sustainability Indices (DJSI) are made up of global sustainability leaders based on economic, environmental, and social criteria; and are widely regarded as the most prominent standards for evaluating sustainability performance available to investors.

An independent London School of Economics study commissioned by Amadeus, "Travel distribution: the end of the world as we know it?", finds that gatekeepers, 'mega meta online travel agencies', and artificial intelligence are changing the future of travel distribution. The paper draws insights from business leader interviews, data analysis and a major sector-specific survey spanning all global markets.

Amadeus also commissioned a new report on Airline Disruption. Written by T2RL, the report finds that incidents such as bad weather, natural disasters and strike action all contribute to air travel disruption, which costs airlines up to $60 billion annually in lost revenues, equating to 8% of global industry revenues.

In November 2016, Laurens Leurink was appointed Senior Vice President, Distribution, Amadeus, taking over from Holger Taubmann. Laurens brings financial, commercial and strategic acumen as well as deep travel industry knowledge to Amadeus. Laurens has been a member of the Executive Committee of Amadeus since January 2017.

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 2016, R&D investment related primarily to:

- Ongoing efforts linked to our Distribution and Airline IT businesses:
  - Customer implementations and services:
    - Altéa implementation efforts related to carriers migrated in 2016 and future implementations (mainly Swiss International Air Lines, Brussels Airlines, China Airlines, Southwest Airlines –the domestic passengers business-, and Japan Airlines), as well as resources for Navitaire New Skies migrations (including Viva Group, recently implemented).
    - 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 implementation of new solutions such as Instant Search, 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 tool.

    - Additionally, resources allocated to client specific bespoke developments or e-commerce services.
  - Product evolution and portfolio expansion:
    - For airlines: mostly solutions related to cloud availability, NDC compliant XML connectivity, and our revenue optimisation and financial suites.
    - For travel agencies, meta-search engines, travel management companies and corporations: efforts linked to our cloud-based new generation selling platform, search engines, front-office customisation and conversion tools.
    - 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.

- Efforts related to our new businesses (Hospitality, Rail, Airport IT, Payments and Travel Intelligence):
  - Development costs to build and implement the next-generation Guest Reservation System for the hospitality industry under our partnership with InterContinental Hotels Group and developments related to our Property Management System.
  - Continued development and evolution of our Airport IT, Payments and Travel Intelligence portfolios, as well as enhanced distribution capabilities for Hospitality and Rail.
  - Implementation efforts in the Airport IT space (in relation to our ground-handling, passenger processing and airport operations solutions), as well as related to Payments solutions.
  - Efforts dedicated to our partnership with Bene Rail to create a new rail community IT platform.

- Cross-area technology investment:
  - Ongoing shift of the company's platform to open systems, next-generation technologies and cloud-based architecture, 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 audited consolidated financial statements of Amadeus IT Group, S.A. and subsidiaries are the source to the financial information included in this document and have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

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

This document includes unaudited Alternative Performance Measures such as EBITDA, 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 the segment contributions less net indirect costs as defined in note 6 'Segment Reporting' of the Consolidated annual financial statements for the year ended December 31, 2016.
- 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 6.2.5.
- Adjusted profit corresponds to the 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 consider 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 or single country operators, the latter primarily in China, Japan and Russia, which together combined represent an important part of the industry.

3.1 Acquisitions completed in 2015

AirIT

On April 21, 2015, Amadeus acquired 100% of the voting rights of Air-Transport IT Services, Inc ("AirIT"), a US-based provider of airport technology solutions. The purchase consideration paid in cash was €13.0 million. The AirIT results were consolidated into Amadeus' books from May 1, 2015.

A purchase price allocation exercise in relation to the consolidation of AirIT into Amadeus' books was carried out in the fourth quarter of 2015.

Itesso

On July 21, 2015, Amadeus acquired 100% of the voting rights of Itesso B.V. and subsidiaries, a provider of cloud-based property management systems, to expand its technology offering in the hospitality industry. The purchase consideration paid in cash was €32.7 million. The Itesso results were consolidated into Amadeus' books from August 1, 2015.

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

Hotel SystemsPro

On July 31, 2015, Amadeus acquired, through Newmarket, the business (assets acquired and liabilities assumed) of Hotel SystemsPro LLC, a leading provider of sales, catering and maintenance software to the hospitality industry. The purchase consideration paid in cash was €63.3 million. The results of the business of Hotel SystemsPro were consolidated into Amadeus' books from August 1, 2015.

A purchase price allocation exercise in relation to the consolidation of the business of Hotel SystemsPro into Amadeus' books was carried out in the fourth quarter of 2015.

Pyton

On August 21, 2015, Amadeus acquired 100% of the voting rights of Pyton Communication Services B.V. and subsidiaries, a Netherlands-based leisure travel technology specialist. The purchase consideration paid in cash was €8.4 million. The Pyton results were consolidated into Amadeus' books in the fourth quarter of 2015, retroactively since the date of acquisition.

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

3.2 Acquisitions completed in 2016

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, from Accenture. 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 the €500 million bank loan facility executed on July 3, 2015 (structured as a "club deal" financing entered into with twelve banks, with maturity dates in 2019 and 2020 though cancelled and replaced in October 2016 by a four-year bond), and partially through the €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. The extraordinary costs of €6.7 million associated with the acquisition, incurred in the second half of 2015, were reported as indirect costs as of year-end 2015.

3.3 Divestments completed in 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.

3.4 Subsequent events

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, 2015 the Group owned 70.26% of the shares of i:FAO. As a result of the tender offer, Amadeus has increased its shareholding in i:FAO to 88.725%. The total amount paid for the shares acquired through the tender offer was €28.6 million (€30.0 per share). i:FAO has now been delisted from the Frankfurt Stock Exchange.

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%-35% 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[3] 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, INR, AUD and SEK 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:

- 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 and INR, 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 2016, the impact from foreign exchange fluctuations on revenue was negligible. However, the appreciation of the euro vs. several currencies (GBP, ARS, INR and ZAR for example) had a positive impact on costs, EBITDA and EBITDA margin. Excluding foreign exchange impacts and Navitaire, EBITDA margin was broadly stable and underlying EBITDA growth was at a high single-digit rate.

4.2 Interest rate risk

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

At December 31, 2016, 24.3% of our total covenant financial debt was subject to floating interest rates, indexed to the EURIBOR. As of this date no interest rate hedges were in place.

[3] Including Cost of revenue, Personnel expenses and Other operating expenses. Excludes Depreciation and amortization.

The increase in the percentage of total covenant financial debt subject to floating interest rates vs. prior year is mostly due to a higher use of the European Commercial Paper programme and revolving credit facilities, as described in section 6.2.5, which are subject to floating interest rates.

4.3 Own shares price evolution risk

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

According to the rules of these plans, when they mature, their beneficiaries will receive a number of Amadeus shares which for the outstanding plans will be (depending on the evolution of certain performance conditions) between a minimum of 267,000 shares and a maximum of 1,817,000 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)		
	Full year 2016	*Full year 2015*	*% Change*
Distribution revenue	2,925.0	2,737.8	6.8%
IT Solutions revenue	1,547.9	1,174.9	31.7%
Group Revenue	**4,472.9**	**3,912.7**	**14.3%**
Distribution contribution	1,223.0	1,177.0	3.9%
IT Solutions contribution	1,040.7	760.8	36.8%
Total Contribution	**2,263.7**	**1,937.8**	**16.8%**
Net indirect costs	(563.6)	(472.4)	19.3%
EBITDA	**1,700.1**	**1,465.4**	**16.0%**
EBITDA Margin (%)	38.0%	37.5%	0.6 p.p.

The solid growth we achivedearlier in the year continued in the last quarter of 2016. Revenue increased 14.6% in the fourth quarter, driving full year revenue to €4,472.9 million, 14.3% higher than in 2015. Revenue growth was driven by the positive evolution of our segments.

- In Distribution, revenue increased 6.8% in the year, supported by booking growth and expansive average pricing.
- IT Solutions delivered a 31.7% revenue increase in 2016, resulting from underlying double-digit growth, as well as from the consolidation of Navitaire and our 2015 acquisitions. (See sections 3.1 and 3.2 for more details on acquisitions).

EBITDA expanded 16.0% in the year, supported by growth in contributions of Distribution (3.9%) and IT Solutions (36.8%). This growth was partially offset by net indirect costs, which increased 19.3%, highly impacted by the consolidation of Navitaire's central costs (excluding Navitaire's costs, indirect costs grew at a mid-single digit rate). EBITDA margin expanded 0.6 p.p. in the year, representing 38.0% of revenue in 2016 and was broadly stable excluding foreign exchange impacts and Navitaire.

5.1 Distribution

	Distribution (figures in million euros)		
	Full year 2016	Full year 2015	% Change
Operating KPI			
TA air competitive position[1]	43.2%	42.5%	0.8 p.p.
Total bookings (m)	595.3	566.2	5.1%
Financial results			
Revenue	**2,925.0**	**2,737.8**	**6.8%**
Operating costs	(1.769.0)	(1,626.8)	8.7%
Direct capitalisations	67.0	66.1	1.4%
Net operating costs	**(1,702.0)**	**(1,560.8)**	**9.0%**
Contribution	**1,223.0**	**1,177.0**	**3.9%**
As % of Revenue	**41.8%**	**43.0%**	**(1.2 p.p.)**

1. Competitive position as defined in section 3.

Distribution includes our Global Distribution System business (including not only airline content but also hospitality and rail content, amongst others). We also provide solutions and services related to the distribution of content through the GDS to travel providers (such as solutions for the display and management of merchandising content), to travel sellers (such as search solutions and integrated front-, mid- and back-office solutions) and to corporations (such as self-booking tools and travel and expense management solutions). In addition, Distribution includes our Travel Intelligence business and part of our Payments offering (the Payer Hub, through which we help travel agencies and corporations pay travel providers).

Distribution delivered 6.8% revenue growth in 2016, supported by higher volumes coupled with average pricing expansion. Amadeus' volumes once again outperformed the travel agency air booking industry, fuelled by a notable improvement of 0.8 p.p. in our competitive position. In this context, however, the Distribution contribution grew at a slower pace (3.9% in the year). As a percentage of revenue, Distribution contribution, which was impacted by competitive pressure and a negative country mix, declined by 1.2 p.p., to 41.8%.

(millions of euros)

5.1.1 Evolution of Amadeus bookings

	Operating KPI					
	Oct-Dec 2016	*Oct-Dec 2015*	*% Change*	*Full year 2016*	*Full year 2015*	*% Change*
TA air booking Industry growth	**5.6%**	**1.8%**		**3.1%**	**3.9%**	
TA air competitive Position	**43.9%**	**43.3%**	**0.6 p.p.**	**43.2%**	**42.5%**	**0.8 p.p.**
TA air bookings (m)	125.1	115.4	8.4%	534.9	505.0	5.9%
Non-air bookings (m)	15.2	14.8	2.7%	60.4	61.2	(1.3%)
Total bookings (m)	**140.3**	**130.2**	**7.8%**	**595.3**	**566.2**	**5.1%**

TA air booking industry

Industry travel agency air bookings ended the year very solidly with a 5.6% increase in the fourth quarter. Latin America and Asia and Pacific were the fastest growing regions in the quarter. Growth accelerated vs. the first nine months of the year in all regions except Middle East and Africa. This was mainly driven by continued strong underlying growth in Asia and Pacific, recovery in specific countries (Russia, Argentina, Brazil) and a relatively lower base of comparison, as the end of 2015 was impacted by terrorist attacks.

In the year, the TA air booking industry increased by 3.1%. Asia and Pacific experienced robust growth, fuelled by the strong performance of South Korea or India, among others. Despite an improvement in the second half of the year, Central Eastern and Southern Europe was the weakest region, dragged by unfavorable macroeconomic conditions. The remaining regions (Western Europe, Middle East and Africa and the Americas) grew moderately overall during the year.

Amadeus bookings

Amadeus TA air bookings growth accelerated to 8.4% in the last quarter of 2016. Our performance was particularly strong in Western Europe, Latin America and Asia and Pacific, supported by the TA air industry acceleration mentioned above and an improvement of our competitive position in these regions.

In 2016, our competitive position improved 0.8 p.p. to 43.2% and led to a 5.9% increase in Amadeus TA air bookings. Amadeus' volumes grew fastest in Asia and Pacific (16.7%), benefitting from robust industry growth and the enhancement of our competitive position. Our TA air bookings in North America and Middle East and Africa increased solidly while volumes in Western Europe and Latin America, supported by a strong fourth quarter, closed the year with healthy growth rates. In turn, Central Eastern and Southern Europe suffered from the industry weakness in the year.

	Amadeus TA Air Bookings (figures in million)				
	Full year 2016	% of Total	Full year 2015	% of Total	% Change
Western Europe	202.1	37.8%	194.8	38.6%	3.7%
Asia & Pacific	97.4	18.2%	83.5	16.5%	16.7%
North America	90.8	17.0%	85.9	17.0%	5.7%
Middle East and Africa	65.9	12.3%	62.2	12.3%	6.0%
Central, Eastern and Southern Europe	44.5	8.3%	45.7	9.0%	(2.5%)
Latin America	34.1	6.4%	32.9	6.5%	3.4%
Total TA Air Bookings	**534.9**	**100.0%**	**505.0**	**100.0%**	**5.9%**

Amadeus' non-air bookings delivered a 2.7% increase in the fourth quarter. For the full year, non-air bookings declined 1.3%, due to lower rail bookings, which more than offset the positive evolution of hotel and car bookings.

5.1.2 Revenue

	Distribution Revenue (figures in million euros)					
	Oct-Dec 2016	Oct-Dec 2015	% Change	Full year 2016	Full year 2015	% Change
Revenue	705.1	650.2	8.4%	2,925.0	2,737.8	6.8%

Revenue in the Distribution segment increased by 8.4% in the fourth quarter of 2016, supported by higher bookings and expansive average pricing.

For the full year, Distribution revenue increased by 6.8%, as a result of higher booking and non booking revenue:

- Booking revenue growth of 7.7% resulted from a 5.1% increase in bookings coupled with a 2.4% expansion in the average fee per booking. This increase in the unitary fee was driven by the positive effects from customer renegotiations and booking mix (both from a higher weight of global bookings, and a decrease in the weight of rail bookings, with a lower average fee than air bookings).
- Non booking revenue increased 1.3% in 2016 vs. prior year, impacted by a number of factors, including the negative effect from the cancellation provision[4]. The underlying non booking revenue growth was driven by (i) search solutions provided to metasearch engines and online travel agencies, (ii) enhanced functionalities provided to travel agencies (online and offline) and

[4] The cancellation provision corresponds to the estimated amount of booking fees which will be refunded to the airlines due to booking cancellations and is included as a negative amount within non booking revenue.

travel management companies, and (iii) tools for corporations (including i:FAO). Data, advertising and payments solutions have also grown their revenue contribution.

	Distribution Revenue (figures in million euros)		
	Full year 2016	*Full year 2015*	*% Change*
Booking revenue	2,561.2	2,378.6	7.7%
Non booking revenue	363.7	359.2	1.3%
Revenue	**2,925.0**	**2,737.8**	**6.8%**
Average fee per booking (€)[1]	**4.30**	**4.20**	**2.4%**

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

5.1.3 Contribution

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

In 2016, Distribution contribution amounted to €1,223.0 million, 3.9% higher than in 2015. The increase in contribution was supported by higher revenue partially offset by growth in costs. As a percentage of revenue, in 2016, contribution represented 41.8%. Contribution was impacted by non-recurring effects linked to certain personnel-related payments, local tax provisions and bad debt provisions, amongst others, included in the segment's net operating costs.

Excluding these non-recurring effects, net operating costs growth was due to:

- Growth in incentives and distribution fees, driven by a 5.9% increase in travel agency air bookings and a unitary distribution cost expansion, as a consequence of (i) competitive pressure and (ii) an increase in weight of countries which have a higher unit distribution cost, for example India.
- Higher fixed costs, which resulted from:
  - Annual salary and variable remuneration reviews.
  - A limited increase in our core Distribution commercial resources.
  - The expansion of our R&D and commercial teams dedicated to corporate IT (i:FAO), advertising (Travel Audience) and Travel Intelligence, as well as the consolidation impact of Pyton.
  - A reduction in the overall capitalisation ratio of the segment, impacted by the mix of projects undertaken and the acceleration in activities within certain businesses with lower capitalisation ratios.
- A positive foreign exchange impact.

5.2 IT Solutions

	IT Solutions (figures in million euros)		
	Full year 2016	Full year 2015	% Change
Operating KPI			
Passengers Boarded (PB) (m)	1,382.5	747.3	85.0%
Financial results			
Revenue	**1,547.9**	**1,174.9**	**31.7%**
Operating costs	(712.4)	(614.4)	16.0%
Direct capitalisations	205.2	200.2	2.5%
Net operating costs	**(507.2)**	**(414.1)**	**22.5%**
Contribution	**1,040.7**	**760.8**	**36.8%**
As % of Revenue	**67.2%**	**64.8%**	**2.5 p.p.**

IT Solutions includes our Airline IT business, which addresses airlines' key operational requirements in the areas of Passenger Service Systems (PSS) (including reservation, ticketing, inventory management, departure control and disruption management), shopping and retailing (including e-commerce solutions), merchandising, personalisation and revenue optimisation solutions (including Revenue Management and financial solutions, such as Revenue Integrity or Revenue Accounting). Amadeus also supports airline customers through business consulting and process optimisation. Additionally, our Hospitality IT, Airport IT and Rail IT businesses, as well as a part of our Payments offering (the Merchant Hub, through which we help travel merchants get paid), also form part of the IT Solutions segment.

IT Solutions delivered underlying double-digit growth in 2016, which, together with the consolidation of Navitaire and our 2015 acquisitions, resulted in a 31.7% revenue increase. This positive evolution was supported by higher transactional revenue, in turn fuelled by PB volume growth and upselling activity, as well as an increase in non-transactional revenue.

Contribution amounted to €1,040.7 million and increased by 36.8% in 2016 vs. prior year. As a percentage of revenue, this represented 67.2%, expanding 2.5 p.p. vs. 2015.

5.2.1 Evolution of Passengers Boarded

Amadeus passengers boarded grew 91.3% in the fourth quarter of 2016 and 85.0% in the full year period, fuelled by the addition of passengers boarded from Navitaire (consolidated since January 26, 2016) and a 12% increase in Altéa passengers boarded, both in the quarter and the year.

	Total PB (figures in million)					
	Oct-Dec 2016	Oct-Dec 2015	% Change	Full year 2016	Full year 2015	% Change
Altéa Passengers Boarded	207.8	185.0	12.3%	838.3	747.3	12.2%
Navitaire Passengers Boarded	146.2	-	n.m.	544.1	-	n.m.
Total PB	**354.0**	**185.0**	**91.3%**	**1,382.5**	**747.3**	**85.0%**

Altéa Passengers Boarded increased organically 5.0% in the fourth quarter, accelerating growth vs. the first nine months of the year and driving full year growth to 4.4%. This organic increase combined with the impact from the 2015 and 2016 implementations (mainly All Nippon Airways and Thomas Cook Group Airlines, in 2015, and Swiss International Air Lines, Brussels Airlines and China Airlines, in 2016) drove our volumes up by 12.3% in the fourth quarter, or 12.2% in the full year.

Navitaire contributed 544.1 million passengers to our 2016 passengers boarded (consolidated since January 26, 2016 and equivalent to 577.6 million passengers for the full year). Passengers boarded on the New Skies platform performed well in the year, growing double-digit organically and also benefitting from implementations such as Viva Group.

Additionally, Navitaire has supported the expansion of our international footprint. Asia and Pacific and North America gained relative weight in the year, representing 31.0% and 4.7% respectively. The shift towards these regions will continue as we implement the contracted migrations of Southwest Airlines (the domestic passengers business), Japan Airlines and Malaysia Airlines.

	Total PB (figures in million)				
	Full year 2016	% of Total	Full year 2015	% of Total	% Change
Western Europe	562.4	40.7%	324.2	43.4%	73.5%
Asia & Pacific	428.5	31.0%	201.3	26.9%	112.9%
Latin America	134.9	9.8%	77.4	10.4%	74.4%
Middle East and Africa	119.7	8.7%	103.7	13.9%	15.5%
Central, Eastern and Southern Europe	72.0	5.2%	37.0	5.0%	94.5%
North America	64.9	4.7%	3.8	0.5%	n.m.
Total PB	**1,382.5**	**100.0%**	**747.3**	**100.0%**	**85.0%**

5.2.2 Revenue

	IT Solutions Revenue (figures in million euros)					
	Oct-Dec 2016	Oct-Dec 2015	% Change	Full year 2016	Full year 2015	% Change
Revenue	381.2	297.7	28.1%	1,547.9	1,174.9	31.7%

IT Solutions delivered a strong 28.1% revenue growth in the fourth quarter, driving full year revenue to €1,547.9 million, 31.7% higher than in 2015. This increase was fuelled by underlying double-digit growth, as well as by the consolidation of Navitaire and our 2015 acquisitions.

	IT Solutions Revenue (figures in million euros)		
	Full year 2016	Full year 2015	% Change
IT transactional revenue	*1,142.1*	*809.6*	*41.1%*
Direct distribution revenue	*120.8*	*114.3*	*5.7%*
Transactional revenue	1,262.9	923.9	36.7%
Non transactional revenue	285.0	251.0	13.5%
Revenue	**1,547.9**	**1,174.9**	**31.7%**

Transactional Revenue

IT Transactional Revenue

In this category we include revenues from (i) our PSS offering for airlines, (ii) our e-commerce solutions, which provide online shopping and booking engines for airline websites, along with related functionalities, (iii) our range of standalone IT solutions (in the areas of merchandising, personalisation, or revenue optimisation), which are complementary to, and fully compatible with, our Altéa solutions, and (iv) other revenue from our Airport IT, Rail IT, and Payments (the Merchant Hub) offering.

IT Transactional revenue amounted to €1,142.1 million in 2016, expanding 41.1% vs. 2015, driven by:

- The consolidation impact from our acquisitions, most notably Navitaire.
- A strong double-digit underlying growth in our Airline IT business, fuelled by a 12.2% increase in Altéa Passengers Boarded and expansive average pricing, reflecting our successful upselling activity, primarily through implementations of Altéa Departure Control Systems, e-commerce and standalone solutions.
- The growing contribution from our Airport IT solutions, in particular in the passenger processing area, and from our Payments Merchant Hub, through which we help travel merchants get paid.

Direct Distribution Transactional Revenue

Direct distribution revenue includes (i) fees charged for bookings made through the direct sales channel of an airline using our Altéa Reservation solution and for certain types of air bookings made through the direct sales channel of Altéa customers for which we charge a booking fee, not a PB fee, and (ii) fees charged to airlines using our Altéa Reservation solution for complementary functionalities that are closely related to the booking process.

Revenue from Direct Distribution increased by 5.7% in 2016, supported by organic growth in bookings.

Non Transactional Revenue

Non-transactional revenue comprises among others, (i) the recognition of deferred customisation and implementation fees of our solutions, (ii) the provision of bespoke services, application hosting and other customer support services and (iii) revenues related to our Hospitality IT solutions.

Non transactional revenue increased by 13.5% in 2016 vs. prior year, as a combination of:

- Organic growth delivered by Hospitality IT, mainly in the Sales & Catering business (despite the negative impact from the divestment of a non-core Meeting Intelligence business in July 2016, as explained in section 3.3 of this report), and by Airline IT, mostly from the recognition of previously deferred revenue (which starts to be recognised after a customer implementation takes place) as well as from e-commerce related services.
- The contribution of our 2015 acquisitions and Navitaire.

5.2.3 Contribution

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

In 2016, the contribution of IT Solutions reached €1,040.7 million, 36.8% higher than prior year. As a percentage of revenue, the segment contribution expanded to 67.2%, 2.5 p.p. higher than in 2015.

The increase in contribution was driven by revenue growth of 31.7% (as explained in section 5.2.2 above), partly offset by an increase in net operating costs of 22.5% (resulting from 16.0% growth in gross operating costs and a 2.5% increase in capitalisations). All captions were highly impacted by the consolidation of Navitaire and the 2015 acquisitions. Excluding acquisitions, the IT Solutions segment contribution grew at a strong double-digit rate.

The underlying growth in net operating costs was mainly due to:

- Annual salary and variable remuneration reviews.
- A reinforcement of our commercial teams to better support the expansion of our product offering and customer base.
- Higher R&D expenditure dedicated to (i) our Airline IT portfolio evolution and expansion (in particular in the areas of merchandising, shopping and personalisation) as well as services, and (ii) our new businesses (mainly related to the development and implementation of our next-generation Guest Reservation System under our agreement with InterContinental Hotels Group).

- A decline in the IT Solutions capitalisation ratio impacted by the mix of projects undertaken, as well as by a higher weight of activities which are not capitalised (such as bespoke developments or e-commerce related services).
- A positive foreign exchange impact.

5.3 EBITDA

In 2016, EBITDA increased by 16.0% to €1,700.1 million. EBITDA margin represented 38.0% of revenue in 2016, 0.6 p.p. higher than in 2015. Excluding foreign exchange impacts and Navitaire, margins remained broadly stable and EBITDA grew at a high single-digit rate.

EBITDA growth was the result of the positive underlying performances of Distribution and IT Solutions. The contribution from our latest acquisitions (most notably Navitaire) and certain foreign exchange effects impacting positively the evolution of our cost base, also supported our EBITDA growth in 2016 (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations).

Distribution and IT Solutions contributions were partly offset by higher net indirect costs, which grew 19.3% in 2016. This was the result of gross indirect costs increasing by 16.6% and capitalisations by 7.8%.

Indirect costs were highly impacted by the consolidation of Navitaire central costs (such as costs related to hosting in Accenture's data centres). Excluding these Navitaire costs, total indirect costs increased at a mid-single digit rate, mainly driven by:

- Annual salary and variable remuneration reviews.
- Additional resources to expand our corporate structure following our business and geographical expansion.
- An increase in expenses related to cross area development and data centre projects (including the shift to open systems, in its final stage, and to cloud-based architecture), though most of these projects are capitalised.
- A positive foreign exchange impact.

	Indirect costs (figures in million euros)		
	Full year 2016	*Full year 2015*	*% Change*
Indirect costs	(721.6)	(618.9)	16.6%
Indirect capitalisations & RTC[1]	158.0	146.5	7.8%
Net indirect costs	**(563.6)**	**(472.4)**	**19.3%**

1. Includes the Research Tax Credit (RTC).

6 Consolidated financial statements

6.1 Group income statement

	Income Statement (figures in million euros)					
	Oct-Dec 2016	*Oct-Dec 2015*	*% Change*	*Full year 2016*	*Full year 2015*	*% Change*
Revenue	**1,086.4**	**947.9**	**14.6%**	**4,472.9**	**3,912.7**	**14.3%**
Cost of revenue	(286.1)	(253.1)	13.0%	(1.150.0)	(1,044.1)	10.1%
Personnel and related expenses	(326.7)	(305.1)	7.1%	(1,280.0)	(1,139.9)	12.3%
Other operating expenses	(103.0)	(66.0)	56.0%	(331.5)	(253.1)	31.0%
Depreciation and amortisation	(136.6)	(131.3)	4.1%	(499.1)	(422.6)	18.1%
Operating income	**234.0**	**192.4**	**21.6%**	**1,212.3**	**1,053.0**	**15.1%**
Net financial expense	(15.7)	(7.3)	115.2%	(71.6)	(50.9)	40.6%
Other income (expense)	(0.9)	1.3	n.m.	3.1	1.8	76.9%
Profit before income taxes	**217.5**	**186.4**	**16.7%**	**1,143.8**	**1,003.8**	**13.9%**
Income taxes	(63.5)	(68.0)	(6.6%)	(322.9)	(321.4)	0.5%
Profit after taxes	**154.0**	**118.4**	**30.0%**	**820.9**	**682.5**	**20.3%**
Share in profit from associates and JVs	2.6	1.9	35.9%	5.4	3.4	58.0%
Profit for the period	**156.6**	**120.4**	**30.1%**	**826.4**	**685.9**	**20.5%**
Key financial metrics						
EBITDA	**368.0**	**320.9**	**14.7%**	**1,700.1**	**1,465.4**	**16.0%**
EBITDA margin (%)	33.9%	33.9%	0.0 p.p.	38.0%	37.5%	0.6 p.p.
Adjusted profit[1]	**172.9**	**143.4**	**20.6%**	**911.0**	**751.8**	**21.2%**
Adjusted EPS (euros)[2]	**0.40**	**0.33**	**20.3%**	**2.08**	**1.72**	**21.3%**

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

Revenue in the fourth quarter of 2016 amounted to €1,086.4 million, growing 14.6% over prior year. For the full year 2016, revenue increased by 14.3% to €4,472.9 million.

This increase was supported by the positive evolution of Distribution and IT Solutions and by the contribution of our latest acquisitions, mainly Navitaire. Overall, revenue growth was a combination of:

- An increase of 8.4% in our Distribution segment in the fourth quarter of 2016, leading to 6.8% growth for the full year period.
- An increase of 28.1% in our IT Solutions segment in the fourth quarter of 2016 and 31.7% in the full year.

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

	Revenue (figures in million euros)					
	Oct-Dec 2016	Oct-Dec 2015	% Change	Full year 2016	Full year 2015	% Change
Distribution	705.1	650.2	8.4%	2,925.0	2,737.8	6.8%
IT Solutions	381.2	297.7	28.1%	1,547.9	1,174.9	31.7%
Revenue	**1,086.4**	**947.9**	**14.6%**	**4,472.9**	**3,912.7**	**14.3%**

6.1.2 Cost of revenue

These costs are mainly related to: (i) incentive fees paid to travel agencies, (ii) distribution fees paid to those 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 amounted to €286.1 million in the fourth quarter of 2016, 13.0% higher than in the same period of 2015, driving full year growth to 10.1%. This increase was mostly the result of:

- A 5.9% increase in travel agency air bookings.
- A higher unitary distribution cost, resulting from (i) competitive pressure and (ii) an increase in weight of countries which have a higher unit distribution cost, for example India.
- A positive foreign exchange impact.

As a percentage of revenue, cost of revenue declined to 25.7% in 2016, 1.0 p.p. less than in 2015.

6.1.3 Personnel and related expenses and other operating expenses

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

Our combined operating expenses cost line, including both Personnel expenses and Other operating expenses, grew by 15.8% in the fourth quarter of 2016 vs. the same quarter of 2015, or 15.7% in the year vs. 2015.

	Personnel expenses + Other operating expenses (figures in million euros)					
	Oct-Dec 2016	Oct-Dec 2015	% Change	Full year 2016	Full year 2015	% Change
Personnel expenses + Other operating expenses	(429.7)	(371.1)	15.8%	(1,611.5)	(1,393.0)	15.7%

Fixed operating expenses were highly impacted by (i) the consolidation of Navitaire (particularly affecting personnel and computing expenses, as Navitaire's platform is hosted externally) and 2015 acquisitions, as well as (ii) certain non-recurring effects (such as personnel-related payments or bad debt provisions).

Excluding non-recurring effects and the impact from acquisitions, fixed operating expenses grew mid-single digit, mainly driven by the combination of:

- A 4% increase in average FTEs (permanent staff and contractors), due to:
  - Higher headcount in R&D dedicated to ongoing investment in portfolio expansion and product evolution (including the progress achieved in our new businesses), as well as transversal projects and services (see further details in sections 2.2 and 6.3.2).
  - Reinforcement of our corporate, technical and commercial support, following the successful expansion of our customer base, our geographical reach (such as in Asia and Pacific and North America) and our product portfolio.
- Global salary and variable remuneration reviews.
- A decline in the overall capitalisation ratio, impacted by project mix.
- A positive foreign exchange impact.

6.1.4 Depreciation and Amortisation

Depreciation and amortisation (including capitalised D&A) increased by 4.2% in the fourth quarter of 2016, or 18.3% in the full year, mostly driven by growth in ordinary depreciation and amortisation.

Ordinary D&A increased by 21.4% in 2016 vs. prior year, highly impacted by the consolidation of Navitaire. Excluding Navitaire, growth resulted from 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. Depreciation expense related to hardware and software acquired for our data processing centre in Erding also contributed, to a lesser extent, to the overall increase.

In compliance with IFRS, impairment tests are carried out every year. During 2016 we reported €27.0 million of impairment losses in relation to (i) the write off of the "Newmarket International" trademark (replaced by the global Amadeus brand) amounting to €8.6 million and (ii) solutions that we estimated would not deliver their expected economic benefits.

	Depreciation and Amortisation (figures in million euros)					
	Oct-Dec 2016	Oct-Dec 2015	% Change	Full year 2016	Full year 2015	% Change
Ordinary depreciation and amortisation	(104.1)	(86.8)	20.0%	(374.7)	(308.6)	21.4%
Amortisation derived from PPA	(24.1)	(24.5)	(1.8%)	(97.5)	(94.0)	3.7%
Impairments	(8.4)	(19.9)	(57.9%)	(27.0)	(20.0)	34.8%
Depreciation and amortisation	**(136.6)**	**(131.3)**	**4.1%**	**(499.1)**	**(422.6)**	**18.1%**
Capitalised depreciation and amortisation[1]	2.7	2.7	(2.9%)	11.3	10.2	10.6%
Depreciation and amortisation post-capitalisations	**(134.0)**	**(128.5)**	**4.2%**	**(487.8)**	**(412.4)**	**18.3%**

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

6.1.5 EBITDA and Operating income

EBITDA increased by 14.7% in the fourth quarter, delivering full year growth of 16.0%. This was supported by the positive underlying performance of Distribution and IT Solutions as well as by the contribution from our latest acquisitions (mainly Navitaire) and certain foreign exchange effects impacting positively the evolution of our cost base (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations).

Operating Income in the fourth quarter of 2016 grew by 21.6%, or 15.1% to €1,212.3 million in the full year period, as a result of EBITDA growth offset by higher D&A charges.

	Operating income - EBITDA (figures in million euros)					
	Oct-Dec 2016	Oct-Dec 2015	% Change	Full year 2016	Full year 2015	% Change
Operating income	**234.0**	**192.4**	**21.6%**	**1,212.3**	**1,053.0**	**15.1%**
Depreciation and amortisation	136.6	131.3	4.1%	499.1	422.6	18.1%
Capitalised depreciation and amortisation	(2.7)	(2.7)	(2.9%)	(11.3)	(10.2)	10.6%
EBITDA	**368.0**	**320.9**	**14.7%**	**1,700.1**	**1,465.4**	**16.0%**
EBITDA margin (%)	33.9%	33.9%	0.0 p.p.	38.0%	37.5%	0.6 p.p.

6.1.6 Net financial expense

	Net financial expense (figures in million euros)					
	Oct-Dec 2016	Oct-Dec 2015	% Change	Full year 2016	Full year 2015	% Change
Financial income	0.4	0.4	5.7%	1.7	2.6	(33.8%)
Interest expense	(10.6)	(16.6)	(36.2%)	(58.5)	(63.7)	(8.2%)
Other financial expenses	(15.4)	0.9	n.m.	(18.0)	(5.6)	n.m.
Exchange gains (losses)	9.9	8.0	23.6%	3.1	15.8	(80.2%)
Net financial expense	**(15.7)**	**(7.3)**	**115.2%**	**(71.6)**	**(50.9)**	**40.6%**

Net financial expense increased 40.6% in 2016 vs. prior year, driven by lower exchange gains, as well as an increase in Other financial expenses (impacted by interest expense associated with tax provisions).

In turn, interest expense declined by 8.2% in the year vs. 2015, as a consequence of a reduction in the average cost of debt, particularly in the second half of the year, due to the refinancing of the €750 million notes in July 2016.

6.1.7 Income taxes

Income taxes amounted to €322.9 million in 2016. The income tax rate for the year was 28.2%, lower than the 32.0% rate reported in 2015. The reduction in income tax rate was mainly driven by (i) a lower corporate tax rate in Spain, (ii) a deferred tax liability adjustment to reflect government changes to the corporate tax rate in France from 2020 onwards, as well as, (iii) tax deductions related to recurring and non-recurring transactions in 2016.

6.1.8 Profit for the period. Adjusted profit

Reported profit increased by 30.1% in the fourth quarter of 2016 compared to the same period in 2015 and by 20.5%, to €826.4 million in 2016.

	Adjusted profit (figures in million euros)					
	Oct-Dec 2016	*Oct-Dec 2015*	*% Change*	*Full year 2016*	*Full year 2015*	*% Change*
Reported profit	**156.6**	**120.4**	**30.1%**	**826.4**	**685.9**	**20.5%**
Adjustments						
Impact of PPA[1]	16.4	15.8	3.6%	67.8	63.1	7.4%
Non-operating FX results[2]	(6.9)	(5.4)	29.9%	(2.3)	(10.7)	(78.6%)
Non-recurring items	1.8	(0.9)	n.m.	(0.6)	(0.1)	n.m.
Impairments	5.2	13.5	(61.8%)	19.8	13.6	45.7%
Adjusted profit	**172.9**	**143.4**	**20.6%**	**911.0**	**751.8**	**21.2%**

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

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 grew by 20.6% in the fourth quarter of 2016, and by 21.2 % to €911.0 million, in the year.

6.1.9 Earnings per share (EPS)

	Earnings per share					
	Oct-Dec 2016	*Oct-Dec 2015*	*% Change*	*Full year 2016*	*Full year 2015*	*% Change*
Weighted average issued shares (m)	438.8	438.8		438.8	444.0	
Weighted average treasury shares(m)	(1.5)	(2.2)		(2.0)	(7.4)	
Outstanding shares (m)	**437.3**	**436.6**		**436.8**	**436.6**	
EPS (euros)[1]	**0.36**	**0.28**	**29.8%**	**1.89**	**1.57**	**20.6%**
Adjusted EPS (euros)[2]	**0.40**	**0.33**	**20.3%**	**2.08**	**1.72**	**21.3%**

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

The table above shows EPS for the period, based on the profit attributable to the parent company (after minority interests), both on a reported basis and on an adjusted basis (adjusted profit as detailed above). In 2016, our reported EPS grew by 20.6% to €1.89 and our adjusted EPS by 21.3% to €2.08.

On December 11, 2014 the Board of Directors agreed to undertake a share buy-back programme. The programme was completed on May 12, 2015 as the maximum planned investment of €320 million was reached. A total of 8,759,444 own shares were acquired, representing 1.957% of share capital. The share capital reduction through the amortisation of the repurchased shares was approved by the General Shareholders Meeting on June 25, 2015 and was registered in the Commercial Registry of Madrid on August 4, 2015. In 2015, both the weighted average issued and treasury shares were impacted by this share capital reduction.

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), subject to the approval by their respective General Shareholders' Meetings, which took place on June 24 and 23, 2016. Following registration of the merger public deed with the Commercial Registry of Madrid on August 2, 2016 and the fulfilment of legal formalities, Amadeus IT Group, S.A. was legally dissolved and Amadeus IT Holding, S.A. adopted the name of Amadeus IT Group, S.A. As of December 31, 2016, 312,519 shares were delivered in exchange of the Amadeus IT Group, S.A. shares.

6.2 Statement of financial position (condensed)

	Statement of Financial Position (figures in million euros)	
	31/12/2016	31/12/2015
Property, plant and equipment	459.7	448.0
Intangible assets	3,210.3	2,612.3
Goodwill	2,793.3	2,478.9
Other non-current assets	218.4	148.3
Non-current assets	6,681.8	5,687.6
Current assets	642.3	604.9
Cash and equivalents	450.1	711.7
Total assets	**7,774.1**	**7,004.1**
Equity	2,761.5	2,297.5
Non-current debt	1,422.7	1,289.1
Other non-current liabilities	1,282.0	1,218.1
Non-current liabilities	2,704.7	2,507.2
Current debt	969.5	1,033.8
Other current liabilities	1,338.5	1,165.6
Current liabilities	2,308.0	2,199.5
Total liabilities and equity	**7,774.1**	**7,004.1**
Net financial debt (as per financial statements)	**1,942.1**	**1,611.2**

6.2.1 Property, plant and equipment (PP&E)

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

PP&E increased by €11.7 million in 2016. This increase was mainly the result of the combination of the following effects: (i) additions (+€134.7 million), mostly related to data processing hardware and software acquired for our data processing centre in Erding (Germany), and (ii) depreciation charges (-€122.0 million).

6.2.2 Intangible assets

This caption principally includes (i) the net cost of acquisition or development and (ii) the excess purchase price, allocated to patents, trademarks and licenses[5], technology and content[6] and contractual relationships[7]. In particular, it includes the excess purchase price derived from the business combination (acquisition) between Amadeus IT Group, S.A. (the former listed company in 2005) and Amadeus IT Group, S.A. (the currently listed company, formerly known as Amadeus IT Holding, S.A. or WAM Acquisition, S.A.) in 2005.

Intangible assets increased by €598.0 million in 2016. This increase was mainly the result of the combination of the following effects: (i) additions of software internally developed (+€422.0 million) and acquired assets (+€75.6 million), (ii) additions from the acquisitions, including the effects derived from the purchase price allocation exercises carried out as part of the consolidation process of Navitaire, Itesso and Pyton into Amadeus' books (+€472.6 million), and (iii) amortisation charges and impairment losses (-€377.3 million).

6.2.3 Goodwill

Goodwill amounted €2,793.3 million as of December 31, 2016. Goodwill mainly relates to the unallocated amount of the excess purchase price derived from (i) the business combination (acquisition) between Amadeus IT Group, S.A. (the current listed company, formerly named Amadeus IT Holding, S.A. or WAM Acquisition, S.A.) and Amadeus IT Group, S.A. (the former listed company in 2005) in 2005, and (ii) acquisitions, most of them completed in 2014, 2015 and 2016. In particular, goodwill increased by €314.4 million in 2016, mostly due to the acquisition of Navitaire. Goodwill generated in the acquisitions of Itesso and Pyton was adjusted as a result of the purchase price allocation exercises that were carried out in 2016.

6.2.4 Equity, Share capital

As of December 31, 2016 the share capital of our Company was represented by 438,822,506 shares with a nominal value of €0.01 per share.

For information on dividend payments, see section 7.3 "Dividend payments".

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[5] Net cost of acquiring brands and trademarks (either by means of business combinations or in separate acquisitions) as well as the net cost of acquiring software licenses developed outside the Group for Distribution and IT Solutions.

[6] Net cost of acquiring technology software and travel content either by means of acquisitions through business combinations/separate acquisitions or internally generated (software applications developed by the Group, including the development technology of the IT solutions business). Travel content is obtained by Amadeus through its relationships with travel providers.

[7] Net cost of contractual relationships with travel agencies, as acquired through business combinations, as well as costs subject to capitalisations, related to travel agency incentives, that can be recognised as an asset.

6.2.5 Financial indebtedness

	Indebtedness (figures in million euros)	
	31/12/2016	31/12/2015
Covenants definition[1]		
European Commercial Paper	485.1	196.4
Short term bonds	400.0	750.0
Long term bonds	1,000.0	900.0
EIB loan	307.5	337.5
Revolving loan facilities	100.0	0.0
Other debt with financial institutions	21.0	43.0
Obligations under finance leases	93.9	96.3
Covenant Financial Debt	**2,407.5**	**2,323.3**
Cash and cash equivalents	(450.1)	(711.7)
Covenant Net Financial Debt	**1,957.5**	**1,611.6**
Covenant Net Financial Debt / LTM Covenant EBITDA	**1.14x**	**1.09x**
Reconciliation with financial statements		
Net financial debt (as per financial statements)	**1,942.1**	**1,611.2**
Interest payable	(2.5)	(19.4)
Deferred financing fees	12.6	12.5
EIB loan adjustment	5.2	7.3
Covenant Net Financial Debt	**1,957.5**	**1,611.6**

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

Net financial debt as per our financial covenants' terms amounted to €1,957.5 million on December 31, 2016 (1.14 times last-twelve-month covenant EBITDA).

The main changes affecting our debt structure during 2016 were:

- The drawing on January 25, 2016 of the €500 million bank loan facility agreed in July 2015, to partially finance the acquisition of Navitaire. This facility was cancelled and replaced on October 6, 2016 by a four-year bond amounting to €500 million under our Euro Medium Term Note Programme, with maturity in 2020 and a coupon of 0.125%.
- A new €500 million Single Currency Revolving Loan Facility, with a five-year term, to be used for working capital requirements and general corporate purposes, which was executed on April 26, 2016, and was partially drawn at the end of 2016 (by an amount of €100 million). The €500 million

(millions of euros)

Facility B of the €1,000 million Revolving Loan Facility executed in March 2015 was cancelled simultaneously to the execution of this facility.

- The €750 million notes, part of the Euro Medium Term Note Programme, which matured on July 15, 2016 were refinanced with a combination of the Revolving Loan Facility signed in April 2016 (mentioned above), an issuance of European Commercial Paper and cash available.
- The increase in the use of the Multi-Currency European Commercial Paper (ECP) programme by a net amount of €288.6 million.
- The repayment of €30 million related to the European Investment Bank Loan.

Reconciliation with net financial debt as per our financial statements

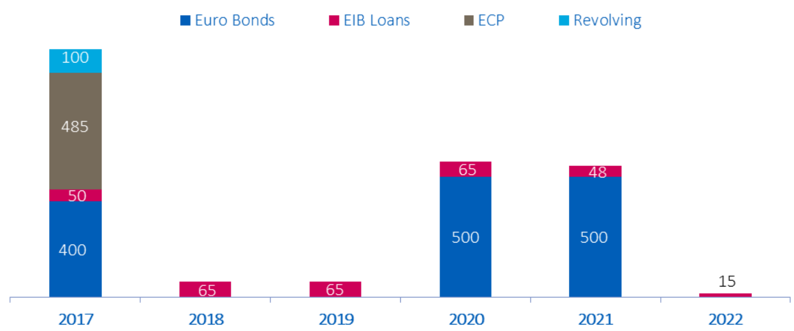
Under the covenant terms, Covenant Financial Debt (i) does not include the accrued interest payable (€2.5 million at December 31, 2016) which is treated as debt in our financial statements, (ii) is calculated based on its nominal value, while in our financial statements our financial debt is measured 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 €12.6 million at December 31, 2016), 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 (€5.2 million at December 31, 2016).

Debt structure as of December 31, 2016

	Description	*Amount*	*Maturity*
Capital markets financing	Euro Bond	€400m €500m €500m	Dec 2017 Oct 2020 Nov 2021
EIB Loans	Development Loan	€157.5m €150m	May 2021 May 2022
ECP	European Commercial Paper	€485m	Max 364 days
Revolving Loan Facilities	Revolving[1]	€500m €500m	Mar 2020 Jul 2021

1. As of December 31, 2016 the revolving credit facility maturing in July 2021 was partially drawn, by an amount of €100 million.

Debt maturity profile as of December 31, 2016



6.3 Group Cash Flow

	Consolidated Statement of Cash Flows (figures in million euros)					
	Oct-Dec 2016	*Oct-Dec 2015*	*% Change*	*Full year 2016*	*Full year 2015*	*% Change*
EBITDA	368.0	320.9	14.7%	1,700.1	1,465.4	16.0%
Change in working capital	89.2	79.7	11.9%	93.8	82.8	13.2%
Capital expenditure	(165.7)	(156.8)	5.6%	(595.1)	(550.1)	8.2%
Pre-tax operating cash-flow	**291.5**	**243.7**	**19.6%**	**1,198.7**	**998.2**	**20.1%**
Taxes	(151.1)	(155.2)	(2.6%)	(300.8)	(275.7)	9.1%
Interest and financial fees paid	(17.5)	(12.2)	44.0%	(86.5)	(63.3)	36.6%
Free cash-flow	**122.9**	**76.4**	**60.8%**	**811.4**	**659.2**	**23.1%**
Equity investment	(0.7)	0.6	n.m.	(761.9)	(116.9)	n.m.
Cash-flow from extraordinary items	(22.1)	24.2	n.m.	(12.5)	7.5	n.m.
Debt payment	(127.5)	173.5	n.m.	63.6	387.5	(83.6%)
Cash to shareholders	0.0	0.1	n.m.	(362.5)	(598.4)	(39.4%)
Change in cash	**(27.3)**	**274.8**	**n.m.**	**(261.9)**	**338.8**	**n.m.**
Cash and cash equivalents, net[1]						
Opening balance	477.0	436.8		711.6	372.8	
Closing balance	449.6	711.6		449.6	711.6	

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

6.3.1 Change in working capital

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

In 2016, the cash inflow from working capital increased by €10.9 million mainly due to the positive contribution of Navitaire's working capital.

6.3.2 Capital expenditure, R&D investment

Capital expenditure

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

Capex increased by 5.6% in the fourth quarter of 2016 and by 8.2% in the full year period vs. 2015. As a percentage of revenue, capex declined 0.8 p.p. in 2016, to 13.3%.

The growth in capex in 2016 was driven by a €46.2 million increase in intangible assets, due to (i) higher software capitalisations related to growing R&D investment, (ii) higher signing bonuses paid and (iii) an increase in purchases of licenses (related for example to internal technological projects linked to system security). In turn, capex in PP&E was almost flat vs. prior year as additional hardware and software purchases (mostly aiming to enhance our data centre's agility and flexibility) were offset by less equipment required than in 2015, when new buildings in Nice (France) and Bad Homburg (Germany) were equipped.

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 in the short term. 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)					
	Oct-Dec 2016	Oct-Dec 2015	% Change	Full year 2016	Full year 2015	% Change
Capital Expenditure in PP&E	32.7	27.2	20.4%	105.1	106.3	(1.2%)
Capital Expenditure in intangible assets	132.9	129.7	2.5%	490.0	443.8	10.4%
Capital Expenditure	**165.7**	**156.8**	**5.6%**	**595.1**	**550.1**	**8.2%**
As % of Revenue	15.2%	16.5%	(1.3 p.p.)	13.3%	14.1%	(0.8 p.p.)

R&D investment

As a leading and differentiated technology provider for the travel industry, Amadeus undertakes significant R&D activities, which are key drivers for growth.

R&D investment (including both capitalised and non-capitalised expense) grew by 7.8% in the fourth quarter of 2016 vs. prior year, and by 10.2% to €706.5 million in the full year period. As a percentage of revenue, R&D investment amounted to 15.8% in 2016, 0.6 p.p. lower than in 2015.

R&D investment was highly impacted by our latest acquisitions, mainly Navitaire. Excluding this impact, the underlying growth in R&D was mainly driven by:

- Higher efforts to (i) enhance and expand our product portfolio (including merchandising, shopping and personalisation solutions), (ii) implement the solutions associated with our upselling activity - Altéa Departure Control Systems, e-commerce and standalone solutions, as well as (iii) services (such as bespoke developments or e-commerce related services). This increase was partly offset by lower resources required to implement new carriers to our core Altéa platform.
- Growing investment to develop a new-generation Guest Reservation System for the hospitality industry together with InterContinental Hotels Group, as well as higher resources dedicated to our new businesses such as Airport IT, Payments or Travel Intelligence.
- Increased resources devoted to shifting the company's platform towards open systems and cloud-based architecture through next-generation technologies and optimising system performance, enhancing availability and security levels.

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

	R&D investment (figures in million euros)					
	Oct-Dec 2016	Oct-Dec 2015	% Change	Full year 2016	Full year 2015	% Change
R&D investment[1]	**184.7**	**171.4**	**7.8%**	**706.5**	**641.0**	**10.2%**
As % of Revenue	17.0%	18.1%	(1.1 p.p.)	15.8%	16.4%	(0.6 p.p.)

1. Net of Research Tax Credit.

6.3.3 Taxes paid

Taxes paid in the fourth quarter of 2016 amounted to €151.1 million, €4.1 million lower than in the same period in 2015. For the full year 2016, tax payments amounted to €300.8 million, €25.1 million higher than €275.7 million paid in 2015. The increase in taxes paid in the year, which benefitted from a reduction in the effective tax rate vs. prior year, was mostly driven by (i) higher profit before taxes, (ii) a higher proportion of corporate taxes prepaid during the year, due to regulatory changes and (iii) corporate taxes paid by Navitaire.

6.3.4 Interest and financial fees paid

Interest payments under our debt arrangements amounted to €86.5 million in 2016, €23.2 million higher than in 2015. The net increase was a combination of (i) a higher average gross debt, (ii) a non-recurring fee from the cancellation of an interest rate swap and (iii) a lower average cost of debt following the bond refinancing in July 2016.

6.3.5 Free cash flow

Free cash flow increased substantially by €46.5 million or 60.8% in the fourth quarter of 2016. Full-year growth was 23.1%, amounting to €811.4 million of free cash flow in 2016. This increase was the result of an increase in the EBITDA and a higher cash inflow from working capital, partly offset by growth in capex, taxes paid and interest and financial fees paid in the period.

6.3.6 Equity investments

Equity investments amounted to €761.9 million in 2016. This cash outflow mainly relates to the acquisition of Navitaire. Equity investments in 2015 (€116.9 million) mostly correspond to the acquisitions of AirIT, Itesso, Hotel SystemPro and Pyton.

6.3.7 Cash to shareholders

In 2016, the cash outflow to shareholders, amounting to €362.5 million, corresponds to (i) a payment of €338.5 million related to the ordinary dividend of €0.775 per share (gross) on the 2015 profit, and (ii) €24.0 million related to the acquisition of treasury shares in the year, part of which were acquired to cover the exchange ratio related to the merger of Amadeus IT Holding, S.A. and Amadeus IT Group, S.A. (see section 6.1.9).

(millions of euros)

7 Investor information

7.1 Capital stock. Share ownership structure

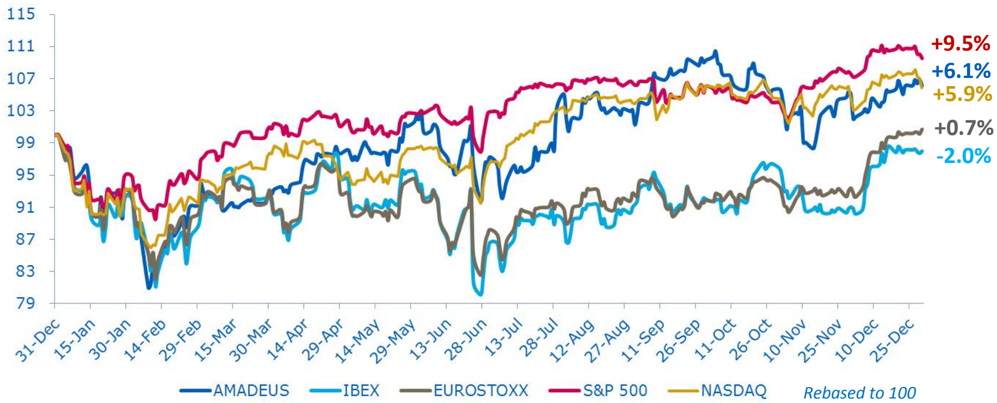
As of December 31, 2016, the capital stock of our company is €4,388,225.06 represented by 438,822,506 shares with a nominal value of €0.01 per share, all belonging to the same class, fully subscribed and paid in.

The shareholding structure as of December 31, 2016 is as described in the table below:

	Shareholders	
	Shares	*% Ownership*
Free float	436,858,714	99.55%
Treasury shares[1]	1,521,273	0.35%
Board members	442,519	0.10%
Total	**438,822,506**	**100.00%**

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

7.2 Share price performance in 2016



	Key trading data
Number of publicly traded shares (# shares)	438,822,506
Share price at December 31, 2016 (in €)	43.17
Maximum share price in Jan - Dec 2016 (in €) (Oct 4, 2016)	44.93
Minimum share price in Jan - Dec 2016 (in €) (Feb 8, 2016)	32.96
Market capitalisation at December 31, 2016 (in € million)	18,944
Weighted average share price in Jan – Dec 2016 (in €)[1]	40.28
Average Daily Volume in Jan - Dec 2016 (# shares)	1,537,881

1. Excluding cross trades.

7.3 Dividend payments

The Shareholders' General Meeting held on June 24, 2016 approved our annual gross dividend from the profit of the year 2015. The total value of the dividend was €340.1 million, representing a pay-out of 50% of the 2015 reported profit for the year, or €0.775 per share (gross). Regarding the payment, an interim amount of €0.34 per share (gross) was paid on January 28, 2016 and the complementary dividend of €0.435 per share (gross) was paid on July 28, 2016.

The Board of Directors of Amadeus IT Group, S.A held on December 15, 2016 proposed a 50% pay-out target ratio for the year 2016 (the maximum percentage within the 40%-50% approved pay-out range).

In June 2017, the Board of directors will submit a final gross dividend for approval to the General Shareholders Meeting of €0.94 per share, representing a 21.3% increase vs. prior year. An interim dividend of €0.40 per share (gross) was paid on February 1, 2017. Based on this, the proposed appropriation of the 2016 results included in our 2016 audited consolidated financial statements of Amadeus IT Group, S.A. and subsidiaries includes a total amount of €412.5 million corresponding to dividends pertaining to the financial year 2016.

8 Other additional information

8.1 Expected Business Evolution

8.1.1 Macroeconomic backdrop and Amadeus business model

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 worldwide travel and tourism industry, which is sensitive to general economic conditions and trends.

The IMF confirmed in its World Economic Outlook Update in January 2017 that global economic growth should pick up pace in 2017, rising to 3.4% from a rate of 3.1% in 2016.

- Advanced economies are projected to grow 1.9% 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 stimulus, though the policy stance of the incoming administration is still uncertain. The Euro Area, the United Kingdom and Japan should grow 1.6%, 1.5% and 0.8% respectively.
- Emerging markets and developing economies are also expected to accelerate growth, from 4.1% in 2016 to 4.5% in 2017, reflecting normalization in countries which suffered from economic strains (e.g. Russia, Brazil). Projected growth in China stands at 6.5% for 2017.

This global economic uplift, combined with an expected increase in oil prices leads IATA to forecast a 5.1%[8] air traffic increase in 2017 (vs. 5.9% in 2016) as the demand stimulus from lower oil prices and airfares starts to reverse. Middle East and Asia Pacific should remain once again the fastest growing regions (9.0% and 7.0% respectively). Air traffic should grow solidly in Africa (4.5%) and slightly rebound to 4.0% in Europe and Latin America, as terrorist attacks and economic difficulties strained both regions in the past year. Finally, the current forecast for North America, though tainted by uncertainty, is a 2.5% increase.

8.1.2 Amadeus strategic priorities and expected business evolution in 2017

Amadeus has grown successfully by taking its business far beyond its initial origins as a Distribution system for airlines. We are now a critical technology partner for players right across the travel industry and keep widening the scope of the solutions we provide. In the past, our growth mainly came from expanding our global presence in Distribution and simultaneously building a solid Airline IT Solutions business. In the coming years, growth will come from new ways of enhancing these two businesses with solutions such as digital advertising, Corporate travel IT, merchandising and personalisation tools. This will be accompanied by growth from our new businesses, such as Airports or Hospitality as well as the synergies between the different verticals.

[8] IATA Airline Industry Economic Performance-December 8, 2016

Amadeus sees the Travel and Technology industries as a space of growth, complexity and connectivity with the need to better service the traveller in a far more personalised manner. Our uniquely collaborative and inclusive development model is ideally suited to capture these opportunities. Many of our existing solutions – and all of our developing ones – are designed precisely to deliver this goal, of a more connected and personalised travel experience.

Specifically for 2017, we foresee healthy growth in Distribution driven by air traffic growth and an enhancement of our competitive position. In IT Solutions, we expect robust revenue growth, mainly as a result of organic growth, new implementations and upselling, as well as continued expansion in new business areas. We will also benefit partially from the full year impact of the Navitaire acquisition, consolidated in Amadeus' books since January 26, 2016. Finally, two important milestones will be achieved during 2017. We will implement our first large US carrier customer, Southwest Airlines (the domestic passengers business), to our Altéa platform. We will also start the progressive roll-out of InterContinental Hotels Group to our new-generation Guest Reservation System platform.

Investing in technology is a key pillar to our success. In 2017, Amadeus will continue to invest in R&D to support long term growth through new customer implementations, product evolution and portfolio expansion including non-air IT diversification, as well as internal technological projects.

Amadeus has a proven track record of operating a solid and resilient business model that generates strong free cash flow, allowing for continued and sustained investment in R&D and innovation as well as shareholder remuneration, while maintaining a flexible financial capital structure. Ordinary dividends paid have grown consistently every year since our IPO, at an average annual rate of 20%. We have complemented this with share repurchases in the past. We aim to continue to support this growth in the coming years based on our healthy cash generation profile and sound balance sheet.

In particular for the dividend from the profit of the year 2016, the Amadeus Board of Directors on December 15, 2016 (i) proposed a 50% pay-out target ratio and (ii) approved the distribution of an interim dividend of €0.40 per share (gross), paid on February 1, 2017. In June 2017, the Board of directors will submit to the General Shareholders Meeting for approval a final gross dividend of €0.94 per share, representing a 21.3% increase vs. previous year.

8.2 Research and Development Activities

Research and development (R&D) is core to the company's strategy and key to a sustainable competitive advantage. In addition, R&D activities help increase efficiency and improve the Amadeus System functionality, as well as to reduce maintenance and operating costs.

The Group is continuously investing in its systems, including the development of new products and functionalities, as well as the evolution of the existing platform, based on the latest state-of-the-art technology available. The group has 16 development centres, including 3 regional centres and the central development sites in Nice and Bangalore.

During the year ended December 31, 2016, Amadeus expensed €291.9 million for R&D activities and capitalized €433.9 million (before deducting any incentives), which compares to €243.6 million and €417.2 million, respectively, in 2015.

Our R&D investment enables us to offer some of the most advanced, integrated and powerful business tools available in the market, in order to deliver a best-in-class service to airlines and travel agencies. Indeed, Amadeus offers enhanced functionalities, such as advanced search and booking engines, both for travel agencies and travel providers. In addition, our product offering addresses the

Passenger Service Systems for airlines, enabling processes such as central reservation, inventory management, departure control and e-commerce, as well as providing direct distribution technologies. We are also expanding our airline IT Solutions offering and we are seeking to grow our market share within the non-airline IT Solutions markets, including the hotel, rail and airport IT markets.

8.3 Environmental matters

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 stakeholders in the travel industry, including customers, 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. 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 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.

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.

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.

Amadeus Airport 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.

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 industry stakeholders in sustainability projects in our sector

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 with other stakeholders in the industry in relation to environmental sustainability objectives.

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 CO2 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.

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 years ended December 31, 2016 and 2015, of the treasury shares is set forth in the table below:

	Treasury Shares	Millions of euros
Carrying amount at December 31, 2014	**3,605,477**	**349.3**
Acquisition	7,508,451	280.1
Retirement	(139,568)	(2.5)
Share buy-back programme	-	(277.6)
Share capital reduction	(8,759,444)	(320.0)
Carrying amount at December 31, 2015	**2,214,916**	**29.3**
Acquisition	616,111	24.0
Retirement	(1,309,754)	(29.7)
Carrying amount at December 31, 2016	**1,521,273**	**23.6**

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

8.5 Financial Risks

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

8.5.1 Foreign exchange rate risk

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

- The strategy for US Dollar (USD) exposures is based on the use of natural hedges and of derivatives. This strategy aims at reducing the exposure created by the USD denominated operating cash inflows of the Group with the USD payments of principals of the USD denominated debt and with derivatives, although as of December 31, 2016, there is no USD denominated debt.
- Aside from the USD, the foreign currency exposures are expenditures denominated in a variety of foreign currencies. The most significant of these exposures are denominated in Sterling Pounds (GBP), Indian Rupees (INR), Australian Dollars (AUD) and Swedish Kronas (SEK). For these exposures, a natural hedge strategy is not possible. In order to hedge a significant portion of the

(millions of euros)

aforementioned short exposures (net expenditures) the Group can engage into derivative contracts with banks: basically currency forwards, currency options and combinations of currency options.

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

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

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

- Firstly, its results are based on several of hypotheses on the future volatilities of the exchange rates and the future correlation among them which may correspond with the real evolution of the exchange rates or not[9].
- Additionally, the foreign exchange exposure estimates used as inputs to the model may deviate with respect to the exposures which will finally take place in the future[10].
- Finally, it is important to mention that given a level of CFaR calculated with a 95% confidence level, the losses which could take place in the remaining 5% of the cases may be significantly greater than the level of risk as measured with the CFaR methodology for a 95% confidence level.

The CFaR of the foreign exchange exposures of the Group calculated with a 95% confidence level is set forth in the table below:

31/12/2016			31/12/2015		
2017 CFaR	2018 CFaR	2019 CFaR	2016 CFaR	2017 CFaR	2018 CFaR
(24.1)	(62.5)	(86.4)	(20.4)	(49.1)	(75.9)

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

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

(millions of euros)

There are two main reasons for the increase in the CFaR levels of the Group for the next three years with respect to the CFaR levels outstanding at the end of 2015. On one side, a greater US Dollar exposure as a consequence of the growth of Amadeus business in the United States. Additionally, the hedges in US Dollars (USD) have been kept at reduced levels for the next three years.

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

8.5.2 Interest rate risk

The objective of the Group in terms of interest rate risk management is reducing the volatility of the net interest flows payable by the Group. In line with this goal as of December 2016 approximately 76% (92% as of December 2015) of the debt contracted by the Group was fixed rate debt. No interest rate hedges were hedging this debt as of December 2016 (as of December 2015 there was no interest rate hedges hedging floating rate debt either).

As of December 2016 the only outstanding interest rate derivatives were hedging future debt that it is expected to be contracted during 2017 as part of new financing activity of the Company during that year.

Although the interest rate hedge mentioned above fixes the amount of interests to be paid by Amadeus in future years, its fair value is sensitive to changes in the level of interest rates. In the table below you can see an estimation of the Group's sensitivity to a 0.1% (10 bps) parallel shift of the interest rate curve:

	31/12/2016		31/12/2015	
	+10 bps	-10 bps	+10 bps	-10 bps
EUR denominated debt	5.7	(5.8)	5.3	(5.4)
EUR accounting hedges	2.5	(2.5)	1.5	(1.6)
Total	**8.2**	**(8.3)**	**6.8**	**(7.0)**

In 2016 there has been an increase in the sensitivity of the EUR denominated debt to the movements of the interest rate curve with respect to the previous year. This increase is due to the issuance of a new 4 year Eurobond in the fourth quarter of 2016. Although the future flows of the fixed rate debt instruments are not sensitive to the changes in the level of interest rates, the fair value of the instruments are sensitive to these changes.

According to the table above a 10 bps drop in the level of interest rates would cause a loss in the fair value of the debt (an increase of the liability) and the derivatives in the Amadeus hedging portfolio amounting to €8.3 million at December 31, 2016, and €7.0 million at December 31, 2015 respectively. However, given that the changes in the fair value of the derivatives that qualify for hedge accounting are recognized directly in equity and the debt is measured at amortized cost, the impact of a 10 bps drop in the level of interest rates would imply no loss recognized in the profit for the year at

December 31, 2016 and 2015, since the derivative in the interest rate portfolio of the Group is to be accounted as a cash-flow hedge.

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

8.5.3 Own shares price evolution risk

As of December 31, 2016, the Group has three different remuneration schemes outstanding which are settled with Amadeus shares; the Performance Share Plan (PSP), the Restricted Share Plan (RSP) and the Share Match Plan.

According to the rules of these plans, when they mature their beneficiaries will receive a number of Company's shares which for the outstanding plans will be (depending on the evolution of certain performance conditions) between a maximum of 1,817,000 shares and a minimum of 267,000 shares, approximately. It is Amadeus intention to make use of its 1,521,273 treasury shares to settle these plans at their maturity.

8.5.4 Credit risk

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

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

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

8.5.5 Liquidity risk

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

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

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

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

The detail of the contractual maturities of the Group's debt financing as of the end of the financial year 2016 is described in the note 16 "Current and non-current debt".

In addition to other smaller treasury lines agreed with several banks, the Group has access to two Revolving Credit facilities as detailed in note 16. Each of these two facilities has a notional of €500.0 million and can be used to cover working capital needs and general corporate purposes. As of December 31, 2016, €100.0 million of the outstanding Revolving Credit facilities were used and thus the unused part of these facilities amounted to €900.0 million.

Finally, in August 2016, the notional of the Multi-Currency European Commercial Paper (ECP) program was increased from €500.0 million up to €750.0 million. This program can be used for raising short term financing. As of December 31, 2016 €485.0 million of this program are in use.

8.6 Subsequent events

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 AG shares not owned by Amadeus (29.74%). I:FAO was acquired on June 23, 2014, indirectly through the subsidiary Amadeus Corporate Business AG and, as of December 31, 2015, the Group owned 70.26% of the shares of this entity. As a result of the tender offer, Amadeus has increased its shareholding in i:FAO to 88.725%. The total amount paid for the shares acquired through the tender offer was €28.6 million. i:FAO has now been delisted from the Frankfurt Stock Exchange.

9 Corporate Governance Information

The Annual Corporate Governance Report is part of the Directors' Report in accordance with the Spanish Capital Companies Act. The aforementioned report is submitted to the CNMV separately and it can be found on the website www.cnmv.es.