DIRECTOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2012

1 Summary

1.1 Introduction

Full year 2012 highlights (year ended December 31, 2012)

- **Total air travel agency bookings increased by 3.5% vs. 2011, to 416.5 million**
- **In our IT Solutions business line, total Passengers Boarded increased by 28.4% vs. 2011, to 563.8 million**
- **Revenue increased by 7.5%[1], to €2,910.3 million**
- **EBITDA increased by 6.6%[1], to €1,107.7 million**
- **Adjusted profit[2] for the year increased to €575.1 million, up 18.0% from €487.2 million in 2011**
- **Total dividend for the year 2012 of €0.50 per share (gross),a 35% increase over 2011**

In 2012 Amadeus has successfully delivered against its targets, achieving profitable growth in both its business units. At group revenue level, growth stood at 7.5%[1], supported by growth in both its business lines. In turn, EBITDA increased by 6.6%[1] with an 18.0% growth in Adjusted profit[2] for the year, assisted by lower interest expense.

This has been a strong year for Amadeus, despite a difficult global macroeconomic backdrop and weak levels of business and consumer confidence. Once again Amadeus has benefitted from its successful business, which provides strong resilience and economies of scale. In addition, our continued investment in R&D and differentiated value proposition has allowed us to deliver market share gains, adding new clients to our platform, both in Distribution and IT Solutions.

In our Distribution business, in 2012 we achieved 5.8%[1] revenue growth, despite limited industry growth, which was negatively affected by a weak macro environment, particularly in the second half of the year. Growth was supported both by our market share gains (0.9 p.p.) and pricing, as well as the positive impact from the translation of USD flows into Euro. We successfully extended all distribution contracts with airlines due for renewal, notably Qantas, Delta and Air France KLM, and continued to expand the content available to our travel agency subscribers, with the addition of 8 new low cost carriers to the platform. We also signed some important travel agency contracts, such as Expedia in North America.

Strong results were also achieved in the IT Solutions business, with a 13.0%[1] revenue increase driven by a remarkable increase of 28.4% in processed PB. Also, we continued to

[1] For purposes of comparability, the revenue associated to the IT contract resolution with United Airlines in Q2 2011 as well as certain costs of migration that were incurred in relation with this contract, have been reclassified from the Revenue and Other operating expenses captions respectively, to the Other income/ expense caption in the 2011 figures. The growth rates shown above take into account this reclassification. EBITDA adjusted to exclude extraordinary items related to the IPO, as shown on pages 36 and 37 of this report.

[2] Excluding after-tax impact of: (i) amortisation of PPA and impairment losses, (ii) changes in fair value from financial instruments and non-operating exchange gains / (losses) and (iii) extraordinary items related to the sale of assets and equity investments, the debt refinancing, the United Airlines IT contract resolution in 2011 and the IPO. Figures correspond to profit from continuing operations.

expand our Altéa portfolio with the launch of our new module Revenue Accounting. At the same time, 10 new Altéa contracts were signed and the pipeline was further reinforced.

Innovation is at the core of our strategy, and as such investment in R&D was further increased by 20.2% in 2012, reaching 14.2% of our revenue. Client implementations, product evolution, portfolio expansion and investment in new opportunities which may expand our total addressable market represent the majority of our investment.

As of December 31, 2012 our consolidated net financial debt was €1,495.2 million (based on covenants' definition in our senior credit agreement), representing 1.34x net debt / LTM EBITDA. This is a significant decrease of €356.7 million vs. net debt of €1,851.8 million as of December 31, 2011, or 1.75x net debt / LTM EBITDA. Our financial structure was further strengthened with the signature of a new loan with the European Investment Bank and a new Revolving credit facility.

In October 2012, having reached the top end of the stated capital structure target (1.0x - 1.5x net debt / EBITDA), the Board of Directors revised the dividend policy, increasing the pay-out ratio to between 40%-50% from the previous 30%-40% of the consolidated profit (excluding extraordinary items).

1.2 Summary financial information

Summary financial information *Figures in million euros*	Oct-Dec 2012[1]	Oct-Dec 2011[1]	% Change	Full year 2012[1]	Full year 2011[1,2]	% Change
KPI						
Air TA Market Share	**40.2%**	**39.2%**	**1.0 p.p.**	**38.6%**	**37.7%**	**0.9 p.p.**
Air TA bookings (m)	96.8	94.7	2.2%	416.5	402.4	3.5%
Non air bookings (m)	14.6	15.0	(2.3%)	60.7	61.4	(1.1%)
Total bookings (m)	**111.4**	**109.7**	**1.6%**	**477.2**	**463.8**	**2.9%**
Passengers Boarded (PB) (m)	**143.4**	**111.6**	**28.5%**	**563.8**	**439.1**	**28.4%**
Airlines migrated (as of December 31)				**109**	**100**	
Financial results						
Distribution Revenue	510.5	491.0	4.0%	2,201.0	2,079.4	5.8%
IT Solutions Revenue	166.8	156.6	6.5%	709.4	628.0	13.0%
Revenue	**677.2**	**647.6**	**4.6%**	**2,910.3**	**2,707.4**	**7.5%**
EBITDA	**217.9**	**203.4**	**7.1%**	**1,107.7**	**1,039.0**	**6.6%**
EBITDA margin (%)	32.2%	31.4%	0.8 p.p.	38.1%	38.4%	(0.3 p.p.)
Adjusted profit from continuing operations[(3)]	**93.8**	**86.6**	**8.2%**	**575.1**	**487.2**	**18.0%**
Adjusted EPS from continuing operations (euros)[(4)]	**0.21**	**0.20**	**7.7%**	**1.30**	**1.09**	**18.7%**
Cash flow						
Capital expenditure	112.2	81.3	37.9%	348.9	312.7	11.6%
Pre-tax operating cash flow[(5)]	194.5	128.8	50.9%	860.1	810.5	6.1%
				31/12/2012	**31/12/2011**	**% Change**
Indebtedness[(6)]						
Covenant Net Financial Debt				**1,495.2**	**1,851.8**	**(19.3%)**
Covenant Net Financial Debt / LTM Covenant EBITDA				1.34x	1.75x	

1. Figures adjusted to exclude extraordinary costs related to the IPO.
2. For purposes of comparability, the revenue associated to the IT contract with United Airlines in Q2 2011, as well as certain costs of migration that were incurred in relation to this contract, have been reclassified from the Revenue and Other operating expenses captions, respectively, to the Other income (expense) caption in the 2011 figures.
3. Excluding after-tax impact of: (i) amortisation of PPA and impairment losses, (ii) changes in fair value of financial instruments and non-operating exchange gains / (losses) and (iii) extraordinary items related to the sale of assets and equity investments, the debt refinancing and the United Airlines IT contract resolution (in 2011) and the IPO.
4. EPS corresponding to the Adjusted profit for the period from continuing operations attributable to the parent company. Calculated based on weighted average outstanding shares for the period.
5. Calculated as EBITDA (including Opodo and the revenue from the United Airlines IT contract resolution in 2011) less capital expenditure plus changes in our operating working capital.
6. Based on the definition included in the credit agreements.

2 Operating Review

2.1 Key business highlights

From the operating point of view, progress has been made with management focusing on the key areas of strengthening our leadership in all of our segments, generating sustainable competitive advantages and delivering profitable growth. Our business is continuously evolving to best support our clients, and we aim to expand our reach, particularly in our IT Solutions business, in order to increase our business opportunities.

The following are some selected business highlights for the year 2012:

DISTRIBUTION

Airlines

During the year, Amadeus continued to expand its position in the distribution business and to build upon its leading offering, signing content agreements with a significant number of airlines, including examples such as **Air France KLM, Gulf Air, Korean Air, Malaysian Airlines**, **Virgin Australia, Emirates, Qantas** and **Delta Air Lines**. Many of these renewed agreements were expanded to include the sale of ancillary services through Amadeus travel agents. With these content agreement signatures, Amadeus continues to deliver on its commitment to guarantee access to a comprehensive range of fares, schedules and availability for Amadeus' travel agents. Around 80% of Amadeus bookings worldwide are with airlines where a content agreement is in place.

Additionally, global distribution agreements were signed with **13** new airlines, including a number of low-cost carriers, making them accessible to travel agencies globally via the Amadeus system.

Low-cost carriers (LCCs) continued to be an area of growth and opportunity for Amadeus. During the year new distribution contracts were signed with eight LCCs and we worked with a strategic partner to deliver an improved connectivity level and workflow integration in order to increase low cost carrier adoption in the travel agency channel. Bookings for LCCs from travel agencies using Amadeus increased by 14.6% over the full year.

In 2012 we continued to invest significantly in the area of merchandising, with a particular focus in the growth area of ancillary services, where we maintain our position as a leader. In January, the flagship carrier **Finnair** implemented the Amadeus Ancillary Services solution to allow travel agencies to process preferred seats and excess baggage. Amadeus Ancillary Services is an end-to-end solution based on industry standards that helps airlines sell additional services using both travel agencies and the airline's own call centre or website. In June, **Air France** also implemented the solution, followed by **airberlin** and a number of other airlines later in the year. At the close of the year, in total 53 airlines had contracted this service. Of these, 24 had opted to implement the service both in the indirect and direct channels, and 10 were already implemented and using the Amadeus technology to do so.

Rail

Expanding the depth and breadth of rail content in the Amadeus system, whilst also improving its bookability and functionality, remained a top priority for Amadeus – and 2012 delivered many successes in this significant growth area. **SNCF (Société Nationale des Chemins de fer Français)** became the launch customer for Amadeus Rail Agent Track, a state-of-the-art rail booking solution for travel agents which enables agents to access the rail company's schedules and inventory via a 'single view' of fares and availability on one screen. In addition, Amadeus and SNCF also agreed an extension to their full content agreement by which travel sellers have access to all SNCF fares, origins and destinations, and products.

A partnership was also announced with **Trenitalia**, the transport division of the Italian FS Group, to distribute Trenitalia content through all Amadeus channels. Travel agents around the world are able to book both Trenitalia's high speed rail products through the existing sales channels and through the Amadeus global distribution system, which links travel agency points of sale worldwide. Travel agents who use the Amadeus Selling Platform have a standardised way to access Trenitalia services, in turn making bookings through an air/rail-based search solution, FlyByRail Track, and Amadeus Rail Agent Track.

SJ Swedish Rail, Sweden's largest rail operator, both extended and expanded its content agreement and commercial partnership to make its content also available through additional channels integrated into Amadeus' Global Rail Sales Platform, the rail-specific distribution service. For the first time SJ content became available through the offline and online travel agency channels using Amadeus Agent Track and Amadeus Web Services Track – as well as continuing to be distributed through Amadeus e-Travel Management, which distributes rail content through the corporate and travel management companies (TMC) channel.

Hotel

In 2012, Amadeus launched Hotel Optimisation Package, a complete set of services and technologies for large travel agencies and travel management companies (TMCs) to increase competitiveness, grant efficient access to all relevant hotel content and save valuable time for their travel counsellors. The Amadeus Hotel Optimisation Package portfolio of solutions is articulated under two areas, Profit Optimisation – to help large travel agencies and TMCs save time and have more control over global hotel programmes – and Content Optimisation, converting Amadeus into a one-stop-shop for hotel content. **GSM Travel Management** was one of the first clients to work in partnership with Amadeus on LinkHotel, part of the Amadeus Hotel Optimisation Package, which actively seeks smaller or independent hotels and adds them to the platform, delivering the kind of content that TMC customers frequently need.

Amadeus also announced a strategic alliance to distribute **Hotel Reservation Services'** (HRS) hotel content through Amadeus. HRS is the worldwide leading hotel portal for corporate customers, and the agreement was a milestone in HRS' strategy as it was the first time the hotel portal made its content available through a global distribution system. Through this strategic partnership, Amadeus took a major step forward in its 'Multisource' hotel initiative to integrate and distribute hotel content from diverse sources. With the integration of HRS, the total hotel inventory available through the Amadeus system exceeded 250,000 hotels.

Travel Agencies and online travel distribution platforms

Our strategy in North America continued to produce significant results with many high-profile developments. Further to **Expedia** signing a multi-year content and technology agreement for North America in April 2012, which provided Expedia with Amadeus' fare search technologies for air travel among other products, as well as access to global travel supplier content through the Amadeus system, Expedia's launch on Amadeus during the summer of 2012 was virtually flawless. Since then Expedia has been ramping up the volumes of bookings made on the Amadeus system. Amadeus has been providing services to Expedia Inc., which is the largest travel enterprise in the world in terms of air volumes, in over 15 countries since 2005.

Other highlights in the region also included **KAYAK**, a leading US-based travel search company, signing a multi-year agreement that extended its existing strategic global alliance to expand the use of Amadeus' airline fare and availability technology. The innovative US-based metasearch website **Hipmunk** also selected Amadeus' advanced technology solutions to provide international low fare search and shopping to help assure its users the best online experience and speed. Hipmunk will utilise Amadeus Meta Pricer, Amadeus Master Pricer, and Amadeus Web Services solutions. Also in the US, **Routehappy**, the first travel website focused on the experience of air travel, selected Amadeus as the provider of its airfare pricing and availability information. Routehappy is the first travel website to focus on the "experience" of air travel, such as enabling users to find flights based on various factors such as plane quality, flight amenities and recent airline ratings provided by real flyers.

Pioneering world leading travel technology solutions for travel agents remained at the forefront of Amadeus' activity. At the PhoCusWright Conference Travel Innovation Summit in November Amadeus introduced Amadeus Featured Results™, the first search solution which boosts the leisure travellers' purchasing experience by making online travel search simpler and more relevant. This works by integrating Business Intelligence data (BI) into the search algorithm, and instantly presenting the top four most relevant, cheapest, fastest and most popular recommendations. **Vayama**, a leading online travel agency that is part of one of the biggest online travel companies **Travix International**, became the first pilot customer to implement the beta version.

Elsewhere in the world we continued to consolidate our leading position with deals including **FCm Travel Solutions**, the global corporate travel and expense management specialist, renewing its global content agreement for a further five years, meaning Amadeus' content will continue to be available to FCm's partner network via Amadeus Selling Platform and AeTM. A content agreement was also extended with **STA Travel**, which is a global travel organisation that handles six million passengers each year across 29 markets and specialises in the student and youth sector. Later in the year **Cleartrip**, one of India's leading online travel companies, also signed a multi-year technology agreement, based on which

Amadeus will provide the company with fare search technologies and access to global travel content through the Amadeus system.

IT SOLUTIONS

Further growth continued as many leading airlines contracted to the full Amadeus Altéa Suite, the fully integrated passenger service system (PSS) for airlines that includes Altéa Reservation, Altéa Inventory and Altéa Departure Control System.

EVA Airways, Taiwan's second largest international airline, announced it had selected the full Amadeus Altéa Suite for its passenger management, and also for the international passengers of its subsidiary **UNI Airways**. The airline had been recently accepted onto the **Star Alliance**, for which Amadeus is the preferred IT platform provider. The long-term agreement with Amadeus will bring EVA Airways and UNI Airways onto **Star's** Common IT Platform - already used by 64% of Star Alliance members - which offers enhanced customer service functionalities, for both sales and airport environments. **Garuda Indonesia**, the national airline of Indonesia, also announced that it will transform its passenger service processes with the introduction of the Amadeus Altéa Customer Management Solution to manage its domestic and international reservations, inventory and departure control processes.

One particularly noteworthy development occurred in April when **Southwest Airlines**, the largest U.S. carrier in terms of domestic passengers boarded and consistently ranked number one in customer service by the US Department of Transportation, entered into a contract for the Amadeus Altéa Reservation solution to support the carrier's international flights. Whilst the agreement focused on the international element of Southwest's reservation system, which will be implemented by 2014, the contract also provided a future option for Southwest to convert its domestic business to Amadeus.

Additional signatures for the full Amadeus Altéa Suite included **Czech Airlines**, which is the flagship airline carrier of the Czech Republic and provides connections to 104 destinations in 44 countries, along with other airlines such as **Equatorial Congo Airlines**, **Izair**, **Air Côte d'Ivoire** and **Air Greenland**. Both **Mongolian Airlines Group** and **Ural Airlines** announced contracts for both the full Amadeus Altéa Suite plus the Amadeus e-Retail online booking engine.

In terms of further up selling, a number of existing Altéa users **(Aigle Azur**, **Bulgaria Air**, **Trans Air Congo, AeroSvit - Ukrainian Airlines, Egyptair** and its subsidiary **Air Sinai)** completed the full Amadeus Altéa Suite by contracting to use Amadeus Altéa Departure Control System.

As of the close of the year, a total number of 121 airlines were contracted for both Altéa Reservation and Altéa Inventory, 104 of which were contracted to use the full Altéa Suite, up from 92 at the end of 2011. Based upon these contracts, Amadeus estimates that by 2015 the number of Passengers Boarded (PB) will be more than 800 million, which would represent an increase of almost 42% vs. the 564 million PB processed on the Altéa platform during 2012 – or a compound annual growth rate (CAGR) of around 12.5%.

In addition to these commercial successes, we continue to deliver in the successful implementation of contracted clients. Many successful migrations onto the Altéa platform were completed during the year. These included **Cathay Airlines** and its subsidiary **Dragonair**, **Scandinavian Airlines** and later on in the year **Singapore Airlines** and its subsidiary **SilkAir.**

IT Solutions also continued to migrate existing Altéa users to the Departure control module, including **TACA** and many of its group airlines, **Saudi Arabia**, airberlin, **Royal Brunei**, **Qatar Airways** or **Egyptair**.

Amadeus also continued to expand its IT product portfolio, with the launch of its new Passenger Revenue Accounting solution and the announcement of **British Airways** as the first airline to sign-up for the new solution. The new Revenue Accounting solution is a user-friendly, web-based system, which is designed to help airlines increase revenue, reduce operational costs, and make revenue decisions faster and more accurately, bringing revenue accounting closer to operational functions. In addition, the new solution transforms revenue accounting from a labour-intensive task to a fast, flexible strategic function. Later in the year, in October, **Saudi Arabian Airlines** also announced that it had signed-up for Amadeus Passenger Revenue Accounting, and will become the first airline to implement it, early in 2013.

Further contracts were also signed for the Stand alone IT solutions portfolio. These contracts included the UK airline **bmi**, **EVA Airways, Iberia Express,** and **Ural Airlines** all signing up for Amadeus Ticket Changer (ATC) – whilst **airberlin**, an existing ATC customer, signed-up for the additional ATC Refund module. ATC simplifies the ticket re-issuing process by combining the state-of-the-art Amadeus Fares and Pricing engine with a powerful, multi-channel ticketing functionality. **Qatar Airways** also contracted for the Amadeus Affinity Shopper solution, which enables airlines to improve their share of the leisure travel market. Meanwhile **TAP Portugal** signed to use Flex Pricer, a solution for airline websites which simplifies the customer experience and helps increase yields, and Award Shopper, a solution which allows airline customers to redeem air miles / points online. **Air China** implemented two additional advanced technology solutions from the Amadeus e-Commerce portfolio, the Amadeus Mobile Solution and German Rail Booking.

Within the Stand alone IT solutions portfolio, 24 further airlines signed up for the use of the electronic messaging standard Electronic Miscellaneous Document (EMD). EMD enhances ticket services and enables airlines to distribute a wide range of products that help customise their journeys, through ancillary services such as excess baggage.

The world's first interline Electronic Miscellaneous Document (EMD) link was created by Amadeus early in the year. This move enabled launch partner airlines **Finnair** and Star Alliance member **Egypt Air** to grow revenue by facilitating the interline sale of ancillary services. Interline EMD processing between Finnair and Egypt Air means their customers can now buy ancillary services across interline flights. By the close of the year in total 82 airlines, including sub-hosted airlines, had contracted Amadeus' EMD Server and approximately 20% of air bookings made through the Amadeus system are the result of interline partnerships.

We continued to realise significant opportunities beyond airline IT as our new business portfolio expanded both its offering and customer base. In particular 2012 was a very successful year for Airport IT, which announced the signatures of further new customers for Amadeus Altéa Departure Control System for Ground Handlers. These included **Swissport International**, the world's leading provider of ground services to the aviation sector, and Amadeus' first Asian customer, **SATS**, a leading provider of gateway services and food solutions in the region. In addition **Aviation Handling Services, Billund Airport** in Denmark, **Egyptian Aviation Services (EAS)**, **Groundforce Portugal, Groupe Europe Handling (Europe Handling and Sky Handling Partner)**, and **SEA Handling** all also signed-up this year. Agreements are now in place with 21 ground handlers for the deployment of the solution. Altéa Departure Control System for Ground Handlers allows all of the handler's airline customers to benefit from the leading-edge technological capabilities of Altéa DCS's Customer Management and Altéa DCS's Flight Management services, regardless of whether or not the airline uses Altéa. Separately, Altéa Reservation Desktop (ARD) with Map Handling was launched in **Nice Airport** and the service is currently being deployed in eight other airports.

Also falling within the new business portfolio, Hotel IT continued its success with **Accor**, one of the world's leading hotel operators and market leader in Europe, extending its ten-year collaboration with Amadeus. The new agreement will achieve a higher adoption rate of Amadeus Revenue Management. Amadeus Revenue Management is a web-based solution that makes intelligent rate and inventory recommendations to maximise revenue contribution and increase profitability.

ADDITIONAL NEWS

In December, once again Amadeus was confirmed as the European leader for R&D in the travel and tourism area. Amadeus' commitment to innovation was recognised in the 2012 EU Industrial R&D Investment Scoreboard, an annual report published by the **European Commission** which examines the largest 1,000 European companies investing in R&D according to the total amount invested.

In China, Amadeus welcomed the publication of the new Civil Aviation Administration of China (CAAC) Computerised Reservation System (CRS) regulations. These are expected to bring enhanced global distribution technologies to the Chinese market that can significantly benefit the travel industry and consumers in China. These regulations started on October 1, 2012 and introduce the option for foreign airlines to use global distribution systems to distribute their air fares to travel agents in China.

Amadeus debuted on the **Dow Jones Sustainability Index (DJSI)**, within both the DJSI-World and DJSI-Europe indexes. Out of the 57 companies invited to participate in the Support Services sector - in which Amadeus is included - only 12 members were ultimately selected and Amadeus was ranked as the leader of the sector with a score of 82 points. Amadeus achieved the highest scores in a number of categories, including the overall Economic and

Social Dimension of the business, as well as in Environmental Policy/Management System or social metrics such as Labour Practice Indicators and Human Rights, and Talent Attraction and Retention. Amadeus' ambitions within Corporate Social Responsibility and sustainability are to improve gradually and visibly the company's contribution to society.

In the early summer Amadeus confirmed its commitment to R&D when Hervé Couturier became Executive Vice President of Development at Amadeus, heading up Amadeus' software development team of more than 4,500 members across 15 different sites worldwide. Couturier was previously Executive Vice President of SAP's Technology Group and brings with him 25 years of international software development experience in previous high-profile roles, including at IBM and Business Objects.

Earlier in the year the **European Investment Bank (EIB)**, the European Union's long-term financing institution, granted Amadeus a loan of €200 million to finance the research & development of a variety of projects in the area of IT solutions between 2012 and 2014.

In relation to its debt structure, Amadeus also announced the signature of a €200 million revolving credit facility, via a "club deal" with eleven banks, with a 2.5 year maturity from completion date. This facility added further flexibility to Amadeus' financial structure and provided additional available liquidity. Taking advantage of its strengthened liquidity position, Amadeus used €350 million of existing cash of the Group to partially amortise its outstanding bridge loan. The maturity of the remaining €106 million bridge loan was extended until May 2013.

Also during the year, Standard & Poor's upgraded its outlook on Amadeus' investment grade credit rating from 'stable' to 'positive', whilst affirming our BBB-/A3 rating and stating that Amadeus had "improved its financial performance beyond our previous expectations".

At the Shareholders' General Meeting held on June 21, 2012 our shareholders approved the annual dividend for 2011. The total value of the dividend was €165.6 million, representing a pay-out of 35.5% of the 2011 consolidated profit for the year from continuing operations (excluding extraordinary items related to the IPO), or €0.37 per share (gross). Regarding the payment, an interim amount of €0.175 per share (gross) was paid on January 30, 2012 and the final dividend of €0.195 per share (gross) was paid in July 27, 2012. During the GSM all other agenda items proposed by the Board of Directors were also approved following a vote by the shareholders, including the renewal of the appointment of Deloitte as auditors.

Further to the above, the Board of Amadeus IT Holding, S.A., in the meeting held on October 18, 2012, reviewed the dividend policy of the Company, increasing the proposed pay-out ratio to between 40% and 50% of the consolidated profit (excluding extraordinary items), compared to the previous policy, fixed in 2010, which consisted of a pay-out ratio of between 30% and 40%. The new dividend policy, applicable to the period of 2012 and onwards, also establishes the payment of an interim dividend related to the results of each financial period. In 2013, the Board of directors will submit to the General Shareholders Meeting for approval a gross dividend of €0.50 per share, including an interim dividend of €0.25 per share (gross), which was paid on January 30, 2013. Based on this, the proposed appropriation of the 2012 results included in our 2012 audited consolidated financial statements of Amadeus IT

Holding, S.A. and subsidiaries, includes a total amount of €223.8 million corresponding to dividends pertaining to the financial year 2012.

In order to drive our response to growing prospects for travel market intelligence, in February Amadeus acquired the Frankfurt-based company **airconomy**, a small international strategy consultancy supplying precise and comprehensive data on passenger demand. Airconomy will be run as a separate business incubator to develop ideas for new market intelligence products.

Publishing enlightened market research and advanced white papers is central to Amadeus' position as a leader in travel technology. During 2012, several reports were produced which continue to stimulate and shape debate across the travel industry globally. The following are highlights of reports which are available on Amadeus' website:

- *Open for business* made the case for the travel industry to embrace open source software in order to benefit from greater innovation, respond faster to industry and consumer change and reduce costs. The report outlined how open systems could free the industry from its reliance on proprietary software and provide travel companies with a greater competitive advantage.
- *The Amadeus Review of Ancillary Revenue Results* for 2011 was produced by Amadeus and the **IdeaWorksCompany**, the foremost consultancy in the area of airline ancillary revenues. Research was based on the financial filings made by 108 airlines across the world, 50 of which disclose ancillary revenue activity, to identify the ancillary revenue reported by airlines, which grew to €18.2 billion in 2011. This represents ancillary revenue growth of 66% in the two years since 2009.
- *From Chaos to Collaboration* examined how transformative technologies and evolving social values and trends will combine to establish a new era of collaborative travel over the next decade and beyond.
- *Empowering Inspiration – the future of travel search* Amadeus commissioned research authority **PhoCusWright Inc**. to produce a global study to identify the online shopping behaviour and future motivations of trend-setting travellers.
- *Back on Track* called on the international rail industry to embrace a shared approach to customer IT systems in order to meet the multiple challenges of growing passenger numbers, increasing financial pressures and rising customer expectations.
- Ahead of the Olympics in London, at the beginning of March Amadeus worked with **ForwardKeys**, a market research and consulting company, to reveal a major growth in travel volumes during the London 2012 Olympics based on actual global air reservations – and repeated the study later on in May.
- *Reinventing the Airport Ecosystem* identified consumer frustrations with today's airport experience, mapping how airports will re-invent themselves up to 2025, with new operating models, driving revenues beyond traditional income streams.

2.2 Key ongoing R&D projects

The main R&D investment in 2012 relates to:

- Existing contracts:
  - Migration efforts in relation to Altéa: both some large customers migrating to our Departure Control System (15 airlines implemented in 2012 and almost 20 airlines scheduled in 2013 only), as well as our pipeline of customers scheduled to migrate to our Reservations and Inventory modules in the upcoming years, such as Asiana Airlines, Thai Airways, Garuda Indonesia, Korean Air or All Nippon Airways, amongst others
  - Implementation of our newly launched Revenue Accounting module, with our initial launch clients, up sell activities related to our Standalone IT or e-Commerce solutions, DCS for Ground Handlers, launch contracts within our hotel IT division
  - Preparation work to migrate travel agencies in Korea from the local reservation system, Topas, to the Amadeus platform
- Expansion of the airline IT portfolio, including new modules (revenue accounting, which was successfully launched during the year, revenue management, and other potential areas of expansion into other airline IT decision-making applications), and the evolution of our existing portfolio (ancillary services, payment services, new or improved functionalities such as enhanced shopping solutions).
- Investments in the Distribution business (IT applications) focused on:
  - Travel agencies: e.g. new generation front office, search engines, shopping and booking solutions or ancillary services, specific tools for Travel Management companies. Additionally, we have invested in improved access to additional content (LCC, hotel, rail) and better integration into the travel agency workflow.
  - Airlines: availability, schedules, ancillary services.
  - Rail, with the development of the Amadeus Agent Track and FlybyRail initiatives (improved distribution systems).
  - Corporations: Amadeus e-Travel management, selling interfaces for corporate travellers or mobile tools
  - Regionalisation investment, with the aim to better adapt part of our product portfolio for specific regions.
- Expansion into hotel IT, rail IT and airport IT (including the development of a departure control service for ground handlers), where we continue to work with different industry partners.
- Ongoing TPF decommissioning, which implies the progressive migration of the company's platform to next-generation technologies such as Linux and Unix (today, close to 90% of Amadeus' software is supported by next-generation open systems, which allow for improved efficiency, greater flexibility in terms of the architecture and

scalability of the platform), and other cross-area technologies such as the Amadeus Collaborative Technology (a corporate program built to enhance the Amadeus system and which will bring a new technical platform and architecture for a new selling platform, shared by our two businesses).

3 Consolidated financial statements

3.1 Group income statement

Group Income Statement *Figures in million euros*	Oct-Dec 2012[1]	Oct-Dec 2011[1]	% Change	Full year 2012[1]	Full year 2011[1,2]	% Change
Revenue	**677.2**	**647.6**	**4.6%**	**2,910.3**	**2,707.4**	**7.5%**
Cost of revenue	(181.0)	(169.2)	7.0%	(747.2)	(678.3)	10.2%
Personnel and related expenses	(205.5)	(191.6)	7.2%	(763.9)	(680.6)	12.2%
Depreciation and amortisation	(84.7)	(64.6)	31.1%	(273.5)	(242.2)	12.9%
Other operating expenses	(71.5)	(82.6)	(13.4%)	(287.0)	(305.9)	(6.2%)
Operating income	**134.6**	**139.6**	**(3.6%)**	**838.8**	**800.3**	**4.8%**
Interest income	0.4	0.7	(45.6%)	2.5	4.6	(45.0%)
Interest expense	(23.4)	(22.6)	3.2%	(95.7)	(199.8)	(52.1%)
Changes in fair value of financial instruments	0.1	1.2	n.a.	0.1	16.9	n.a.
Exchange gains (losses)	(0.1)	1.4	n.a.	0.1	9.9	(98.9%)
Net financial expense	(23.0)	(19.4)	18.6%	(93.0)	(168.5)	(44.8%)
Other income (expense)	(3.9)	(0.6)	n.a.	(16.9)	54.6	n.a.
Profit before income taxes	**107.6**	**119.6**	**(10.0%)**	**728.9**	**686.4**	**6.2%**
Income taxes	(38.9)	(43.2)	(9.9%)	(231.5)	(218.9)	5.8%
Profit after taxes	**68.8**	**76.4**	**(10.0%)**	**497.5**	**467.6**	**6.4%**
Share in profit from associates and JVs	1.2	(1.0)	n.a.	4.1	(1.6)	n.a.
Profit for the period from continuing operations	**69.9**	**75.5**	**(7.3%)**	**501.6**	**466.0**	**7.6%**
Profit for the period from discontinued operations	0.0	0.0	n.a.	0.0	276.7	n.a.
Profit for the period	**69.9**	**75.5**	**(7.3%)**	**501.6**	**742.6**	**(32.5%)**
Key financial metrics						
EBITDA	**217.9**	**203.4**	**7.1%**	**1,107.7**	**1,039.0**	**6.6%**
EBITDA margin (%)	32.2%	31.4%	0.8 p.p.	38.1%	38.4%	(0.3 p.p.)
Adjusted profit from continuing operations[(3)]	**93.8**	**86.6**	**8.2%**	**575.1**	**487.2**	**18.0%**
Adjusted EPS from continuing operations (euros)[(4)]	**0.21**	**0.20**	**7.7%**	**1.30**	**1.09**	**18.7%**

1. Figures adjusted to exclude extraordinary costs related to the IPO.
2. For purposes of comparability, the revenue associated to the IT contract with United Airlines in Q2 2011, as well as certain costs of migration that were incurred in relation to this contract, have been reclassified from the Revenue and Other operating expenses captions, respectively, to the Other income (expense) caption in the 2011 figures.
3. Excluding after-tax impact of: (i) amortisation of PPA and impairment losses, (ii) changes in fair value of financial instruments and non-operating exchange gains / (losses) and (iii) extraordinary items related to the sale of assets and equity investments, the debt refinancing and the United Airlines IT contract resolution (in 2011) and the IPO.
4. EPS corresponding to the Adjusted profit for the period from continuing operations attributable to the parent company. Calculated based on weighted average outstanding shares for the period.

3.1.1 Revenue

Revenue in the fourth quarter of 2012 increased by 4.6%, from €647.6 million to €677.2 million in 2012. For the full year 2012, revenue increased 7.5%, to €2,910.3 million. Group revenue growth was driven by strong underlying growth in both our business lines:

- **Growth of 4.0% in our Distribution business in the fourth quarter of 2012.** Revenue for the full year increased by €121.6 million, or 5.8%, as a combination of growth in booking volume, a positive pricing impact and a slight increase in non booking revenue.
- **An increase of 6.5%, in our IT Solutions business in the fourth quarter of 2012**. In 2012, IT Solutions revenue grew by 13.0%, or €81.4 million. Growth throughout the year was driven by a combination of: the increase in IT transactional revenue (both as a result of new implementations and organic growth of existing clients) and growth in non-transactional revenue.

Both business lines were positively impacted by FX. Excluding FX impact, group revenue for the year would have grown by 5.7%.

Cost of revenue

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

Cost of revenue increased by 7.0% from €169.2 million in the fourth quarter of 2011 to €181.0 million in the fourth quarter of 2012. For the full year 2012, cost of revenue amounted to €747.2 million, an increase of 10.2% vs. 2011. This increase was mainly driven by the growth in volumes in the period and an increase experienced in average unit incentives and distribution fees, due to the current competitive environment, as well as business mix (different growth rate experienced in different regions or within different types of travel agencies). In addition, this cost line was negatively by FX impact (translation of different currencies into Euro). Excluding this negative impact, this caption would have grown by 7.4% in the year. As a percentage of revenue, cost of revenue in 2012 represented 25.7%, slightly higher than the percentage rate registered in 2011 (25.1%).

Personnel and related expenses

Personnel and related expenses increased by 7.2% to €205.5 million in the fourth quarter of 2012. In the full year 2012, personnel and related expenses amounted to €763.9 million, 12.2% higher than in 2011, adjusted for extraordinary IPO expenses.

The 12.2% growth in personnel and related expenses in 2012 is the result of:

- An 9% increase in average FTEs
- The revision of the salary base as per market conditions on a global basis (+c.3-4%)
- The impact of the EUR depreciation against various currencies (cost base in many sites negatively impacted by EUR depreciation) (resulting in c.2 p.p. higher growth rate)
- Other one-off impacts, such as the higher impact from our recurring incentive scheme (stronger company performance than initially expected), as well as the reinforcement of our management team with the recruitment of industry talent in various areas.

The increase in average FTEs in the year was driven by:

- The transfer of approx. 500 contractors from our Bangalore development site to our permanent staff, resulting in a shift of operating costs from the Other operating expenses caption to the Personnel expenses line. Excluding the effect of this shift, our average FTEs (excluding contractors) grew by 6.3% vs. 2011. This transfer is a strategic decision to reduce costs and increase efficiencies (better management of skills and capacity increases). Although savings are expected from 2013 onwards driven by a unit cost decrease and a higher efficiency of the site, this move has limited impact on our cost base in 2012 as savings are offset by certain one-off costs.
- Reinforcement of our commercial and technical support in geographical areas with significant business growth (regionalisation) or areas where a significant business opportunity is identified (e.g. North America, Middle East and Asia Pacific).
- The increase in post-implementation teams to support our growing customer base, including the provision of new services and local support.
- Higher headcount in our development area in relation to implementation work both in IT Solutions and in Distribution, with significant investment devoted to the migration of clients that were contracted during 2011 and 2012, such as Thai Airways, Garuda Indonesia, Asiana, Korean Air, All Nippon Airways or Southwest in the IT Solutions business, and Topas, Expedia, or Kayak in the Distribution business.
- Increase in headcount for new R&D projects (new products and functionalities) and to staff our New Businesses area.

Depreciation and Amortisation

D&A increased by 31.1% in the fourth quarter of 2012, or 12.9% in the full year period. This increase was mostly driven by a higher amortisation charge, within the Ordinary depreciation and amortisation line, as shown in the table below. The increase in amortisation of intangible assets is linked to the amortisation of capitalised expenses in our balance sheet, once the associated product / contract start generating revenues.

In addition, we registered certain impairment losses in the last quarter of the year, in relation to a short list of projects where a reassessment of the business case delivered lower recoverable amounts than initially expected, or in relation to products that were developed for airlines that went into bankruptcy during the year.

Depreciation and Amortisation ***Figures in million euros***	Oct-Dec 2012	Oct-Dec 2011	% Change	Full year 2012	Full year 2011	% Change
Ordinary depreciation and amortisation	(54.1)	(45.2)	19.6%	(188.1)	(168.7)	11.5%
Amortisation derived from PPA	(17.8)	(17.8)	0.0%	(71.0)	(71.0)	0.0%
Impairments	(12.8)	(1.6)	707.0%	(14.4)	(2.5)	466.7%
Depreciation and amortisation	**(84.7)**	**(64.6)**	**31.1%**	**(273.5)**	**(242.2)**	**12.9%**
Depreciation and amortisation capitalised[1]	1.4	0.8	72.9%	4.6	3.6	29.2%
Depreciation and amortisation post-capitalisations	**(83.3)**	**(63.8)**	**30.6%**	**(268.8)**	**(238.6)**	**12.7%**

Included within the Other operating expenses caption in the Group Income Statement

Other Operating Expenses

Other operating expenses decreased by 13.4% to €71.5 million in the fourth quarter of 2012. For the full year period, Other operating expenses declined by €18.9 million or 6.2%.

This decrease is mainly explained by the shift of operating costs from Other operating expenses to Personnel expenses. As discussed earlier, close to 500 contractors in our development centre in Bangalore were hired as permanent staff during the period.

On a net basis, personnel and other operating expenses increased by 6.5% in 2012:

Personnel expenses + Other operating expenses *Figures in million euros*	Oct-Dec 2012	Oct-Dec 2011	% Change	Full year 2012	Full year 2011	% Change
Personnel expenses + Other operating expenses	(277.0)	(274.3)	1.0%	(1,050.8)	(986.5)	6.5%

R&D Expenditure

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

In the fourth quarter of 2012, total R&D expenditure (including both capitalised and non-capitalised expenses) increased by 36.5% vs. the same period in 2011. Total R&D for the year amounted to €414.1 million, 20.2% higher than in 2011. As a percentage of revenue, R&D costs amounted to 14.2% in 2012, above the level of 12.7% in 2011.

This increase in R&D expenditure in 2012 reflects, amongst others:

i. Higher investment carried out as a result of the high level activity in terms of ongoing projects mainly under the IT solutions area (scheduled migrations, ongoing portfolio expansion or product evolution initiatives, such as ancillary services, mobile platform, availability control)

ii. Additional investment in new projects or new initiatives such as the new business areas

iii. An increase in cost due to the addition of new development sites, set up locally in certain strategic geographies (e.g.: Korea, Dubai) or specifically for new competencies (e.g.: Airport IT); increased efforts in already existing sites such as London, due to the Revenue Accounting signature of British Airways

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

R&D Expenditure *Figures in million euros*	Oct-Dec 2012	Oct-Dec 2011[1]	% Change	Full year 2012[1]	Full year 2011[1]	% Change
R&D expenditure[(2)]	**125.7**	**92.1**	**36.5%**	**414.1**	**344.4**	**20.2%**
R&D as a % of Revenue	18.6%	14.2%	4.3 p.p.	14.2%	12.7%	1.5 p.p.

[1] Figures adjusted to exclude extraordinary costs related to the IPO

[2] Net of Research Tax Credit and EIB adjustment

3.1.2 Operating income

Operating Income for 2012, excluding the impact of extraordinary IPO costs (see pages 36 and 37) amounted to €838.8 million, €38.5 million or 4.8% higher than in 2011. The increase was driven by revenue growth in both business lines, partially offset by an increase in the indirect costs line and higher D&A and impairment charges.

In the fourth quarter of 2012, operating income decreased by 3.6% or €5.0 million, driven by higher D&A expense and the above mentioned impairments.

EBITDA

EBITDA amounted to €217.9 million in the fourth quarter of 2012, representing a 7.1% increase vs. the fourth quarter of 2011. For the full year, EBITDA increased by 6.6%, from €1,039.0 million in 2011 to €1,107.7 million in 2012.

As a percentage of revenue, EBITDA margin in 2012 was 38.1%, slightly reduced from 38.4% in 2011, as a result of the negative FX impact. Excluding such impact, EBITDA margin would have been 38.4%, in line with prior year.

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

EBITDA *Figures in million euros*	Oct-Dec 2012[1]	Oct-Dec 2011[1]	% Change	Full year 2012[1]	Full year 2011[1,2]	% Change
Operating income	**134.6**	**139.6**	**(3.6%)**	**838.8**	**800.3**	**4.8%**
Depreciation and amortisation	84.7	64.6	31.1%	273.5	242.2	12.9%
Depreciation and amortisation capitalised	(1.4)	(0.8)	72.9%	(4.6)	(3.6)	29.2%
EBITDA	**217.9**	**203.4**	**7.1%**	**1,107.7**	**1,039.0**	**6.6%**
EBITDA margin (%)	32.2%	31.4%	0.8 p.p.	38.1%	38.4%	(0.3 p.p.)

[1] Figures adjusted to exclude extraordinary costs related to the IPO.

[2] For purposes of comparability, the revenue associated to the IT contract with United Airlines in Q2 2011, as well as certain costs of migration that were incurred in relation to this contract, have been reclassified from the Revenue and Other operating expenses captions, respectively, to the Other income (expense) caption in the 2011 figures.

3.1.3 Net financial expense

Net financial expense increased by 18.6% in the fourth quarter of 2012, from €19.4 million in 2011 to €23.0 million in the fourth quarter of 2012. This increase is related to the fact that results from exchange gains and Change in fair value of financial instruments were neutral in 2012, as opposed to a significant income registered in 2011.

For the full year period, and adjusting the 2011 figure for €37.0 million one-off costs[3], net financial expense decreased by 29.2% or €38.5 million to €93 million. This decrease is explained by (i) the lower amount of average gross debt outstanding, after debt repayments in 2011 and 2012 and (ii) a lower average interest paid on the new financing package (unsecured senior credit agreement signed in May 2011, bond issuance in July 2011 and loan received from EIB in May 2012). This significant decrease is partially offset by the exchange gains registered in 2011 as well as significant income from Change in fair value of financial instruments also in 2011 (as opposed to neutral contribution from both items in 2012).

Net financial expense *Figures in million euros*	Oct-Dec 2012	Oct-Dec 2011	% Change	Full year 2012	Full year 2011	% Change
Net financial expense	(23.0)	(19.4)	18.6%	(93.0)	(168.5)	(44.8%)
Net financial expense (excluding the impact of extraordinary deferred financing fees in 2011)	(23.0)	(19.4)	18.6%	(93.0)	(131.5)	(29.2%)

3.1.4 Income taxes

Income taxes for the full year 2012 amounted to €231.5 vs. €218.9 million for 2011 (excluding the impact of extraordinary IPO costs). The income tax rate for 2012 was 31.8%. Average effective corporate tax rate has increased as a result of recent changes in corporate tax regulations in France.

3.1.5 Share in profit / (losses) from associates and JVs

Share in profit from associates and JVs amounted €1.2 million in the fourth quarter of 2012 and €4.1 million for the full year. This is mainly related to the positive contribution from certain non-fully owned ACOs, with an important contribution from Amadeus Tunisia and Amadeus Saudi Arabia.

3.1.6 Profit for the period from continuing operations

As a result of the above, profit from continuing operations for the fourth quarter of 2012 (adjusted for extraordinary IPO costs) amounted to €69.9 million, a decrease of 7.3% vs. a profit of €75.5 million in the fourth quarter of 2011.

For the full year, profit from continuing operations increased by 7.6% to €501.6 million.

[3] In relation to the debt incurred in 2005 and its subsequent refinancing in 2007, certain deferred financing fees were generated and capitalised; following the cancellation of debt that took place as part of the debt refinancing process in May 2011, these deferred financing fees were expensed in the second quarter of 2011 and are included under "Net financial expense".

3.2 Statement of financial position (condensed)

Statement of Financial Position *Figures in million euros*	31/12/2012	31/12/2011
Tangible assets	299.4	282.3
Intangible assets	1,879.0	1,778.4
Goodwill	2,065.4	2,070.7
Other non-current assets	140.0	107.6
Non-current assets	4,383.9	4,239.0
Current assets	371.7	412.1
Cash and equivalents	399.9	393.2
Total assets	**5,155.4**	**5,044.3**
Equity	1,531.4	1,266.2
Non-current debt	1,541.3	2,015.1
Other non-current liabilities	871.0	745.0
Non-current liabilities	2,412.2	2,760.1
Current debt	353.3	226.5
Other current liabilities	858.5	791.6
Current liabilities	1,211.8	1,018.0
Total liabilities and equity	**5,155.4**	**5,044.3**
Net financial debt	**1,494.7**	**1,848.4**

3.2.1 Tangible assets

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

Capital expenditure in tangible assets in 2012 amounted to €55.8 million, as described in table below.

3.2.2 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[4], technology and content[5] and contractual relationships[6]. Following the acquisition of Amadeus IT Group, S.A. (the former listed company) by Amadeus IT Holding, S.A. (the current listed company,

[4] 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

[5] 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

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

formerly known as WAM Acquisition, S.A.) in 2005, the excess purchase price derived from the business combination between them was partially allocated (purchase price allocation ("PPA") exercise) to intangible assets. The intangible assets identified for the purposes of our PPA exercise in 2005 are amortised on a straight-line basis over the useful life of each asset and the amortisation charge is recorded in our P&L. The amortisation charge attributable to PPA amounted to €17.8 million in the fourth quarter of 2012 and €71.0 million in the full year 2012.

Capital expenditure in intangible assets in 2012 amounted to €293.1 million, as described in table 4 below.

CAPEX

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

Total Capex in the fourth quarter of 2012 amounted to €112.2 million, 37.9% higher than in the same period of 2011. This increase in capex was driven by (i) €10.3 million higher investment in tangible assets in the period, explained by the timing of payments related to certain hardware acquisitions (and related software applications required to operate the hardware) linked to some contracts wins during the year, as well as works in a number of sites to provide for required expansion in office space, and (ii) a €20.5 million or 30.3% increase in investment in intangible assets, driven mainly by the increase in software capitalisations derived from the increased R&D activity.

For the full year 2012, the growth in capital expenditure is driven by the above mentioned ramp-up in investment in the fourth quarter of the year, both in tangible assets and in intangible assets. The higher amount of capitalised R&D during the period (both direct and indirect capitalisations as described elsewhere in this document), as a result of the increased R&D, is partially offset by a lower level of signing bonuses paid to travel agencies in the year as opposed to 2011 (signing bonus paid in relation to the 10 year distribution agreement signed with the entity resulting from the merger of GoVoyages, eDreams and Opodo).

Capital Expenditure ***Figures in million euros***	Oct-Dec 2012	Oct-Dec 2011	% Change	Full year 2012	Full year 2011	% Change
Capital expenditure in tangible assets	23.7	13.4	76.8%	55.8	44.3	26.0%
Capital expenditure in intangible assets	88.5	68.0	30.3%	293.1	268.4	9.2%
Capital expenditure	**112.2**	**81.3**	**37.9%**	**348.9**	**312.7**	**11.6%**
As % of Revenue	16.6%	12.6%	4.0 p.p.	12.0%	11.5%	0.4 p.p.

As a % of revenue, total capex represented 12.0% of revenue vs. 11.5% in 2011. This increase is explained by the important number of ongoing projects related to future revenue opportunities.

3.2.3 Goodwill

Goodwill mainly relates to the unallocated amount of €2,065.4 million of the excess purchase price derived from the business combination between Amadeus IT Holding, S.A. (the current listed company, formerly known as WAM Acquisition, S.A.) and Amadeus IT Group, S.A. (the former listed company), following the acquisition of Amadeus IT Group, S.A. by Amadeus IT Holding, S.A. in 2005.

3.2.4 Equity. Share capital

As of December 31, 2012 the share capital of our Company was represented by 447,581,950 shares with a nominal value of €0.01 per share.

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

3.2.5 Financial indebtedness

As described below, the net financial debt as per the existing financial covenants' terms amounted to €1,495.2 million at December 31, 2012, a reduction of €356.7 million vs. December 31, 2011, thanks to the free cash flow generated during the period and after (i) payment of the 2011 dividend, in a total amount of €164.5 million and (ii) the acquisition of treasury shares to cover future delivery of shares to employees in relation to management shared-based incentive schemes.

During the period, the following changes to our capital structure took place:

- Partial amortisation of the bank financing (tranche A of the senior credit facility), as agreed in the senior credit agreement.
- Partial repayment of the bridge loan (tranche B of the senior credit facility) by an amount of €350 million.
- The European Investment Bank granted Amadeus a loan by an amount of €200 million to finance R&D activities.
- New revolving credit facility in an amount of €200 million, which remained undrawn at December 31, 2012.
- Cancellation of the financial leases related to our data centre facilities and refinancing with a new mortgage loan (notional value of €62 million)

Indebtness *Figures in million euros*	31/12/2012	31/12/2011
Covenants definition[1]		
Senior Loan (EUR)	490.8	951.9
Senior Loan (USD)[2]	361.5	442.3
Long term bonds	750.0	750.0
EIB loan	200.0	0.0
Other debt with financial institutions	72.7	9.8
Obligations under finance leases	20.1	77.5
Guarantees	0.0	13.6
Covenant Financial Debt	**1,895.0**	**2,245.0**
Cash and cash equivalents	(399.9)	(393.2)
Covenant Net Financial Debt	**1,495.2**	**1,851.8**
Covenant Net Financial Debt / LTM Covenant EBITDA[3]	**1.34x**	**1.75x**
Reconciliation with financial statements		
Net financial debt (as per financial statements)	**1,494.7**	**1,848.4**
Interest payable	(21.2)	(26.1)
Guarantees	0.0	13.6
Deferred financing fees	11.8	16.0
EIB loan adjustment	9.9	0.0
Covenant Net Financial Debt	**1,495.2**	**1,851.8**

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

2 The outstanding balances denominated in USD have been converted into EUR using the USD / EUR exchange rate of 1.2939 and 1.3194 (official rate published by the ECB on Dec 31, 2011 and Dec 31, 2012, respectively).

3 LTM Covenant EBITDA as defined in the senior credit agreements.

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 (€21.2 million at December 31, 2012) which is treated as debt in our financial statements, (ii) is calculated based on its nominal value, while in our financial statements our financial debt is measured at amortised cost, i.e., after deducting the deferred financing fees (that correspond mainly to fees paid upfront in connection with the set-up of new credit agreements and amount to €11.8 million at December 31, 2012) 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 (€9.9 million at December 31, 2012).

USD denominated debt

In line with our company policy of minimising our financial risks, part of our financial debt is denominated in USD, in order to hedge our exposure to FX movements in the EUR-USD exchange rate. As of December 31, 2012, we had USD 477 million bank debt, which is serviced with the cash flow generated in USD. Therefore, both the interest and the principal of the USD denominated debt are providing an economic hedge of the operating cash flows generated in that currency.

Hedging arrangements

Based on the current debt structure, 45% of our total covenant financial debt is subject to floating interest rates, indexed to the EURIBOR or the USD LIBOR, while 55% of our debt has a fixed cost and is therefore not subject to interest rate risk. However, we use hedging arrangements to limit our exposure to movements in the underlying interest rates. Under these arrangements, 92% of our euro-denominated gross debt subject to floating interest rates has its base interest rate fixed until June 2014 at an average rate of 1.9%, and 82% of our USD-denominated gross debt subject to floating interest rates has its base interest rate fixed for the same period at an average rate of 1.2%. In total, in the aforementioned period, 94% of our total covenant financial debt will accrue fixed interest.

Split of covenant financial debt	Dec 31, 2012	Dec 31, 2011
Debt under fixed interest rates (1)	94.0%	84%
Debt under floating interest rates	6.0%	16%

1. Includes debt subject to floating interest rates which has been fixed through hedging arrangements

3.3 Group cash flow

Consolidated Statement of Cash Flows *Figures in million euros*	Oct-Dec 2012[1]	Oct-Dec 2011[1]	% Change	Full year 2012[1]	Full year 2011[1]	% Change
EBITDA (excluding Opodo)	217.9	203.4	7.1%	1,107.7	1,039.0	6.6%
EBITDA Opodo and collection from United Airlines[(2)]	0.0	0.0	n.a.	0.0	64.1	n.a.
Change in working capital	88.8	6.8	1,206.5%	101.3	20.0	405.2%
Capital expenditure	(112.2)	(81.3)	37.9%	(348.9)	(312.7)	11.6%
Pre-tax operating cash flow	**194.5**	**128.8**	**50.9%**	**860.1**	**810.5**	**6.1%**
Taxes	(94.3)	(81.3)	n.a.	(194.3)	(123.3)	57.7%
Equity investments	(0.3)	(7.1)	(95.5%)	(11.6)	399.2	n.a.
Non operating cash flows	0.7	1.1	n.a.	4.1	(4.3)	n.a.
Cash flow from extraordinary items	0.2	(0.4)	n.a.	(22.5)	(19.5)	15.6%
Cash flow	**100.8**	**41.2**	**144.8%**	**635.7**	**1,062.6**	**(40.2%)**
Interest and financial fees paid	(11.9)	(9.0)	32.1%	(90.2)	(199.7)	(54.8%)
Debt payment	(79.7)	(6.7)	1,094.8%	(372.5)	(886.2)	(58.0%)
Cash to shareholders	(0.0)	(0.0)	(59.5%)	(197.4)	(134.3)	46.9%
Other financial flows	0.0	0.0	n.a.	30.9	0.0	n.a.
Change in cash	**9.2**	**25.5**	**(64.0%)**	**6.6**	**(157.7)**	**(104.2%)**
Cash and cash equivalents, net [(3)]						
Opening balance	390.2	367.5	6.2%	393.0	550.7	(28.6%)
Closing balance	399.4	393.0	1.6%	399.4	393.0	1.6%

1. Figures adjusted to exclude extraordinary costs related to the IPO.
2. Includes the payment from United Airlines to Amadeus for the IT contract resolution in 2011.
3. Cash and cash equivalents are presented net of overdraft bank accounts

3.3.1 Change in working capital

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

Cash inflow in 2012 was higher than in 2011, mainly driven by (i) a higher amount of payables, as a result of some provisions and some delays in payments, (ii) the collection of some revenues which will be recorded in the income statement during the life of the associated contract and (iii) the negative effect that factoring had in 2011 figures, as opposed to a positive effect in 2012.

3.3.2 Capital expenditure

Capital expenditure increased by €36.2 million in 2012, driven by higher investment in tangible and intangible assets during the year. This increase was mainly related to the increase in software capitalisations as a result of higher R&D activity during the year and an increase in hardware and software for our data centre in Erding.

3.3.3 Pre-tax operating cash flow

Pre-tax operating cash flow in the fourth quarter of 2012 amounted to €194.5 million (excluding extraordinary IPO costs), or €65.7 million above that of the same period of 2011. For the full year, Pre-tax operating cash flow amounted to €860.1 million vs. €810.5 million in 2011. This increase was driven by the growth in EBITDA and the higher cash inflow from change in working capital, partially offset by an increase in capex in the year.

3.3.4 Taxes

Taxes paid in the fourth quarter of 2012 amounted to €94.3 million, compared to €81.3 million in the same period in 2011. For the full year 2012, tax payments amounted to €194.3 million, compared to €123.3 million in 2011. This increase is mainly explained by the extraordinary IPO expenses which significantly reduced the cash tax paid in 2011. In addition, there have been certain changes in tax regulations, mainly in Spain, which affect the timing of tax payments and/or prepayments.

3.3.5 Equity investments

Equity investments amounted to €11.6 million in 2012. This cash outflow mainly corresponds to payments in relation to the acquisition of Airconomy and the purchase of the remaining stake of the French ACO to Club Mediteranee, as well as certain payments related to the Opodo sale, which were made effective at the beginning of the year.

3.3.6 Cash flow from extraordinary items

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

3.3.7 Interest and financial fees received / (paid)

Interest payments under our debt arrangements fell by 54.8% in 2012. This significant decrease is due to the lower amount of debt outstanding after debt repayments in 2011 and 2012, as well as the lower cost of debt after the debt refinancing. Interest payments in the fourth quarter increased by €2.9 million (32.1%) due to a different timing of interest payments.

4 Segment reporting

4.1 Distribution

Distribution *Figures in million euros*	Full year 2012[1]	Full year 2011[1]	% Change
KPI			
GDS Industry change	**1.2%**	**2.2%**	
Air TA market share	**38.6%**	**37.7%**	**0.9 p.p.**
Air TA bookings (m)	416.5	402.4	3.5%
Non air bookings (m)	60.7	61.4	(1.1%)
Total bookings (m)	**477.2**	**463.8**	**2.9%**
Profit & Loss			
Revenue	**2,201.0**	**2,079.4**	**5.8%**
Operating costs	(1,277.9)	(1,173.6)	8.9%
Direct capitalisations	51.5	44.6	15.7%
Net operating costs	**(1,226.4)**	**(1,129.0)**	**8.6%**
Contribution	**974.6**	**950.4**	**2.5%**
As % of Revenue	44.3%	45.7%	(1.4 p.p.)

1 Figures adjusted to exclude extraordinary costs related to the IPO

The core offering of our Distribution business is our reservations platform. It provides a global network that connects travel providers, such as full service and low-cost airlines, hotels, rail operators, cruise and ferry operators, car rental companies, tour operators and insurance companies, with online and offline travel agencies, facilitating the distribution of travel products and services (sometimes referred to as the "indirect channel"). We also offer technology solutions, such as desktop and e-commerce platforms and mid- and back-office systems to some of our travel agency customers.

Our Distribution business continued to grow during 2012, despite the weakness in the distribution industry, driven by our market share gains, leading to a 2.9% booking volume growth, and the strength in average pricing. As a result of the above, our revenue increased by 5.8% in the year. Our contribution margin in 2012 was 44.3%, a decrease vs. 2011 as per the outlook provided at the beginning of the year.

4.1.1 Evolution of KPI

As shown in the table below, during the fourth quarter of 2012, the volume of air bookings processed through travel agencies connected to Amadeus increased by 2.2%, mainly as a result of the increase of 1.0 p.p. in Amadeus' market share, as industry growth was flat in the period. For the full year 2012, our air bookings grew 3.5% and our market share[7] gain was 0.9 p.p.

Distribution *Figures in million euros*	Oct-Dec 2012	Oct-Dec 2011	% Change	Full year 2012	Full year 2011	% Change
KPI						
GDS Industry change	0.1%	2.0%		1.2%	2.2%	
Air TA market share	40.2%	39.2%	1.0 p.p.	38.6%	37.7%	0.9 p.p.
Air TA bookings (m)	96.8	94.7	2.2%	416.5	402.4	3.5%
Non air bookings (m)	14.6	15.0	(2.3%)	60.7	61.4	(1.1%)
Total bookings (m)	111.4	109.7	1.6%	477.2	463.8	2.9%

Distribution Industry

Following similar trends as in the third quarter of the year, industry growth in the fourth quarter of 2012 was only 0.1%. However, this negative performance was mainly driven by North America, Western Europe and India, which delivered negative growth (-2 to -3% in NA and WE, -17% in India). On the other hand, the remaining markets are still growing mid to high single digit.

For the full year 2012, the industry increased a modest 1.2%, supported by a strong first half of the year which was followed by an important slowdown during the second half, driven generally by the macro environment. More specifically, some important factors affecting the industry in 2012 include: (i) the negative performance experienced in the US, (ii) the one-off events in India, Spain and Hungary, with the cessation of operations of one of the country's main full service carrier, whose traffic was taken over partially or totally by LCCs which are not currently distributed through travel agencies, (iii) higher levels of disintermediation experienced in some countries in Asia as a result of the success of certain low cost carriers and (iv) the weakness in corporate travel, the bulk of which is managed by travel agencies. These negative factors were partially offset by a strong performance in Latin America, MEA and CESE.

Amadeus

Our air TA bookings increased by 2.2% in the fourth quarter of 2012. For the full year 2012, Amadeus air TA bookings increased 3.5%, a slowdown vs. 2011, driven by the moderate industry growth. However, Amadeus continued to outperform the industry, due to our market share increase. As of December 31, 2012 our global market share was 38.6%, 0.9 p.p. higher than that of 2011.

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

Other than Western Europe, where we have had a negative region mix effect, all geographic regions contributed positively to our market share increase. Indeed in 2012 region mix contribution was lower than in 2011, as a result of the strong industry underperformance in Western Europe and India (where Amadeus has a very large presence), and was mainly driven by our exposure to CESE, Latin America and Middle East and Africa, all of which performed strongly in the year. Bookings from Western Europe are still the largest as % of total, representing 45.3% over our total air bookings, down from 47.4% in 2011 as a result of the underperformance experienced in the year.

Amadeus Air TA Bookings *Figures in million*	Full year 2012	% of Total	Full year 2011	% of Total	% Change
Western Europe	188.7	45.3%	190.6	47.4%	(1.0%)
Asia & Pacific	58.1	14.0%	57.1	14.2%	1.8%
Middle East and Africa	56.4	13.5%	49.8	12.4%	13.2%
CESE	43.5	10.4%	40.5	10.1%	7.5%
North America	38.6	9.3%	37.1	9.2%	3.8%
Latin America	31.3	7.5%	27.3	6.8%	14.5%
Total Air TA Bookings	**416.5**	**100.0%**	**402.4**	**100.0%**	**3.5%**

With regard to non-air distribution, bookings for 2012 decreased by 1.1% to 60.7 million vs. 61.4 million in 2011, mainly driven by the decrease in rail bookings and despite an increase in hotel bookings, which continue to perform well. Certain weakness was also observed in bookings of tour operators.

4.1.2 Revenue

Our Distribution revenue increased by 4.0% in the fourth quarter of 2012 to €510.5 million. This increase was primarily driven by the growth in air bookings, as detailed above, along with an improvement in the unit booking revenue in the quarter due to the positive FX impact.

In 2012, total Distribution revenue was 5.8% higher than in 2011. This increase was driven by growth both in booking revenue (+6.6%) and in non-booking revenue (+1.5%):

- **Booking revenue**: 6.6% increase, driven by a combination of volume growth (2.9% increase in total bookings) and positive pricing impact (an increase of 3.6% in our unit booking fee due to the favourable booking mix, positive impact from recent renewals and positive FX impact).
- **Non booking revenue:** 1.5% increase in 2012, related to the strong contribution from revenues from travel agencies (growth in products and services sold to travel agencies, such as availability and shopping tools, web services or our corporate booking tool, Amadeus eTravel Management), a positive performance of our subsidiary Traveltainment in the leisure business and the contribution from the recent contract signed with Kayak in the US. In addition, we also have a positive impact derived from certain of our hedging instruments.

Distribution. Revenue *Figures in million euros*	Full year 2012[1]	Full year 2011[1]	% Change
Booking revenue	1,885.6	1,768.6	6.6%
Non booking revenue	315.4	310.8	1.5%
Revenue	**2,201.0**	**2,079.4**	**5.8%**
Average fee per booking (air and non-air)[(1)]	**3.95**	**3.81**	**3.6%**

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

4.1.3 Contribution

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

The contribution of our Distribution business increased by 2.5% for 2012, leading to a total contribution of €974.6 million in 2012 vs. €950.4 million in 2011. As a percentage of revenue, this represents 44.3%, a decline vs. 45.7% in 2011, as expected by management based on the industry dynamics, including higher incentive payments, as well as a significant number of commercial successes, leading to short term increase in costs. R&D expenditure also increased in the year.

Finally, it should also be noted that our margins were negatively affected by the FX evolution, which positively affected our revenue (as discussed above) but negatively impacted our cost base, leading to a slightly better contribution figure, in absolute terms, but a lower contribution margin, as % of revenue.

Operating costs in 2012 increased by 8.9%, as a result of:

- The increase in our booking volumes (2.9% increase in total travel agency bookings, or 3.5% increase in air bookings)
- Increase in our average unit incentive fees, paid to travel agencies, driven by a combination of the tougher competitive environment and the mix of travel agencies originating our bookings, with significant growth in the online segment.
- As described in the R&D caption, development activities in the distribution business in the period include: (i) new products and applications for travel agencies, airlines, and corporations to provide sophisticated booking and search engines (e.g. Amadeus Meta Pricer) and our e-Travel management tool for corporations (e.g.: launch of the new UI, and its mobile booking app, Amadeus e-Travel Management Mobile), (ii) regionalisation efforts, (iii) increased investment in relation to hotel and rail distribution (e.g.: Rail Agent Track, a new rail-based search solution, designed exclusively for rail services or the FlyByRail functionality)
- Commercial expenses related to new client wins and the increased activity in the regions

- Negative impact of the EUR depreciation in our cost base.

4.2 IT Solutions

IT Solutions *Figures in millions*	Full year 2012[1]	Full year 2011[1,2]	% Change
KPI			
Passengers Boarded (PB) (m)	563.8	439.1	28.4%
Airlines migrated (as of December 31)	109	100	
Profit & Loss			
Revenue	**709.4**	**628.0**	**13.0%**
Operating costs	(331.3)	(263.8)	25.6%
Direct capitalisations	141.2	91.8	53.9%
Net operating costs	**(190.1)**	**(172.1)**	**10.5%**
Contribution	**519.3**	**455.9**	**13.9%**
As % of Revenue	73.2%	72.6%	0.6 p.p.

[1]. Figures adjusted to exclude extraordinary costs related to the IPO

[2]. For purposes of comparability, the revenue associated to the IT contract with United Airlines in Q2 2011, as well as certain costs of migration that were incurred in relation to this contract, have been reclassified from the Revenue and Other operating expenses captions, respectively, to the Other income (expense) caption in the 2011 figures.

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

Revenue from IT Solutions accelerated its growth in 2012 to 13.0%. This increase was driven both by IT Transactional revenue growth, fuelled by growth in PB volumes, together with an improvement in non-transactional revenue.

Contribution margin continues to benefit from certain operational leverage and is 73.2% for 2012 vs. 72.6% for 2011, despite the negative FX impact on margins. During the year, we have continued to invest significantly, not only in preparation for the migrations of 2013 and 2014, but also in the new business areas, with the aim to enlarge our Total Addressable Market, reaching to other businesses outside Airline IT, within travel.

4.2.1 Evolution of KPI

Total number of passengers boarded in the fourth quarter of 2012 amounted to 143.4 million, or 28.5% higher than in the fourth quarter of 2011, mainly driven by positive impact of clients migrated during the first half of the year.

During the full year 2012, the number of passengers boarded reached 563.8 million, 28.4% higher than in 2011, despite the loss of traffic from Spanair and Malev, both of which ceased operations early in the year. On a like-for-like basis, the organic underlying PB growth was 7.4%, ahead of traffic growth, given the positive mix in our client base.

IT Solutions *Figures in millions*	Oct-Dec 2012	Oct-Dec 2011	% Change	Full year 2012	Full year 2011	% Change
KPI						
Passengers Boarded (PB) (m)	143.4	111.6	28.5%	563.8	439.1	28.4%
Airlines migrated (as of December 31)				109	100	

As of December 31, 2012, 52.5% of our total PB were generated by Western European airlines, were growth was fueled by the contribution from airberlin and Norwegian (both migrated in December 2011) as well as SAS, migrated in the first quarter of 2012. The number of PB related to carriers in the Asia Pacific region also increased very significantly, driven by the migration of Cathay Pacific and Singapore Airlines. Asia Pacific now represents 12% of our total PB.

Amadeus PB *Figures in million*	Full year 2012	% of Total	Full year 2011	% of Total	% Change
Western Europe	295.8	52.5%	228.9	52.1%	29.2%
Middle East and Africa	96.5	17.1%	86.8	19.8%	11.2%
Asia & Pacific	69.5	12.3%	33.1	7.5%	109.7%
Latin America	66.7	11.8%	57.8	13.2%	15.3%
CESE	35.4	6.3%	32.4	7.4%	9.2%
Total PB	**563.8**	**100.0%**	**439.1**	**100.0%**	**28.4%**

4.2.2 Revenue

Total IT Solutions revenue increased by 6.5% in the fourth quarter of 2012 as a result of the net effect of growth experienced in the IT transactional revenue line, with an important decline in direct distribution revenue in the quarter. Growth in non-transactional revenue also slowed down in the quarter.

In 2012, IT Solutions revenue grew by a remarkable 13.0%. As detailed in the table below, group revenue was fueled by growth in both IT transactional and non-transactional revenues, and despite the expected decrease in direct distribution revenue.

IT Solutions. Revenue *Figures in million euros*	Full year 2012[1]	Full year 2011[1]	% Change
IT transactional revenue	519.2	430.3	20.7%
Direct distribution revenue	119.6	133.8	(10.6%)
Transactional revenue	**638.8**	**564.1**	**13.3%**
Non transactional revenue	70.6	63.9	10.4%
Revenue	**709.4**	**628.0**	**13.0%**
IT Transactional revenue per PB(1)	0.92	0.98	(6.0%)

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

Transactional Revenue

IT Transactional Revenue

As shown above, IT Transactional revenue increased by 20.7% in 2012, to €519.2 million. This increase was supported by strong growth in all main revenue lines:

- Altéa: strong growth driven by the increase in PB, both in relation to new migrations that took place in the year and the full year impact of the 2011 migrations (as described above). Additionally, we had a strong contribution from the up selling of functionalities such as revenue integrity services, availability calculator or code share services.
- e-commerce: significant increase in Passenger Name Record volumes, despite negative impact from the loss of clients (mainly Spanair, Malev and Cimber). Positive contribution from up selling activities (e.g. affinity shopper, mobile solutions).
- Stand-alone IT Solutions: strong performance in most products, such as ancillary services, the Amadeus Ticket Changer product or web services. As in the case of Altéa, growth is driven both by the organic growth from existing customers, as well as new clients implemented.

Average IT transactional revenue per PB for the year was €0.92, below the average fee of €0.98 reported in 2011, and in line with internal expectations. The main reasons for this dilution are (i) the change on the Altéa client mix, due to the migration of new hybrid carriers to the platform at the end of 2011 (whose service and fee level are reduced vs. the existing average), (ii) revenue mix within IT transactional revenue, as e-commerce and standalone IT solutions grow at lower rates than Altéa (these revenue streams are not charged on a per PB basis and therefore do not grow in line with PB). This dilution was partially offset by the positive FX (translational) impact.

Direct Distribution

Revenue from Direct Distribution fell by 10.6% in 2012 compared to 2011. This decrease in revenue was mostly driven by a drop in bookings as a consequence of the migration of some of our existing users of our Reservations module (notably SAS) to the Inventory module of our Amadeus Altéa Suite in 2012. Once migrated on to the Altéa platform, these clients pay a fee per PB, and revenue is accounted for under IT Transactional revenue, rather than in

Direct Distribution. In addition, revenue growth was negatively affected by the demigration of LAN in the second half of the year.

Non Transactional Revenue

Non-transactional revenue increased by 10.4% in 2012, driven both by higher revenue from gaps and implementations (deferred revenues starting to be recognised after the client cutover) and from services, such as consulting or hosting.

4.2.3 Contribution

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

In 2012, the contribution of the IT Solutions business grew by a significant 13.9%, or €63.4 million, to €519.3 million. As % of revenue, there was a slight margin expansion of 0.6 p.p. vs. a contribution margin of 72.6% in 2011.

The 13.9% increase in the contribution of our IT Solutions business in 2012 was driven by a 13.0% increase in revenues and a more limited 10.5% increase in net operating costs.

On a gross basis, the increase in operating costs was significant, at 25.6%, mainly driven by activities which were subject to capitalisation, as they are relate to investment in R&D to fuel future growth (portfolio expansion with new modules and functionalities, new business areas, etc):

- An increase in our R&D expenditure associated with client implementations (migrations that took place in 2012 as well as those scheduled for the coming years), as well as increased efforts on new functionality and New Business areas. This is reflected in a strong increase in FTE in our development area.
- An increase in commercial and technical efforts related to local support (regionalisation), with the establishment of new local sites such as Korea and Dubai and new services to support customer satisfaction. We have also increased the focus on post-implementation teams to support our growing customer base.
- Negative impact of the EUR depreciation on our cost base.

4.3 Reconciliation with EBITDA

Reconciliation EBITDA *Figures in million euros*	Full year 2012[1]	Full year 2011[1,2]	% Change
Distribution	974.6	950.4	2.5%
IT Solutions	519.3	455.9	13.9%
Contribution	**1,493.9**	**1,406.3**	**6.2%**
Indirect costs	(463.7)	(435.5)	6.5%
Indirect capitalisations & RTCs[3]	77.5	68.1	13.7%
Net indirect costs	**(386.2)**	**(367.3)**	**5.1%**
As % of Revenue	13.3%	13.6%	(0.3 p.p.)
EBITDA	**1,107.7**	**1,039.0**	**6.6%**
EBITDA Margin (%)	38.1%	38.4%	(0.3 p.p.)

1. Figures adjusted to exclude extraordinary costs related to the IPO
2. For purposes of comparability, the revenue associated to the IT contract with United Airlines in Q2 2011, as well as certain costs of migration that were incurred in relation to this contract, have been reclassified from the Revenue and Other operating expenses captions, respectively, to the Other income (expense) caption in the 2011 figures.
3. Includes the Research Tax Credit (RTC)

In 2012, our EBITDA grew by 6.6%, to €1,107.7 million, and EBITDA margin was slightly down to 38.1%, from 38.4% in 2011, as a result of the negative FX impact. Excluding such impact, EBITDA margin would have been 38.4%, in line with prior year.

Growth in EBITDA was driven by the increase in contribution from both Distribution and IT Solutions, and some operational leverage in the net indirect cost line, which grew by 5.1% in 2012 vs. 2011. This growth in net indirect costs was driven by the combination of an increase in gross indirect costs, which grew by 6.5% vs. 2011, and indirect capitalisations, which grew by 13.7%. The increase in indirect costs was mainly attributable to:

- An increase in certain G&A expenses such as building and facilities expenses (driven by growth in FTEs and development activities)
- Increased efforts in cross-area R&D (mainly related to system performance and TPF decommissioning)
- Higher impact of our recurring incentive scheme for management (Performance Share Plan, linked to total shareholders' return, among other metrics, which has had a very strong performance in the year)

The increase in capitalisations was linked to increasing costs with higher capitalisation ratios, such as cross-area R&D and the TPF decommissioning exercise.

5 Other financial information

5.1 Adjusted profit for the period from continuing operations

Adjusted profit *Figures in million euros*	Oct-Dec 2012	Oct-Dec 2011	% Change	Full year 2012	Full year 2011	% Change
Reported Profit for the period from continuing operations	**70.0**	**72.0**	**(2.8%)**	**496.3**	**453.7**	**9.4%**
Adjustment: Extraordinary IPO costs(1)	(0.0)	3.5		5.3	12.3	
Profit for the period from continuing operations	**69.9**	**75.5**	**(7.3%)**	**501.6**	**466.0**	**7.6%**
Adjustments						
Impact of PPA(2)	12.2	12.2	0.0%	49.0	49.0	0.0%
Non-operating FX results and mark-to-market(3)	(0.0)	(2.6)	n.a.	2.9	(19.3)	n.a.
Extraordinary items(4)	2.7	0.4	n.a.	11.6	(10.2)	n.a.
Impairments	8.9	1.1	n.a.	9.9	1.8	466.7%
Adjusted profit for the period from continuing operations	**93.8**	**86.6**	**8.2%**	**575.1**	**487.2**	**18.0%**

1 After tax impact of extraordinary costs related to the IPO.

2 After tax impact of amortisation of intangible assets identified in the purchase price allocation exercise undertaken following the leveraged buy-out.

3 After tax impact of changes in fair value and extraordinary cancellation costs of financial instruments and non-operating exchange gains (losses) from continuing operations.

4 After tax impact of extraordinary items related to the sale of assets and equity investments from continuing operations, the debt refinancing and the United Airlines IT contract resolution, in 2011.

Profit from continuing operations (adjusted to exclude extraordinary IPO costs) declined by 7.3%, or €5.5 million, in the fourth quarter of 2012. For the full year, profit from continuing operations (adjusted to exclude extraordinary IPO costs) increased by 7.6%, or €35.6 million in 2012.

After adjusting for (i) non-recurring items and (ii) accounting charges related to the PPA (purchase price allocation) amortisation and other mark-to-market items, adjusted profit for the period (from continuing operations) increased by 8.2% in the fourth quarter of 2012 and by 18.0%, to €575.1 million, in 2012.

5.2 Earnings per share from continuing operations (EPS)

Earnings per share	Oct-Dec 2012	Oct-Dec 2011	% Change	Full year 2012	Full year 2011	% Change
Weighted average issued shares (m)	447.6	447.6		447.6	447.6	
Weighted average treasury shares (m)	(3.6)	(2.1)		(3.4)	(2.1)	
Outstanding shares (m)	**444.0**	**445.5**		**444.2**	**445.5**	
EPS from continuing operations (euros)(1)	**0.16**	**0.17**	**(7.9%)**	**1.13**	**1.04**	**8.2%**
Adjusted EPS from continuing operations (euros)(2)	**0.21**	**0.20**	**7.7%**	**1.30**	**1.09**	**18.7%**

[1] EPS corresponding to the Profit from continuing operations attributable to the parent company (excluding extraordinary costs related to the IPO). Calculated based on weighted average outstanding shares of the period.

[2] EPS corresponding to the Adjusted profit from continuing operations 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 from continuing operations, attributable to the parent company (after minority interests which amounted a loss of €0.6 for year 2012 vs. a loss of €0.7 million for the same period of 2011), both on a reported basis (excluding extraordinary IPO costs) and on an adjusted basis (adjusted profit as detailed in section 4.1 above).

6 Investor information

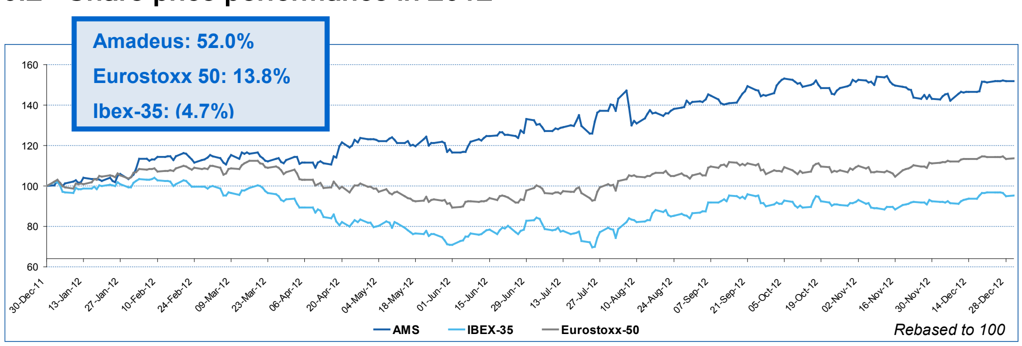
6.1 Capital stock. Share ownership structure

As of December 31, 2012 the capital stock of our company is €4,475,819.5 represented by 447,581,950 shares with a nominal value of €0.01 per share, all belonging to the same class, completely subscribed and paid in.

The shareholding structure as of December 31, 2012 is as described in the table below:

Shareholders	Shares	% Ownership
Air France Finance	22,578,223	5.04%
Malta Pension Investments	17,903,279	4.00%
Iberia Líneas Aéreas de España, S.A.	3,742,200	0.84%
Free float	399,368,926	89.23%
Treasury shares	3,571,810	0.80%
Board of Directors	417,512	0.09%
Total	**447,581,950**	**100.00%**

6.2 Share price performance in 2012



Amadeus	
Number of publicly traded shares (# shares)	447,581,950
Share price at December 31, 2012 (in €)	19.05
Maximum share price in Jan - Dec 2012 (in €) (November 13, 2012)	19.36
Minimum share price in Jan - Dec 2012 (in €) (January 5, 2012)	12.54
Market capitalisation at December 31, 2012 (in € million)	8,526
Weighted average share price in Jan - Dec 2012 (in €)[1]	16.2
Average Daily Volume in Jan - Dec 2012 (# shares)	4,071,838

6.3 Dividend policy and dividend payments

6.3.1 Dividend policy

The Board of Amadeus IT Holding, S.A., in the meeting held on October 18, 2012, reviewed the dividend policy of the Company, increasing the proposed pay-out ratio to between 40% and 50% of the consolidated profit (excluding extraordinary items), compared to the previous policy, fixed in 2010, which consisted of a pay-out ratio of between 30% and 40%. The new dividend policy, applicable to the period of 2012 and onwards, also establishes the payment of an interim dividend related to the results of each financial period.

6.3.2 Dividend payments

At the Shareholders' General Meeting held on June 21, 2012 our shareholders approved the annual dividend for 2011. The total value of the dividend was €165.6 million, representing a pay-out of 35.5% of the 2011 Reported profit for the year (excluding extraordinary items related to the IPO), or €0.37 per share (gross). Regarding the payment, an interim amount of €0.175 per share (gross) was paid on January 30, 2012 and the final dividend of €0.195 per share (gross) was paid in July 27, 2012.

In 2012, the Board of directors will submit to the General Shareholders Meeting for approval a gross dividend of €0.50 per share, including an interim dividend of €0.25 per share (gross), which was paid on January 30, 2013. Based on this, the proposed appropriation of the 2012 results included in our 2012 audited consolidated financial statements of Amadeus IT Holding, S.A. and subsidiaries includes a total amount of €223.8 million corresponding to dividends pertaining to the financial year 2012.

7 Presentation of financial information

The source for the financial information included in this document is the audited consolidated financial statements of Amadeus IT Holding, S.A. and subsidiaries, which have been prepared in accordance with International Financial Reporting Standard as adopted by the European Union.

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

Sale of Opodo

On June 30, 2011 the Group completed the sale of Opodo Ltd and its subsidiaries. In 2011, Opodo is presented as a discontinued operation in our Group income statement. As a result of this sale the Group booked a gain of €270.9 million. This gain, together with the extraordinary costs related to the sale, are presented within "Profit from discontinued operations

One-time payment from United Airlines in relation to the discontinued Altéa contract

On May 6, 2011 Amadeus announced that it had agreed to dissolve a contract under which United Airlines previously planned to migrate onto the Amadeus Altéa Suite in 2013. United Airlines agreed to make a one-time payment of $75.0 million to Amadeus for the cancellation of the IT services agreement. The payment was made effective in Q2 2011 and recognised (in Euros, in an amount of €51.7 million) under the "Revenue" caption on the consolidated statement of comprehensive income of our financial statements.

For purposes of comparability with 2012 figures, in 2011 this revenue, as well as certain costs of migration that were incurred in relation to this contract, have been reclassified from revenue and other operating expenses, respectively, to the Other income / (expense) caption in our Group income statement shown in this report.

Extraordinary costs related to the Initial Public Offering

On April 29, 2010 Amadeus began trading on the Spanish Stock Exchanges. The Company incurred extraordinary costs in relation to the offering that impacted the figures for 2010, 2011 and 2012.

For the purposes of comparability with previous periods, the figures for 2011 and 2012 shown in this report have been adjusted to exclude such costs.

The following table details the extraordinary items related to the IPO that have been excluded from the figures in this report:

Extraordinary costs related to the IPO ***Figures in million euros***	**Oct-Dec 2012**	**Oct-Dec 2011**	**Full year 2012**	**Full year 2011**
Personnel and related expenses(1)	0.0	(5.0)	(7.7)	(19.0)
Other operating expenses(2)	0.0	0.0	0.0	1.2
Total impact on Profit before taxes	**0.0**	**(5.0)**	**(7.7)**	**(17.8)**
Income taxes	0.0	1.6	2.4	5.5
Total impact on Profit for the period	**0.0**	**(3.5)**	**(5.3)**	**(12.3)**

(1) Costs included in "Personnel expenses" relate to the cost accrued in relation to the non-recurring incentive scheme (Value Sharing Plan) that became effective upon the admission of our shares to trading on the Spanish Stock Exchanges and which is accrued on a monthly basis over the two years following its implementation. A partial payment to employees corresponding to this scheme was made in the second quarter of 2011 and the second quarter of 2012, included in the Group cashflow caption "Cashflow from extraordinary items".

(2) Costs included under "Other operating expenses" in 2011, correspond to a positive adjustment in Q1 2011 in relation to an excess of provisions for non-deductible taxes accrued in 2010, based on the final tax forms (closed in Q1 2011).

8 Other additional information

8.1 Expected business evolution

8.1.1 Macroeconomic backdrop and Amadeus business model

Amadeus is a leading technology provider and transaction processor for the global travel and tourism industry. Our business model is transactional and volume driven. We charge our clients - airlines and other travel providers - a fee per transaction (mainly bookings made by online and offline travel agencies connected to the Amadeus system or passengers boarded by airlines using our IT Solutions). Our business and operations are therefore dependent on the worldwide travel and tourism industry, which is sensitive to general economic conditions and trends.

Looking into 2013, prospects point to a better performance vs. 2012, although uncertainties continue to weigh heavily on the outlook. The IMF expects "global growth to increase during 2013, as the factors underlying soft global activity are expected to subside". Based on the IMF's World Economic Outlook (WEO), global growth will strengthen gradually through 2013, averaging 3.5% on an annual basis, a moderate uptick from 3.2% in 2012. However, "downside risks remain significant, including renewed setbacks in the euro area and risks of excessive near-term fiscal consolidation in the United States. Policy action must urgently address these risks."

Austerity in the euro zone, which drove the Euro area to recession in 2012, will likely continue to hold back growth in the region. Based on the IMF, activity in the Euro area is expected to contract by 0.2% in 2013. In the US, growth is forecast to average 2% in 2013, rising above the trend in the second half of 2012. This was predicted under the assumption that U.S. policymakers will prevent a "fiscal cliff crisis" and raise the U.S. federal debt ceiling in a timely manner, making good progress toward a comprehensive plan to restore fiscal sustainability. Both the US fiscal crisis and continued austerity in the Euro zone will hold back growth in economies globally. China is struggling to regain momentum, and most emerging markets finished their weakest year since the 2009 recession. The result is that growth in emerging market and developing economies is on track to build to 5.5% in 2013 (only slightly better than in 2012, and well below the pre-recession period). Growth is not projected to rebound to the high rates recorded in 2010–11.

In turn, in January 2013 the International Air Transport Association (IATA) reported that it expects a 5% growth in demand in air traffic passengers in 2013. This is below the 5.3% growth rate registered in 2012 (which was mostly fueled by a strong start to the year, +6.5% growth) higher than the growth levels registered in the second part of the year, at 4.1%. Looking ahead, the downward pressure on air transport demand seen in the second part of 2012 appears to be easing, as business confidence continues to improve and current levels indicate stable growth in the months ahead. However, Air transport still faces strong headwinds from continued global economic weakness and high fuel prices, which is likely to moderate the expected improvement.

In 2012, and despite strong volatility and headwinds affecting the economic growth globally, Amadeus demonstrated the resilience and profitability of its business model, delivering significant growth – driven by the particularly good performance of air traffic volumes during the first half of the year and reinforced by important market share gains in the Distribution business and the successful execution of the scheduled migrations to our Altéa platform, in the IT Solutions business line. Based on this resilient business model, the visibility and recurring nature of both our business lines and our geographical diversification, with a strong exposure to emerging markets, Amadeus expects to continue to deliver growth and profitability in 2013. Moreover, we are confident that the different actions and investments in R&D undertaken in previous years will allow Amadeus to continue to add new clients, grow its portfolio of solutions and services to the travel industry and the scope of its addressable market.

8.1.2 Amadeus strategic priorities and expected business evolution in 2013

Amadeus has a strong positioning in the Distribution business, and it is management's objective to sustain our competitive advantages, in order to continue to profitably grow the business, as well as deliver a best-in-class service to our clients. We will continue to invest in the platform, in order to support our customers adapt to the fast changing travel industry: merchandising and personalisation tools and improved shopping solutions are examples of innovative solutions that are key to our development strategy.

We are also committed to securing the most comprehensive content possible to bring efficiency and value for travel providers, travel agencies and travellers alike. In 2013, we will focus on the successful renegotiation of certain of our content agreements, in particular with some European and US majors.

Competition in our Distribution business continues to be strong, and this competitive dynamic has a slight negative impact on our margins. Business mix and contribution from incremental business may also affect the average margin of our current business. This business context will be actively managed and it is our expectation to continue to deliver profitable growth in the Distribution business.

Our IT Solutions business will continue its growth track record in 2013, even though the migration schedule to Altéa is mostly concentrated in the last quarter of the year. As a result, Passenger Boarded growth rates will slow down vs. 2012. We will also deliver a significant number of migrations to our Departure Control System and continue to progress in the preparation of those migrations scheduled for 2014, many of which are based in the APAC region. Successful execution is still management priority in this segment. In addition, the group will focus on regionalisation of our development and execution teams, in order to be closer to our clients, and there will be an increased focus on services to drive customer satisfaction and create revenue opportunities. Ongoing commercial efforts, continued product and service evolution and industry momentum should also bring new client wins.

Another important theme in 2013 will be our continued R&D investment. As described above, it is fundamental to the strategy of our existing businesses. In addition, we are selectively investing in certain new business units, projects with high value-creation potential, always within the remit of our core business: the provision of technology for the travel industry. As such, we are exploring business opportunities in Hotel IT and Airport IT, which has started to crystallise through the signature of more than 20 ground-handlers during 2012 that will use Amadeus technology to handle their operations.

High system performance and reliability is also a priority for Amadeus, and in 2013 we will continue to pursue a number of investments which shall further reinforced the stability of our systems, with the aim of ensuring high levels of client service and satisfaction across our businesses.

Finally, it is our objective to preserve our strong cash flow generation and sound financial position. Having reached the top end of the stated capital structure target (1.0x - 1.5x net debt / EBITDA) as of September 2012, we are close to our deleveraging target, which will be achieved in 2013. Shareholder remuneration is also important to Amadeus, and as such we increased our dividend policy to 40-50% pay-out, with a dividend payment corresponding to 2012 reported profit (excluding extraordinary items) of €0.50 per share, representing a 35% increase vs. 2012 dividend.

8.2 Research and Development activities

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

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

During the year ended December 31, 2012, Amadeus expensed €179,7 million for R&D activities and capitalized €260,6 million (before deducting any incentives), which compares to €172,1 million and €195,1million, respectively, in 2011.

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 a relatively low direct environmental impact, compared with other industries. Nonetheless, with more than 10,000 employees, presence in more than 190 markets and operating in a high energy intensity industry, we acknowledge our responsibility to minimize the company's environmental impact and at the same time make our contribution to the sustainability of the travel industry.

8.3.1 Amadeus environmental strategy

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

We believe our first and most important responsibility is to address the environmental impact of our operations. Fortunately, for most cases we find a common economic and environmental interest that facilitates action in reducing resource consumption and environmental impact. Our Environmental Management System includes a systematic approach by which we:

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

The items covered by the EMS include electricity, paper, water, waste and greenhouse gas emissions.

Additionally, our numerous sites across the world take their own environmental initiatives that range from activities as diverse as car-pooling, recycling campaigns, reduce paper used in office through the use of specific software, etc.

8.3.2 Improving environmental performance in our industry

i. Carbon calculation standards for aviation:

The calculation of emissions per aircraft passenger is complicated by a number of issues and different calculators offer significantly diverse emissions estimations for the same itinerary. A carbon calculator standard must meet therefore at least requirements of neutrality, global reach and legitimacy.

The International Civil Aviation Organisation (ICAO, UN body in charge of civil aviation) and Amadeus reached an agreement by which Amadeus can make use of ICAO's carbon calculator in our distribution platforms.

The current version of the Amadeus corporate booking tool (Amadeus eTravel Manager) includes a CO_2 display functionality that uses CO_2 estimations from the ICAO carbon calculator.

ii. Fuel savings achieved through technology:

Amadeus has developed technologies to help airlines and other industry players reduce emissions, therefore reducing also the cost of new environmental regulations. Through optimum weight allocation and optimisation tools, Amadeus Altéa Departure Control System

(DCS) Flight Management module saves significant amounts of fuel, and therefore greenhouse gas emissions, as compared with less sophisticated technologies currently on the market .

Amadeus aims at continually bringing benefits to our customers and the industry through the continuous innovation of our technology, and this is our strongest tool for contributing to the sustainability of the travel industry.

iii. Participation in common projects with industry stakeholders:

The environmental challenges the travel industry, and the society in general, is facing are immense. Towards the overall industry sustainability target, Amadeus or any other industry player cannot do much in isolation. It's fundamental that industry stakeholders work together and agree on strategies and responsibilities towards sustainability. From Amadeus we participate in various forums and specific projects with trade associations like the World Travel and Tourism Council or the Global Sustainable Tourism Council.

[1] In 2011, Amadeus and Finnair carried out a joint study in which more than 40,000 flights were analysed and that demonstrated Altéa DCS FM helped reduce fuel consumption.

8.4 Treasury shares

Reconciliation of the carrying amounts for the periods ended December 31, 2012 and 2011, of the treasury shares is as follows:

	Treasury Shares	KEUR
Balance at December 31,2010	2,093,760	1,716
Balance at December 31, 2011	2,093,760	1,716
Acquisition	2,300,000	32,573
Retirement	(821,950)	(3,701)
Balance at December 31, 2012	3,571,810	30,588

The Group holds treasury shares for hedging the future specific share delivery commitments with the Group employees and/or senior executives.

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

- The strategy for US Dollar (USD) exposures is fundamentally based on the use of natural hedges although it also makes use of derivatives if necessary. This strategy aims at reducing the exposure created by the USD denominated operating cash inflows of the Group with the USD payments of principals of the USD denominated debt.
- Aside from the USD, the foreign currency exposures are expenditures denominated in a variety foreign currencies. The most significant of these exposures are denominated in Sterling Pounds (GBP), Australian Dollars (AUD) and Swedish Kronas (SEK). For these exposures, a natural hedge strategy is not possible. In order to hedge a significant portion of the aforementioned short exposures (net expenditures) the Group can engage into derivative contracts with banks: basically currency forwards, currency options and combinations of currency options.

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

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

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

- One of the limitations of this methodology is that its results are based on several of hypotheses on the future volatilities of the exchange rates and the future correlation among them which may correspond with the real evolution of the exchange rates or not[8].
- 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[9].
- Finally, it is important to mention that given a level of CFaR calculated with a 95% confidence level, the losses which could take place in the remaining 5% of the cases may be significantly greater than the level of risk as measured with the CFaR methodology.

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

31/12/2012			31/12/2011		
2013 CFaR	2014 CFaR	2015 CFaR	2012 CFaR	2013 CFaR	2014 CFaR
(3,406)	(9,681)	(24,690)	(6,170)	(16,478)	(32,979)

The main reason for the drop in the CFaR levels with respect to the previous year is a reduction in the implicit volatilities of the foreign exchange rates at the end of 2012 mainly as a consequence of the decisive intervention of the European Central Bank in September of 2012.

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 for 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, the Group has set up hedges that fix a significant part of the interests to be paid up to July 2014. At December 31, 2012, after taking into account the effect of the interest rate swaps in place, approximately 94% of the Groups' borrowings are at fixed rate of interest (2011: 82%) until July 2014.

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

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

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

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

	31/12/2012		31/12/2011	
	+10 bps	-10 bps	+10 bps	-10 bps
EUR denominated debt	4,393	(4,382)	3,850	(3,866)
USD denominated debt	43	(43)	74	(61)
EUR accounting hedges	388	(407)	1,134	(1,136)
USD accounting hedges	269	(270)	651	(652)
Total	5,093	(5,102)	5,709	(5,715)

In 2012 there has been a slight increase in the sensitivity of the EUR denominated debt to the movements of the interest rate curve with respect to the previous year. This increase is due the addition of new fixed rate debt during 2012. Although the future flows of the fixed rate debt instruments are not sensitive to the changes in the level of interest rates, the fair value of the instruments are sensitive to these changes.

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

According to the table above a 10 bps drop in the level of interest rates would cause a loss in the fair value of the debt (an increase of the liability) and the derivatives hedging it amounting to KEUR 5,102 at December 31, 2012, and KEUR 5,715 at December 31, 2011 respectively. However, given that changes in the fair value of the derivatives that qualify for hedge accounting are recognized directly in equity and the hedged item (the underlying debt) is measured at amortized cost, the impact of a 10 bps drop in the level of interest rate would imply no loss recognized in the statement of comprehensive income at December 31, 2012 and 2011, due to all derivatives apply for hedge accounting.

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

8.5.3 Own shares price evolution risk

At December 31, 2012 the Group has two different remuneration schemes outstanding which are referenced to the Amadeus shares; the Performance Share Plan (PSP) and the Restricted Share Plan (RSP).

According to the rules of these plans, when they mature their beneficiaries will receive a number of Amadeus' shares which for the plans granted in 2011 and 2012 will be (depending on the evolution of certain performance conditions) between a maximum of 2,200,000 shares and a minimum of 700,000 shares, approximately. It is Amadeus intention to make use of the 3,571,810 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 with excess cash and channel it to the companies with cash needs.

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

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

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

In addition to other smaller treasury lines agreed with several banks the Group has access to a Revolving Credit facilities amounting to KEUR 300,000, which could be used to cover working capital needs and general corporate purposes. As of December 31, 2012 all the outstanding Revolving Credit facilities were unused.

8.6 Subsequent events

As of the date of issuance of this Directors' Report no subsequent events occurred after the end of the reporting period.