1 Summary

1.1 Introduction

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

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

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

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

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

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

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

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

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

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

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

1.2 Summary financial information

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

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

2 Operating Review

2.1 Key business highlights for the year

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

The following are some selected business highlights for 2013:

Distribution

Airlines

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

Rail and others

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

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

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

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

Travel Agencies

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

IT Solutions

Airline IT

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

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

Airport IT

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

Rail

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

Hotel

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

Payments

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

Travel Intelligence

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

Additional news from the year

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

2.2 Key ongoing R&D projects

The main R&D investment in 2013 relates to:

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

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

– Expansion of the airline IT portfolio, including new modules (revenue management, and other potential areas of expansion into other airline IT decision-making applications), and the evolution of our existing portfolio (ancillary services, payment services, new or improved functionalities such as enhanced shopping solutions).

– Investments in the Distribution business (IT applications) focused on:

- Travel agencies: e.g. new generation front office, search engines, shopping and booking solutions or ancillary services, specific tools for Travel Management companies and the creation of the Total Travel Record (the future evolution of the PNR, containing all traveler information with cross-sell, cross-channel, multi-GDS data and related customer management functionalities). Additionally, we have invested in improved access to additional content (LCC, hotel, rail) and better integration into the travel agency workflow.
- Airlines: availability, schedules, ancillary services.
- Rail, with the development of the Amadeus Agent Track and FlybyRail initiatives (improved distribution systems), as well as customer implementation projects.
- Corporations: Amadeus e-Travel management, selling interfaces for corporate travellers or mobile tools.
- Regionalisation investment, with the aim to better adapt part of our product portfolio for specific regions.

– Expansion into hotel, rail, airport IT, payments and mobile, where we continue to work with different industry partners. In particular, investment associated to the two contracts signed with the Copenhagen and Munich airports to develop two new modules in the scope of our airport IT business.

– Ongoing TPF decommissioning, which implies the progressive migration of the company's platform to next-generation technologies such as Linux and Unix (today, close to 90% of Amadeus' software is supported by next-generation open systems, which allow for improved efficiency, greater flexibility in terms of the architecture and scalability of the platform), and other cross-area technologies such as the Amadeus Collaborative Technology (a corporate program built to enhance the Amadeus system and which will bring a new technical platform and architecture for a new selling platform, shared by our two businesses).

3 Operating performance by Business

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

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

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

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

3.1 Distribution

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

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

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

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

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

3.1.1 Evolution of KPI

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

(Millions of euros)

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

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

Air TA booking Industry

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

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

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

Amadeus

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

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

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

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

3.1.2 Revenue

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

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

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

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

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

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

3.1.3 Contribution

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

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

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

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

3.2 IT Solutions

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

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

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

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

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

3.2.1 Evolution of KPI

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

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

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

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

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

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

3.2.2 Revenue

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

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

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

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

Transactional Revenue

IT Transactional Revenue

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

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

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

Direct Distribution

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

Non Transactional Revenue

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

3.2.3 Contribution

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

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

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

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

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

3.3 EBITDA

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

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

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

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

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

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

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

4 Consolidated financial statements

4.1 Group income statement

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

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

4.1.1 Revenue

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

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

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

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

4.1.2 Cost of revenue

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

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

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

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

4.1.3 Personnel and related expenses

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

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

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

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

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

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

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

4.1.4 Other Operating Expenses

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

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

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

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

4.1.5 EBITDA

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

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

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

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

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

4.1.6 Depreciation and Amortisation

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

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

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

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

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

4.1.7 Operating income (EBIT)

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

4.1.8 Net financial expense

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

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

4.1.9 Income taxes

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

4.1.10 Profit for the period

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

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

4.1.11 Adjusted profit

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

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

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

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

4.1.12 Earnings per share (EPS)

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

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

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

4.2 Statement of financial position (condensed)

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

4.2.1 Property, plant and equipment (PP&E)

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

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

4.2.2 Intangible assets

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

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

4.2.3 Goodwill

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

4.2.4 Equity. Share capital

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

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

4.2.5 Financial indebtedness

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

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

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

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

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

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

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

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

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

(Millions of euros)

Reconciliation with net financial debt as per our financial statements

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

USD denominated debt

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

Hedging arrangements

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

Debt structure at December 31, 2013[(9)]

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

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

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

4.3 Group cash flow

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

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

4.3.1 Change in working capital

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

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

4.3.2 Capital expenditure

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

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

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

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

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

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

4.3.3 R&D expenditure

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

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

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

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

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

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

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

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

4.3.4 Pre-tax operating cash flow

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

4.3.5 Taxes

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

4.3.6 Equity investments

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

4.3.7 Cash flow from extraordinary items

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

4.3.8 Interest and financial fees received / (paid)

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

4.3.9 Cash to shareholders

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

5 Investor information

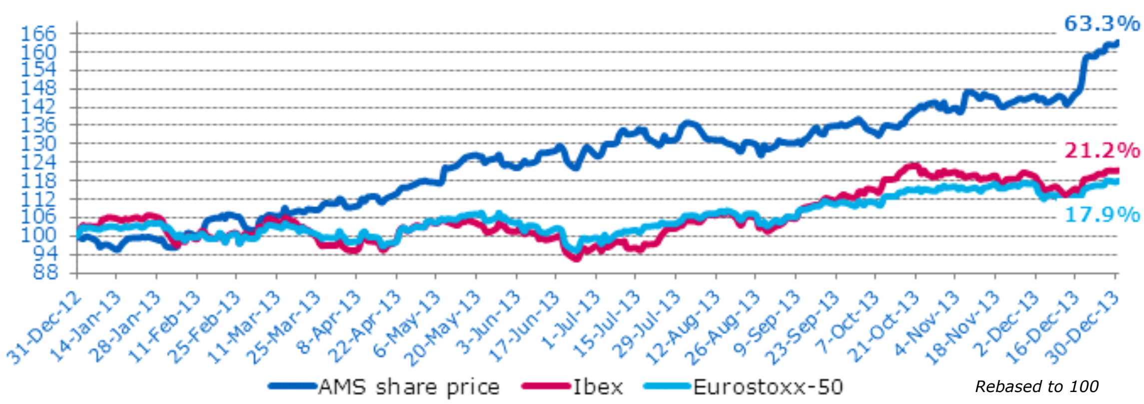
5.1 Capital stock. Share ownership structure

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

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

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

5.2 Share price performance in 2013



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

1. Excluding cross trades.

5.3 Dividend policy and dividend payments

5.3.1 Dividend policy

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

5.3.2 Dividend payments

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

In 2014, the Board of directors will submit to the General Shareholders Meeting for approval a final gross dividend of €0.625 per share, including an interim dividend of €0.30 per share (gross), which was paid in full on January 31, 2014. Based on this, the proposed appropriation of the 2013 results included in our 2013 audited consolidated financial statements of Amadeus IT Holding, S.A. and subsidiaries includes a total amount of €279.7 million corresponding to dividends pertaining to the financial year 2013.

6 Presentation of financial information

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

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

Acquisition of Newmarket International

Amadeus acquired on February 5, 2014, 100% of the voting rights of NMTI Holdings, Inc. and its group of companies ("Newmarket"). Newmarket is based in Portsmouth, New Hampshire, U.S.A., and serves around 22,000 unique properties in 154 countries, operating in the group and event management segment of the hotel industry, where is a leading provider of cloud-based IT solutions. Newmarket generated revenues of $109 million and an EBITDA of $35 million in 2013.

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

The acquisition price was USD 500 million. The transaction was fully financed by a new bank credit facility, which was signed in December 2013 and remained fully undrawn as of December 31, 2013. Newmarket will consolidate into Amadeus' books in the first quarter of 2014, following the approval of the acquisition by the US Federal Trade Commission in January 2014.

Acquisition-related costs incurred amounted to approximately €4.9 million, all of which were recognised in "Other operating expenses" in the consolidated statement of comprehensive income for the year ended December 31, 2013.

Segment cost reallocation

In 2013, the Group has implemented new allocation rules for certain fixed costs, such as personnel and building and office costs, to improve cost allocation between the operating segments (Distribution and IT Solutions). This reallocation has resulted in a cost structure of the operating segments that better reflects how the organisation is managed and decisions are made, providing a more accurate reflection of our segment reporting and profitability levels. The changes are effective starting from January 1, 2013, and for comparability purposes, the corresponding segment reporting information for 2012 has been restated. For the avoidance of doubt, this is only a reallocation exercise between operating segments and there is no change in the Group's Operating Income as a result of the new allocation rules.

Change in accounting policy

The Group has retrospectively adopted a change in accounting policy to adopt the amendments to IAS 19 from January 1, 2013. For comparative purposes, the condensed statement of financial position for the year ended December 31, 2012 and the Group income statement for 2012 have been restated (and differ from those previously reported). The impact of the change applied is immaterial.

Extraordinary costs related to the Initial Public Offering

On April 29, 2010 Amadeus began trading on the Spanish Stock Exchanges. The Company incurred extraordinary costs in relation to the offering that impacted the figures for 2010, 2011 and 2012. IPO expenses have not recurred in 2013. For purposes of comparability, figures for 2012 shown in this report have been adjusted to exclude such costs, in relation to personnel expenses.

Extraordinary costs related to the IPO ***Figures in million euros***	**Full year 2012**
Personnel and related expenses[1]	(7.7)
Total impact on Profit before taxes	**(7.7)**
Income taxes	2.4
Total impact on Profit	**(5.3)**

1. Costs included in "Personnel expenses" relate to the cost accrued in relation to the non-recurring incentive scheme (Value Sharing Plan) that became effective upon the admission of our shares to trading on the Spanish Stock Exchanges and which is accrued on a monthly basis over the two years following its implementation.

7 Other additional information

7.1 Expected Business Evolution

7.1.1 Macroeconomic backdrop and Amadeus business model

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

As the International Monetary Fund (IMF) report on World Economic Outlook (WEO) had announced, global activity has strengthened during the second half of 2013. According to the same sources the perspectives are positive for the near term, with activity expected to improve further in 2014 and 2015, largely on account of recovery in the advanced economies. Global growth is now projected to be slightly higher in 2014, at around 3.7%, rising from 3.0% in 2013. Still downside risks remain and recent downward revisions to growth prospects in some economies highlight the fragility of the recovery in certain regions.

By regions, the IMF projects growth in the United States is expected to reach 2.8 % in 2014, up from 1.9 % in 2013, assisted by domestic demand improvement due to the reduction in the fiscal drag as a result of the budget agreement.

The euro area is turning the corner from recession to recovery. Growth is projected to strengthen to 1% in 2014, but the recovery will be uneven. The pick-up will generally be more modest in economies under stress, despite some upward revisions in countries like Spain.

Overall, growth in emerging market and developing economies is expected to increase to 5.1% in 2014. Growth in China rebounded strongly in the second half of 2013, due largely to acceleration in investment. However this surge is expected to be temporary, driven by policy measures aimed at slowing credit growth and raising the cost of capital.

Many other emerging market and developing economies have started to benefit from stronger external demand in advanced economies and China. Nevertheless domestic demand has remained weaker than initially expected and as a result, growth forecasts have been revised downwards since October 2013 WEO forecast for countries like Russia or Brazil and in Middle East and North African region.

This positive stance is also reflected in the traffic figures, given the existing relationship between this metric and GDP growth. In February 2014 the International Air Transport Association (IATA) reported a 5.2% increase in traffic for the full year 2013.This growth was based on an outstanding growth coming from the Middle East (above 11%); mid-single digit growth in Latin America, Africa and Asia Pacific and Europe and US as laggards posting low single digit growth in both cases.

Looking ahead, the IATA expects traffic increase of 6% for 2014, as business confidence continues to recover and with improvements in all the regions described. Based on our geographical footprint it would be especially important to see it happening in Europe, a relevant market for us where growth levels have been very low throughout 2013.

The financial performance of the Air transport industry in 2014 should improve driven by a combination of economic growth, an increase of the business confidence, a slow ramp up in industrial production at the latter part of 2013, lower than forecasted jet fuel prices, amendments in the industry structure and increased efficiency levels.

Based on the above, we expect a similar pattern for Amadeus in 2014. The headwinds on traffic growth seem to be overcome; the recovery of the business confidence should raise the levels of corporate travel, mainly concentrated on the indirect channel. Those effects coupled with economic recovery in certain regions and additional contracted market share gains will allow us to post results in accordance with the expectations of the market.

Additionally the recent M&A activity will support new potential opportunities in business areas which we are trying to further penetrate, like Airport IT or Hotel IT.

7.1.2 Amadeus strategic priorities and expected business evolution in 2014

Distribution is Amadeus traditional business, and it is management's goal to continue profitably grow the business; seek new pockets of demand and to continue delivering a best-in-class service to all of our clients. We will continue to invest in our platform, in order to support our customers in adapting to the fast changing travel industry. Merchandising, personalisation tools and improved shopping solutions are examples of innovative solutions that are key to our development strategy.

Our content agreements give us visibility and help us to ensure that the most comprehensive content possible is contained in our platform to maintain the travel agency channel as a valuable channel for distribution. During 2013, we successfully renewed some important content agreements such as IAG, Air France-KLM or American Airlines and in 2014 we will repeat this process with other providers up for renewal.

We continue to foresee a difficult competitive environment, and as a result this might have a dilutive impact on the contribution margin of this segment as it happened in 2013. Business mix and penetration in new areas of business such us the low cost carrier market and further penetration in the US market would be additional reasons for this downward pressure.

In terms of additional market share gains, during years 2014 and 2015 we will see an extra-push coming from the migration to Amadeus of the travel agencies in Korea previously linked to TOPAS, the Korean operator CRS (Computer Reservation System) handling around 15 million bookings on annual basis.

Our IT Solutions business has posted 9.2% growth for 2013 given that the most relevant migrations have taken place during the last quarter of the year. In 2014, Passenger Boarded growth rate will accelerate as a result of: (i) the full year effect of the recent migrations that will account for additional 40m Passenger Boarded processed through our platform (ii) the new migrations happening during 2014, accounting for around 20 m on annualized basis (iii) the improved traffic levels which will positively affect the growth expected over the base of clients.

During year 2014 we will also achieve a highly important milestone for Amadeus with the migration of Southwest international, the first US customer for the Altea platform. Continued commercial efforts, and ongoing product and service evolution should also bring new client wins that will further extend our current visibility and target of close to 800m PB by 2015.

During 2013 and early 2014 some forward steps have been taken to enhance our business opportunities in certain new areas, through two corporate acquisitions. We have acquired Newmarket, an American cloud-based Hotel IT provider focused on the provision of technology around events and group bookings, an important source of revenue of up to 40% for a hotel property. This acquisition provides with the appropriate structure, brings in existing contractual relationships with our target clients, the top 20 hotel chains in the word, and a highly experienced management team.

The second acquisition is UFIS, acquired during the first quarter of 2014 and included in our Airport IT business group. UFIS nicely complements the IT portfolio we are currently building while increasing our company awareness in the sector; giving us important levels of synergies and enhancing our customer base.

Amadeus' compromise with R&D investment has always been part of our DNA, and is one of the pillars for the success in our existing businesses. Since 2013, we are selectively supporting certain new business units, projects with high value-creation potential, always within the vision of the company of shaping the travel industry with our partners. In 2014 we will continue with similar levels of R&D expenditure, related not only to the new activities but also related to our airline migration activity and some other investments in the Distribution area.

Finally, it is our objective to preserve our strong cash flow generation and sound financial position. Having almost reached the lower part of the stated capital structure target (1.0x - 1.5x net debt / EBITDA) as of September 2013, we will be back in the middle of the range after the mentioned acquisitions. In relation to our dividend policy, the Amadeus Board of Directors on December 12, 2013 has agreed to:

- Increase the pay-out ratio to 50% for the year 2013, within the current dividend policy of a pay-out range of 40%-50% of the consolidated profit.
- Distribute an interim gross dividend from the 2013 profit of €0.30 per ordinary share payable on January 31, 2014.

In addition, the Board of Directors will submit to the Ordinary General Shareholders´ Meeting for approval, a final gross dividend of EUR 0.625 per share carrying dividend rights, against 2013 profit for the year, which represents an increase of 25% versus the dividend distributed against 2012 results.

7.2 Research and Development activities

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

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

During the year ended December 31, 2013, Amadeus expensed €185,8 million for R&D activities and capitalized €327,8 million (before deducting any incentives), which compares to €179,7 million and €260,6 million, respectively, in 2012.

Our R&D investment enables us to offer some of the most advanced, integrated and powerful business tools available in the market, in order to deliver a best-in-class service to airlines and travel agencies. Indeed, Amadeus offers enhanced functionalities, such as advanced search and booking engines, both for travel agencies and travel providers. In addition, our product offering addresses the Passenger Service Systems for airlines, enabling processes such as central reservation, inventory management, departure control and e-commerce, as well as providing direct distribution technologies. We are also expanding our airline IT Solutions offering and we are seeking to grow our market share within the non-airline IT Solutions markets, including the hotel, rail and airport IT markets.

7.3 Environmental matters

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

7.3.1 Amadeus environmental strategy

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

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

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

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

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

7.3.2 Improving environmental performance in our industry

Below are some examples of our involvement with other industry stakeholders in relation to industry environmental sustainability objectives.

Carbon calculation standards for aviation:

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

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

The current version of the Amadeus corporate booking tool (Amadeus eTravel Manager) includes a CO2 display functionality that uses CO2 estimations from the ICAO carbon calculator.

Fuel savings achieved through technology:

Amadeus has developed technologies to help airlines and other industry players reduce emissions, therefore reducing also the cost of new environmental regulations. Through optimum weight allocation and optimisation tools, Amadeus Altéa Departure Control System (DCS) Flight Management module saves significant amounts of fuel, and therefore greenhouse gas emissions, as compared with less sophisticated technologies currently on the market.

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

Participation in common projects with industry stakeholders:

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

Our R&D teams have recently developed Amadeus Sequence Manager, a solution that helps implement Collaborative Decision Making (CDM) at airports; and that can be used by airports, Air Traffic Controllers, ground handling companies and airline operators. Amadeus Sequence Manager is expected to minimize aircraft ground movements by defining an aircraft pre-departure sequence. Conservative estimations based on the expectation of reducing by one minute the taxi time per flight for major European airports (those with more than 50,000 aircraft movements per annum) indicate a potential annual fuel cost savings of more than 120 M€ and a CO2 reduction of more than 250,000 t. Further, there would be other benefits in noise and air quality impacts which are known current major causes of constraint on Airports and hence on the European air traffic management. Amadeus Sequence Manager has been developed by Amadeus R&D teams.

Greenhouse gas emissions and climate change are a principal concern in the travel industry, particularly due to the high energy intensity of means of transport in general. The risks associated to climate change for Amadeus are principally linked to the demand for travel. This is due in part to the fact that incremental environmental costs translate with some delay into increased economic costs; and, all other things being equal, an increase in costs leads to a reduced demand for travel. Besides, consumers, in order to avoid negative environmental impacts, may look for alternatives to travelling.

On the other hand, regarding opportunities linked to climate change, we are in Amadeus in a privileged position to help raise environmental awareness in the industry. We need to bear in mind that Amadeus is involved in one way or the other in the travel of more than one million passengers every day. Environmental services included in our distribution platforms and/or IT Solutions are a way in which Amadeus can improve customer loyalty, reputation in the travel industry, contract new customers and retain current ones, improve our network and relationship with industry stakeholders and, importantly, play our part in the contribution to industry sustainability.

Regarding our sustainability efforts it's important for us to receive feedback from external sustainability indexes, in order to understand how do we perform as compared to other companies, to identify areas of focus for the future and to improve the quality and transparency of our non-financial reporting. In September 2012 Amadeus entered the Dow Jones Sustainability Index (DJSI) and achieved the highest score in our sector. In the environmental area, Amadeus reached 90 points out of a total maximum of 100. In addition, in 2013 Amadeus remained again in the DJSI and early in 2014 Amadeus was included in the Sustainability Year Book and received the Bronze Class Sustainability award. Finally, Amadeus in 2013 participated in the Carbon Disclosure Project, which collects carbon emissions information from companies across the world and evaluates performance in terms of disclosure of information (0-100) and performance (A-E) Amadeus score in the Carbon Disclosure Project for 2013 was 79 B.

7.4 Treasury Shares

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

	Treasury Shares	€ million
Balance at December 31, 2011	**2,093,760**	**1.7**
Acquisition	2,300,000	32.6
Retirement	(821,950)	(3.7)
Balance at December 31, 2012	**3,571,810**	**30.6**
Acquisition	204,753	4.9
Retirement	(813,425)	(5.5)
Balance at December 31, 2013	**2,963,138**	**30.0**

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

7.5 Financial Risks

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

7.5.1 Foreign exchange rate risk

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

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

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

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

(Millions of euros)

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

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

- One of the limitations of this methodology is that its results are based on several of hypotheses on the future volatilities of the exchange rates and the future correlation among them which may correspond with the real evolution of the exchange rates or not[10].
- Additionally, the foreign exchange exposure estimates used as inputs to the model may deviate with respect to the exposures which will finally take place in the future[11].
- Finally, it is important to mention that given a level of CFaR calculated with a 95% confidence level, the losses which could take place in the remaining 5% of the cases may be significantly greater than the level of risk as measured with the CFaR methodology.

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

31/12/2013			31/12/2012		
2014 CFaR	2015 CFaR	2016 CFaR	2013 CFaR	2014 CFaR	2015 CFaR
(2.9)	(12.8)	(28.3)	(3.4)	(9.7)	(24.7)

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

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

7.5.2 Interest rate risk

The objective of the Group in terms of interest rate risk management is reducing the volatility of the net interest flows payable by the Group. In line with this goal, the Group has set up hedges that fix a significant part of the interests to be paid up to November 2015. At December 31, 2013, after taking into account the

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

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

(Millions of euros)

effect of the interest rate swaps in place, approximately 90% of the Groups outstanding debt are at fixed rate of interest (2012: 94%) until November 2015.

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

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

	31/12/2013		31/12/2012	
	+10 bps	-10 bps	+10 bps	-10 bps
EUR denominated debt	4.46	(4.38)	4.39	(4.38)
USD denominated debt	0.03	(0.03)	0.04	(0.04)
EUR accounting hedges	0.06	(0.06)	0.39	(0.41)
USD accounting hedges	0.19	(0.19)	0.27	(0.27)
Total	**4.74**	**(4.66)**	**5.09**	**(5.10)**

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

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

According to the table above a 10 bps drop in the level of interest rates would cause a loss in the fair value of the debt (an increase of the liability) and the derivatives hedging it amounting to €4.66 million at December 31, 2013, and €5.10 million at December 31, 2012 respectively. However, given that changes in the fair value of the derivatives that qualify for hedge accounting are recognized directly in equity and the hedged item (the underlying debt) is measured at amortized cost, the impact of a 10 bps drop in the level of interest rate would imply no loss recognized in the profit for the year at December 31, 2013 and 2012, since all the derivatives in the interest rate portfolio of the Group apply for hedge accounting.

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

7.5.3 Own shares price evolution risk

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

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

(Millions of euros)

7.5.4 Credit risk

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

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

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

7.5.5 Liquidity risk

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

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

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

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

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

7.6 Subsequent Events

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

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

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

	Newmarket
Cash paid	328.0
Contingent consideration	5.1
Purchase consideration	333.1

(Millions of euros)

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

	Newmarket
Intangible assets	116.5
Property, plant and equipment	4.4
Other non-current financial assets	0.1
Deferred tax assets	2.5
Total non-current assets	123.5
Trade accounts receivable	29.5
Cash and cash equivalents	6.7
Other current assets	7.7
Total current assets	43.9
Non-current debt	24.9
Deferred tax liabilities	10.9
Other non-current financial liabilities	1.0
Total non-current liabilities	36.8
Deferred revenue current	44.0
Trade accounts payable	16.6
Other current liabilities	6.4
Total current liabilities	67.0
Net identified assets acquired	63.6
Purchase consideration	333.1
Goodwill resulting from the acquisition	**269.5**

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

	Newmarket
Gross carrying amount	30.0
Allowance for doubtful accounts	(0.5)
Fair value of receivables	29.5

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

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

	UFIS
Cash paid	16.3
Contingent consideration	3.0
Purchase consideration	19.3

(Millions of euros)

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

	UFIS
Total non-current assets	0.9
Trade accounts receivable	2.2
Cash and cash equivalents	0.5
Other current assets	1.9
Total current assets	4.6
Non-current debt	1.1
Total non-current liabilities	1.1
Current debt	0.3
Trade accounts payable	1.4
Total current liabilities	1.7
Net identified assets acquired	2.7
Purchase consideration	19.3
Goodwill resulting from the acquisition	**16.6**

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

The acquisition-related costs incurred amounted to approximately €4.9 million, all of which were recognised in "Other operating expenses" in the consolidated statement of comprehensive income for the year ended December 31, 2013.

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

	Proforma	Newmarket	UFIS
Revenue	3,190.2	82.4	4.1
Profit for the year	570.3	6.8	0.4

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

8 Corporate Governance Information

Annexe 2: Amadeus CSR

The travel industry comprises diverse and interdependent sectors which together represent 9% of both global GDP and employment worldwide. Connecting the complex ecosystem of sellers and buyers of travel, Amadeus is in a privileged position to drive social and environmental responsibility initiatives, leveraging underlying technology capabilities, expertise and stakeholder relations.

Our social responsibility initiatives can be divided into three categories. First, our community support programme covers the projects that Amadeus offices and people carry out in their locations, generally in partnership with their local communities. The specific activities range from fundraising events to Amadeus volunteers that dedicate part of their time on educational activities for children in various parts of the world.

Secondly, Amadeus technology for good program takes advantage of our core business technology to use it for social responsibility programmes. In 2013, Amadeus reached a major milestone with the implementation of a global online donation project, in partnership with UNICEF and players in the travel industry. Spanish carrier IBERIA became the first airline to go live with the programme on its website. Every time a traveller buys a ticket on www.iberia.com, they can make a donation of between 3 to 20 Euros. The funds raised go to UNICEF projects.

Thirdly, the Amadeus knowledge and skills transfer programme aims primarily at bridging the gap between mainstream academia and real-life business needs. Amadeus works in cooperation with NGOs or academic institutions and contributes with the expertise and industry knowledge of our people. In 2013, we carried out knowledge and skills transfer initiatives in 24 countries.

On the environmental front, our activities can also be divided into three kinds. Internally, we look at our operations and aim at minimising our resource consumption and impact. In this respect, the energy efficiency program in our Data Centre in Erding is particularly relevant. The Data Centre received the certification from TÜV SÜD as an energy efficient centre in 2010, and the certification was renewed in 2012 with validity until 2015. The Power Usage Effectiveness of the Data Centre was 1.39, a figure that is associated with a very efficient performance. On the other hand, the Amadeus Environmental Management System (EMS) monitors energy and resource consumption at our top sites worldwide. The EMS also provides a basis for continuous improvement since best practices are identified and actions for improvement recommended. Since 2010, when the system was systematically implemented, we have continuously improved performance. The parameters covered in the EMS are energy consumption, greenhouse gas emissions, paper consumption, water consumption and waste generation.

The second category of environmental initiatives analyses and fosters the environmental benefits of Amadeus products and services. Since Amadeus solutions generally improve efficiencies, some of these efficiencies also translate into environmental improvements. For example, the Amadeus Altéa Departure Control System (DCS) improves productivity and efficiency for airlines and it also reduces airlines fuel consumption. The sophisticated methodology that Altéa DCS uses to estimate the weight of the aircraft before the fuel is loaded is fundamental to optimize the amount of fuel uplift and aircraft fuel consumption.

Finally, we work together with other industry stakeholders to achieve industry environmental goals. In our partnership with the International Civil Aviation Organisation (ICAO), Amadeus contributes with our global reach and exposure to millions of travelers daily, and ICAO contributes with its carbon calculator and its legitimacy to represent the industry as the UN body that takes care of civil aviation. The result is that travelers can have access to the ICAO carbon calculator in Amadeus platforms and be informed about the estimated carbon emissions released as a consequence of their flights.

Board of Directors

Members of the Board of Directors on the date when the annual accounts and the Directors' Report were prepared:

CHAIRMAN

José Antonio Tazón García

VICE-PRESIDENT

Guillermo de la Dehesa Romero

DIRECTORS

Stuart Anderson McAlpine
Francesco Loredan
Clara Furse
David Webster
Enrique Dupuy de Lôme Chávarri
Bernard Bourigeaud
Pierre-Henri Gourgeon
Roland Busch
Christian Boireau

SECRETARY (non-Director)

Tomás López Fernebrand

VICE-SECRETARY (non-Director)

Jacinto Esclapés Díaz

Madrid, February 27, 2014