AMADEUS FIRE
RECRUITING SERVICES

Amadeus FiRe AG

Annual report 2017

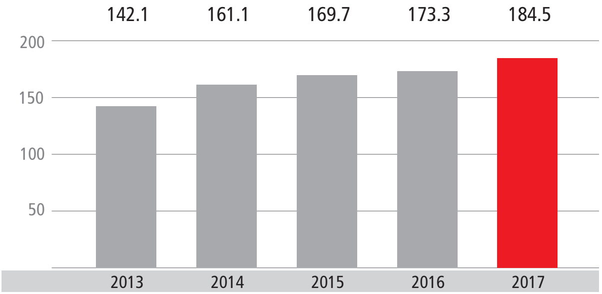
www.amadeus-fire.de

We fill specialist and management positions in the fields of commerce and IT.

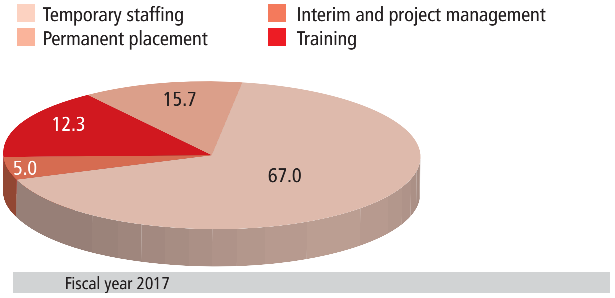
Temporary staffing · Permanent placement
Interim management · Training

New headquarters of Amadeus FiRe AG in Frankfurt/Main

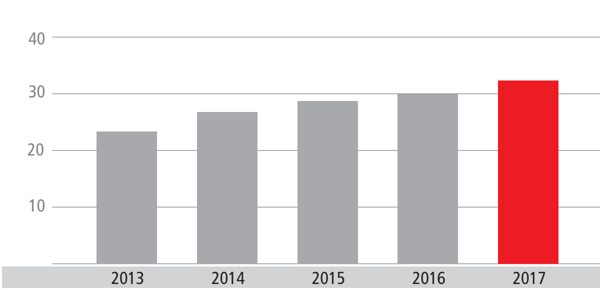
Revenues in EUR m



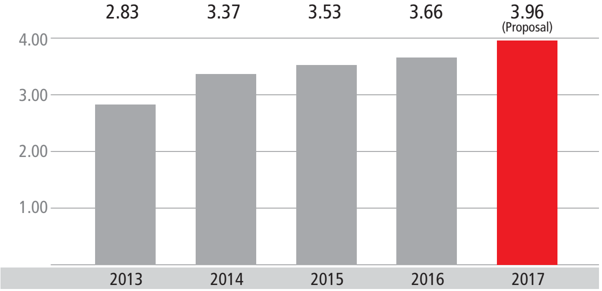
Revenues of the services in per cent



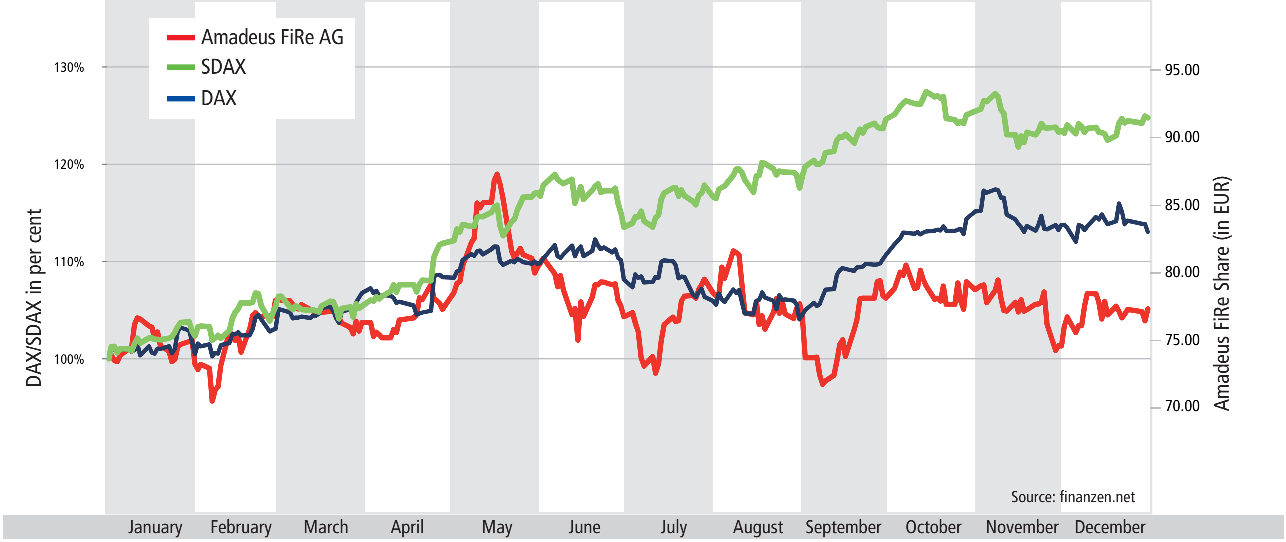
EBITA in EUR m



Dividend development Dividend per share



Indexed share price development 2017



Financial calendar

26.04.2018
Quarterly statement first quarter of fiscal year 2018

April 2018
International Roadshow

24.05.2018
Shareholders' General Meeting

19.07.2018
Semi annual report for fiscal year 2018

25.10.2018
Quarterly statement Nine months of fiscal year 2018

Oktober 2018
International Roadshow

März 2019
Press conference and analyst meeting for fiscal year 2018

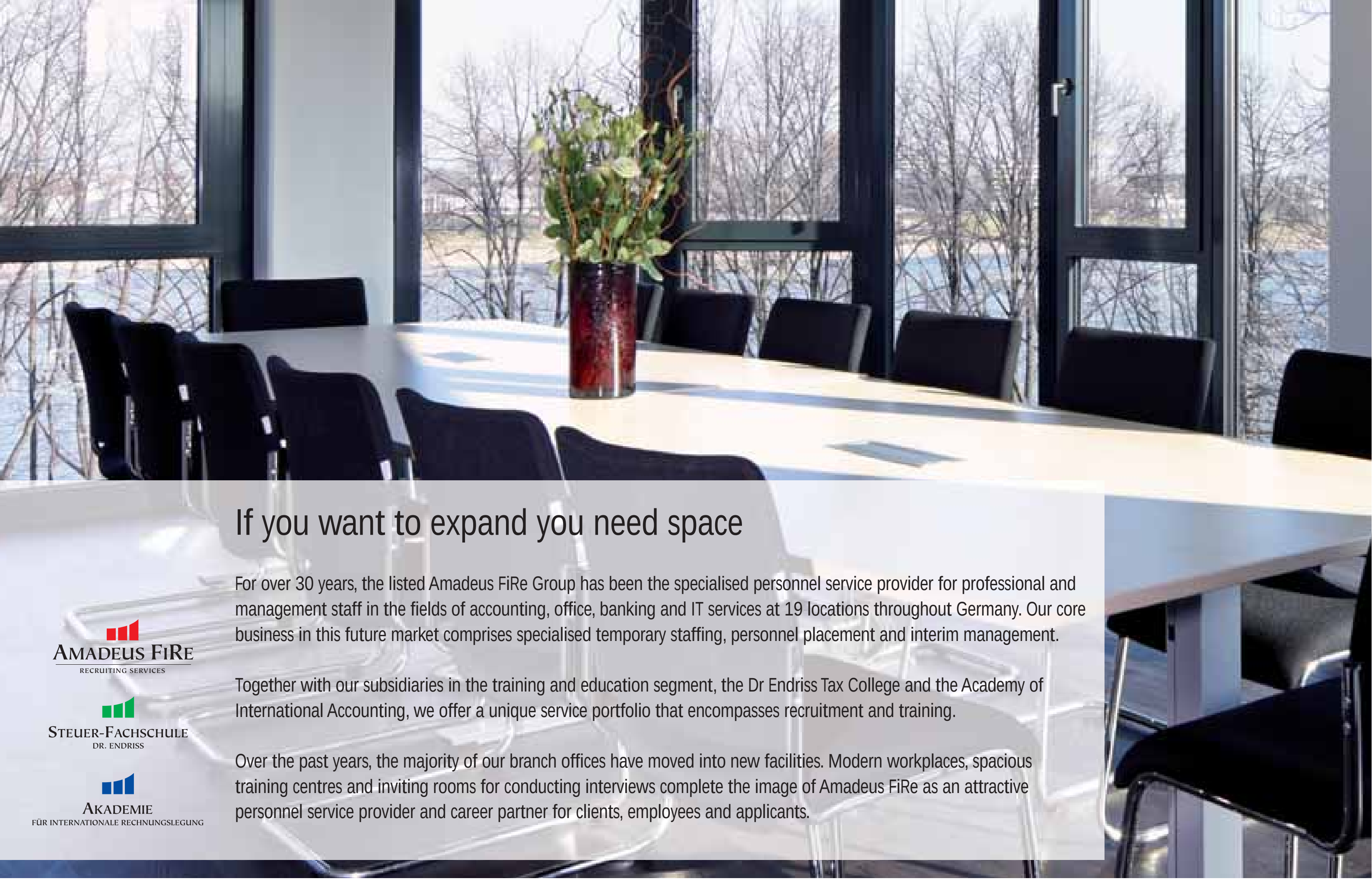
Mai 2019
Shareholders' General Meeting

Amounts stated in EUR k	Fiscal year 2017 Jan.-Dec.	Fiscal year 2016 Jan.-Dec.	Divergency in per cent
Revenues	184,525	173,295	6.5%
Gross profit	82,483	75,830	8.8%
in per cent	44.7%	43.8%	
EBITDA	33,352	30,890	8.0%
in per cent	18.1%	17.8%	
EBITA	32,319	30,038	7.6%
in per cent	17.5%	17.3%	
EBIT	32,319	30,038	7.6%
in per cent	17.5%	17.3%	
Profit before income taxes	31,677	29,451	7.6%
in per cent	17.2%	17.0%	
Profit after income taxes	22,065	20,461	7.8%
in per cent	12.0%	13.6%	
Profit attributable to minority interest disclosed under liablities	-1,282	-1,320	-2.9%
Profit for the period	20,783	19,141	8.6%
in per cent	11.3%	11.0%	
- Attributable to non-controlling interests	213	139	53.2%
- Attributable to equity holders of the parent	20,570	19,002	8.3%
Net cash from operating activities	25,493	19,503	30.7%
Net cash from operating activities per share	4.90	3.75	30.7%
Earnings per share	3.96	3.66	8.2%
Average number of shares	5,198,237	5,198,237	

	31.12.2017	31.12.2016	
Balance sheet total	78,017	72,746	7.2%
Stockholders' equity	47,125	45,391	3.8%
Return on Equity before Tax in %	60.4%	62.4%	
Cash	43,403	40,448	7.3%

	31.12.2017	31.12.2016	
Number of employees (active)	2,724	2,655	2.6%
thereof temporary staff	2,242	2,226	0.7%

Annual report in PDF-Format
www.amadeus-fire.de/investor-relations



If you want to expand you need space

For over 30 years, the listed Amadeus FiRe Group has been the specialised personnel service provider for professional and management staff in the fields of accounting, office, banking and IT services at 19 locations throughout Germany. Our core business in this future market comprises specialised temporary staffing, personnel placement and interim management.

Together with our subsidiaries in the training and education segment, the Dr Endriss Tax College and the Academy of International Accounting, we offer a unique service portfolio that encompasses recruitment and training.

Over the past years, the majority of our branch offices have moved into new facilities. Modern workplaces, spacious training centres and inviting rooms for conducting interviews complete the image of Amadeus FiRe as an attractive personnel service provider and career partner for clients, employees and applicants.

Content

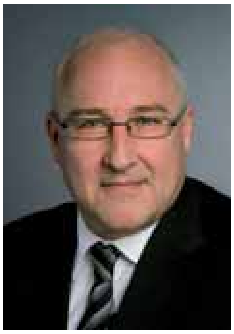
Management report

The new facilities of our branch office in Cologne

www.amadeus-fire.de/**koeln**

Consolidated financial statements

Ladies and Gentlemen,



Peter Haas, CEO

2017 was a good year for the Amadeus FiRe Group. Once again, we again increased our earnings in a positive economic environment with a GDP growth of 2.2%.

I would like to thank the employees who achieved this result in a highly competitive market.

This result was attained despite the lower number of working days and in particular thanks to the pleasing development in personnel placement.

We increased sales revenues by 6.5% to EUR 184.5 million. Due to the increased sales revenues in personnel placement, the gross profit margin rose from 43.8% in the previous year to 44.7% despite the contrary effect in temporary staffing caused by the lower number of working days.

Earnings before interest, taxes and amortisation (EBITA) in the past financial year amounted to EUR 32.3 million, which constitutes an increase of 7.6% year-on-year. The EBITA margin was 17.5%.

We achieved a net result of EUR 20.8 million as compared to EUR 19.1 million in the previous year, which corresponds to a rise of 8.6%.

Our operating activities generated a cash flow of EUR 25.5 million as compared to EUR 19.5 million in the previous year. Our liquid assets amounted to EUR 43.4 million on the accounting date, which is above the level of the previous year.

The economic forecasts for the global economy, the euro zone and Germany are positive in every respect and suggest that the economic environment in Germany will be similar in 2018. However, the effects of equal pay on the temporary work sector cannot be estimated at this time. It remains to be seen how the user companies will act.

Our aim is to achieve an improved result year-on-year once again despite further investments in personnel.

We would like to stick to our dividend policy and let you, our shareholders, participate in the result. Given that we do not see any additional liquidity needs at this time, we will propose to distribute the entire net result once again at the Annual General Meeting. The dividend per share would amount to EUR 3.96, which would correspond to an increase in dividends by 8.2%.

I would like to thank the members of the Supervisory Board for their good, constructive cooperation.

On behalf of the Management Board, I would like to thank our employees, shareholders, clients and business partners for their trust and loyalty.

Kind regards,

Peter Haas

Dividend development

Jahr	Dividend per share in EUR
2017	**3.96***
2016	3.66
2015	3.53
2014	3.37
2013	2.83
2012	2.95
2011	2.84
2010	1.67
2009	1.45
2008	1.38
2007	1.27
2006	0.88

* Proposal

Christoph Groß,
Chairman of the
Supervisory Board

Dear shareholders,

In the past financial year of 2017, the Amadeus FiRe Group once again achieved an excellent result. What is more, the company took important steps in terms of setting the course for its future development. In addition to the further expansion of the sales organisation, this included the appointment of the new Management Board team in particular.

The company announced the planned succession in October 2017. Mr Peter Haas, current Chairman of the Management Board of Amadeus FiRe AG, had informed the Supervisory Board that he will not be extending his management contract, which ends on 31 December 2018. Peter Haas has been a member of the Management Board of Amadeus FiRe AG for 18 years and has held the position of Chairman of the Management Board since 2008. During this time, he contributed greatly to shaping the company's successful development. Following this decision, the succession plan that had already been prepared in a joint effort between the Supervisory Board and the Management Board was implemented.

Mr Robert von Wülfing is to be appointed speaker of the Management Board with effect from the day of Mr Haas' resignation. Mr von Wülfing has been a member of the Management Board of Amadeus FiRe AG since 2012 and is also responsible for the business area of further education in his capacity as CFO. Mr Dennis Gerlitzki will also be appointed as a new member of the Management Board of Amadeus FiRe AG with effect from the day of Mr Haas' resignation. Mr Gerlitzki will be responsible for the personnel services business area as Chief Operations Officer. Mr Gerlitzki has worked successfully in different positions at Amadeus FiRe for 14 years, and has been responsible for many of the Amadeus FiRe branch offices in Germany as regional director since 2008.

Both Mr von Wülfing and Mr Gerlitzki have been working closely together with Mr Haas at the top management level, in both the operational and the strategic fields, and have the full confidence of the Supervisory Board and the current Chairman of the Management Board.

The Supervisory Board is convinced that the new management team has the high level of competence and experience required to manage the company successfully in the future.

After last year's Annual General meeting, Ms Ines Leffers informed us that she would have to give up her position on the Supervisory Board of Amadeus FiRe due to professional reasons. At the end of 2017, Ms Sibylle Lust resigned from the Supervisory Board when she went into retirement.

I would like to extend a warm welcome to our new members of the Supervisory Board of Amadeus FiRe AG, Ms Annett Martin and Ms Angelika Kappe. Ms Martin was initially appointed as Ms Leffers' successor by the court with the resolution dated 3 August 2017. Ms Martin will be up for election to the Supervisory Board in the context of the upcoming Annual General Meeting. Ms Kappe is stepping into employee representative Ms Lust's position as a substitute member, and took up her work on the Supervisory Board at the beginning of 2018.

The Amadeus FiRe Supervisory Board complies with the Act on Equal Participation of Women and Men in Management Positions in the Private and Public Sectors. This applies to both the capital side and the employee side of the Amadeus FiRe Supervisory Board, and secures the Supervisory Board's capacity to act in the future.

The working atmosphere among all members of the Amadeus FiRe Supervisory Board is very constructive and characterised by a high level of transparency. This remained unchanged in the 2017 financial year, both in the plenum and in the committees, and was confirmed by the annual evaluation of Supervisory Board activities. The Supervisory Board met its obligations as defined by the law, the articles of the company and the principles of corporate governance with great care in the 2017 financial year.

As Chairman of the Supervisory Board, I would like to express my gratitude to all members of the Supervisory Board for their continuous commitment to the company and its employees, and thank them for always maintaining a high level of trust in our work relationship.

In the course of the year, the Supervisory Board devoted a great deal of attention to the business- and personnel-related developments and prospects in the Amadeus FiRe Group. In this context, the Supervisory Board continuously supported and monitored the Management Board with regard to its management of the company and business operations in its advisory function. All decisions that were of fundamental importance to the company were discussed extensively with the Management Board and, if necessary, decided in the plenum. The Management Board regularly attended the meetings of the Supervisory Board. The Management Board made sure that the members of the Supervisory Board were prepared with regard to decisions and investment projects subject to their approval in good time. The respective committees supported the activity of the entire board by carrying out preparatory work. The Supervisory Board's vote on the respective reports and proposed resolutions was thus always based on a preceding thorough assessment and advice.

Beyond the regular meetings, the Management Board also provided regular, prompt and extensive information to the Supervisory Board about business developments in the form of written monthly reports. In addition, the Management Board also informed the Supervisory Board verbally about the most important economic key figures, important developments and upcoming decisions. The Management Board also submitted the half-year report and the quarterly reports to the Supervisory Board.

The Chairman of the Management Board regularly met with the Chairman of the Supervisory Board to keep him informed about the current business situation and significant business transactions. The same applies to the exchange of information between the chairman of the balance sheet and audit committee and the CFO on accounting matters.

Meetings of the Supervisory Board and the committees

The meetings in the plenum generally involved an exchange on the development of sales revenues, earnings and employment, as well as the group's financial situation and the measures derived on this basis. The Management Board also offered explanations for deviations of the business development from the approved plans and objectives. Further, the Management Board regularly reported on the risk situation of the company and the group in the context of the risk management system. Individual business activities and measures that could be of great significance to the group were discussed. They were assessed by the Supervisory Board accordingly. The meetings of the Supervisory Board were characterised by an intensive and open exchange.

A total of five Supervisory Board meetings were held in the reporting period. One resolution by circulation was also made. All the members of the Supervisory Board attended more than half of the meetings.

Two committees were formed within the overall Supervisory Board: the personnel committee and the audit committee. The committees do not have any decision-making power, but exercise an advisory function. The committees prepare the resolutions to be made by the Supervisory Board and topics to be discussed by the Supervisory Board. In the subsequent meetings of the Supervisory Board, the committee chairmen each report on the work the committees have done. The Supervisory Board considers the number and tasks of the committees formed by the members of the Supervisory Board to be appropriate and efficient.

The audit committee convened for four meetings in 2017. Depending on the respective items on the agenda, the auditor, the members of the Management Board and the Chairman of the Supervisory Board (as a guest) took part in the meetings. The committee concerned itself primarily with the annual and consolidated accounts as well as the interim statements, monitoring of the accounting and group accounting processes, the effectiveness of the internal control system, risk management and the internal revision system. The committee further presented the Supervisory Board with a recommendation regarding the Supervisory Board's proposal to the Annual General Meeting of electing the auditor and appointed the auditor following the vote at the Annual General Meeting. The committee voted on the main points of the audit. The auditor's remuneration was determined and the committee assured itself of the auditor's independence. The committee chairman has special knowledge of and experience with the application of accounting principles and internal control procedures. He is independent and not a former member of the company's Management Board.

The personnel committee consists of three shareholder representatives and one employee representative. The personnel committee is responsible for employment agreements with the members of the Management Board as well as other Management Board matters and convened twice during the reporting period. There is no permanent nomination committee at this time. The tasks of the nomination committee were adopted by the personnel committee, most recently when Ms Martin was selected.

Corporate Governance

The Supervisory Board continuously follows the specifications of the German Corporate Governance Code. On 23 October 2017, the Management Board and the Supervisory Board submitted the annual statement of compliance as per Section 161, Para. 1 of the Aktiengesetz (AktG – Germany Stock Corporation Act). The statement, as well as an extensive report on the amount and structure of the remuneration of the Supervisory Board and management Board, can be found in the report on corporate governance in the management report, and was also made permanently accessible to the shareholders on the company's homepage.

The members of the Supervisory Board did not communicate any conflicts of interest in the reporting period.

Annual accounts and consolidated accounts

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, based in Eschborn, Germany, audited the annual accounts, compiled in accordance with the specifications of the German Commercial Code (HGB), and the consolidated accounts of Amadeus FiRe AG, compiled in accordance with Section 315a of the German Commercial Code on the basis of the international financial reporting standards (IFRS) to be applied in the European Union, on 31 December 2017, as well as the joint management report of Amadeus FiRe AG and the Amadeus FiRe Group duly and taking accounting and the risk management system into account. The auditor issued an unqualified opinion for each of the documents stated above. The auditor further ascertained that the Management Board has set up an appropriate monitoring system that is capable of identifying developments that endanger the continued existence of the company at an early stage.

The accounting documents, the audit reports of the auditor and the Management Board's proposal for using the accumulated profits were presented to all members of the Supervisory Board for review with sufficient notice. On the occasion of the meeting of the audit committee, the auditor provided an extensive report on the auditing procedure and the basic results of his audit, and responded to requests for more in-depth information and additional questions. In the subsequent meeting of the entire Supervisory Board, the chairman of the audit committee gave an extensive report on the results of the audits performed by the audit committee. Following an in-depth debate on the audit procedure and the audit results achieved by the auditor, and after a thorough examination of the auditor's report, the Supervisory Board concurred with the auditor's result of the audit. On 12 March 2018, the Supervisory Board decided, in the context of its own audit performed upon the recommendation of the audit committee, that there were no objections to be raised and approved the compiled accounts. The annual accounts are hereby adopted. After reviewing the proposal of the Management Board to use the accumulated profits, the Supervisory Board agreed to this proposal.

Members of the Supervisory Board and the Management Board

On 31 December 2017, the Supervisory Board of Amadeus FiRe AG consisted of six representatives of the shareholders and six employee representatives. The twelve acting members of the Supervisory Board are:

- Mr Christoph Groß, chairman
- Mr Michael C. Wisser, deputy chairman
- Mr Knuth Henneke
- Ms Annett Martin
- Dr Ulrike Schweibert
- Mr Hartmut van der Straeten
- Ms Ulrike Bert, employee representative
- Ms Sibylle Lust, employee representative
- Mr Elmar Roth, employee representative
- Mr Andreas Setzwein, employee representative
- Ms Ulrike Sommer, employee representative
- Mr Matthias Venema, employee representative

At the end of the financial year, the Management Board consisted of Mr Peter Haas, Chairman of the Management Board, and Robert von Wülfing, Chief Financial Officer. In accordance with Section 6 of the articles of Amadeus FiRe AG, the Management Board of the company consists of at least two members.

I would like to end the report with some words of gratitude this year. 2017 was a successful financial year in which we achieved record results once again. We owe our success to the commitment and dedication of each and every employee of the Amadeus FiRe Group. The Supervisory Board would therefore like to express its sincere thanks to all employees as well as the Management Board. I would like to express my pleasure in acknowledging the excellent result you have achieved together, for our company and our shareholders.

On behalf of the Supervisory Board, I would like to express my special thanks to our clients and shareholders for the trust they have put in our company.

Frankfurt am Main, 12 March 2018

on behalf of the Supervisory Board

Christoph Groß
Chairman of the Supervisory Board

What our clients say

Nice GmbH is one of the satisfied clients of our branch office in Münster

Nice Deutschland GmbH develops smart home automation systems for residential, industrial and commercial buildings. In the course of an acquisition process and the resulting reorganisation, commercial manager Damian Proske was looking for an employee (m/f) to assist his financial accounting team with the additional tasks. Given the framework conditions, the vacant position could be filled only by a qualified and experienced specialist. This is why he contacted Amadeus FiRe AG. In the interview, Damian Proske speaks about what it is like to work with Amadeus FiRe and how the personnel service provider helped him to fill his vacant position successfully in no time.

Mr Proske, what sort of situation was Nice in when you requested personnel from Amadeus FiRe?

When our company, Nice Deutschland GmbH, was acquired by our Italian parent company, we had to make adjustments in the financial accounting department. The team was being urged to catch up with business transactions and file them accordingly. At the same time, we had to create new structures and prepare documentation. Our company did not have the staff capacity to handle these additional tasks that now had to be dealt with alongside our day-to-day business. We had to get external support as quickly as possible.

Why did you decide to recruit staff through Amadeus FiRe?

I was already familiar with Amadeus FiRe from our close and target-oriented cooperation at other locations. I really appreciate that your personnel consultants make the effort to get a detailed picture of the company and the conditions for filling vacant positions right after we submit our request. When searching for an employee who fits the position in our financial accounting team accurately, Amadeus FiRe can draw on a pool of well-versed candidates with plenty of professional experience who can work independently right from the start and familiarise themselves with the work quickly. This was essential in order for us to get the support we needed quickly. Once again, Amadeus FiRe was able to present me with a number of qualified profiles right away. If required, the experienced personnel consultants also provide assistance during the interviews and lend their expertise afterwards.

Which criteria are particularly important to you when selecting personnel?

When I select new personnel, it is very important to me that the framework conditions I specified in terms of professional qualification and personal qualities are taken into account. To ensure constructive and harmonious cooperation, the candidates must fit the job description 100 per

The facilities of our branch office in Münster

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„When searching for an employee who fits the position in our financial accounting team accurately, Amadeus FiRe can draw on a pool of well-versed candidates with plenty of professional experience who can work independently right from the start and familiarise themselves with the work quickly"

Damian Proske, commercial manager of Nice GmbH
and one of our numerous satisfied clients

cent and also fit in with the team on a personal level. When I decide on an applicant, it is crucial that they are quick on the uptake, as this allows them to familiarise themselves with the work quickly and without any problems. Nice Deutschland GmbH is always looking for individuals who identify problems, address them and, ultimately, provide suggestions for solving them independently. Having an open dialogue with my contact at Amadeus FiRe about the position to be filled and the potential employees is also very important to me.

How do you cooperate with your personnel consultant at Amadeus FiRe and what position has the personnel service provider been able to fill for you?

Working with our personal consultant at Amadeus FiRe AG is always a positive experience with a strong focus on the target. The candidate profiles are presented in a structured, clearly arranged way that allows for easy comparison, which enables us to select suitable applicants and arrange interviews in no time at all. Amadeus FiRe also arranges and accompanies the remaining process, from making an offer to the desired candidate and all the way to signing the contract. With regard to our vacant position in the financial accounting team, we ultimately decided on a candidate who met all the criteria to our greatest satisfaction.

What other clients say

Service orientation beyond comparison.
Sven Gaudeck, Human Resources Officer, Honda Deutschland GmbH

The fast processing of requests and target group-oriented candidate profiles convinced us that Amadeus FiRe is a reliable partner.
Ute Siebenschuh/Thomas Vogel, management consultants, Commerzbank AG

Keep up the good work! Perfect preselection, quick and flexible reactions.
Martin Bergen, Managing Director, securPharm e.V.

We were very impressed with Amadeus FiRe. They work quickly and provide high-quality candidates, and they have helped us to fill important positions in no time and to our great satisfaction.
Ute Axer, Human Resources Officer, ITConcepts Professional GmbH

What our employees say

Sofia Juncker, Area Manager of the branch office in Mainz and one of many dedicated sales employees in Germany.

Amadeus FiRe offers its sales employees many career opportunities. Sofia Juncker's success story illustrates how these career opportunities are used. She joined Amadeus FiRe as a personnel consultant in February 2014. Just 18 months later, she was promoted to senior consultant. She took on managerial responsibility for the first time in March 2016, when she was promoted to managing consultant. Today, she manages the branch office in Mainz. In the interview, Sofia Juncker tells us about her tasks as area manager and why she enjoys working at Amadeus FiRe.

Why did you join Amadeus FiRe?

I already gained my first professional experience in sales as a student. I quickly realised that I very much enjoy this work, so after I finished my degree, I decided to start my professional career in this field of work. I found the combination of human resources and sales particularly exciting, so I decided very quickly that I wanted to work for a personnel service provider.

Tells us about your career path at Amadeus FiRe so far.

I started as a personnel consultant at Amadeus FiRe in February 2014. My supervisor back then did a great job of showing me the ropes, so I was able to achieve my sales targets relatively quickly and was promoted to senior consultant just a year and a half later. I took on managerial responsibility for the first time in March 2016, when I was promoted to managing consultant. During this time, I was the team leader for the Office/IT Services division. I took my third career step in three years in July 2017, when I took on the position of area manager of the branch office in Mainz.

What are your tasks as area manager?

My job as area manager is to recruit new employees for my branch office and show them the ropes of the job. Motivation is very important to me in this context, which is why I make sure to exchange ideas and feedback with my entire team on a regular basis. My day-to-day business also involves talking to our client companies and offering them personnel solutions that are tailored to their needs. Given that expanding and strengthening our customer relationships is an important success factor for our branch office, the acquisition of new customers is also part of my field of responsibility.

What do you find fascinating about your tasks?

It's the mixture of different fields that fascinates me and makes my work day exciting. For example, I am very much involved in expanding our location. But I also find it very exciting to witness the further development of each of my employees. However, I am not just the contact person for my employees, but also assist our external employees and clients whenever they have questions or suggestions. Thanks to this

The facilities of our branch office in Mainz

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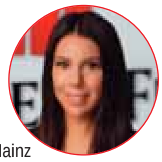
„Every personnel consultant at Amadeus FiRe has the opportunity to embark on a successful career path. I took this opportunity to further my career at Amadeus FiRe and am very happy that I was able to work my way up from consultant to area manager“



Sofia Juncker, Area Manager
of the Amadeus FiRe branch office in Mainz

lively exchange with different personalities, every day brings new challenges and my day-to-day work never gets dull.

Why do you enjoy working here?

Amadeus FiRe offers its employees many development opportunities. They are not only challenged, but receive support in the form of internal training. This gives every personnel consultant the opportunity to embark on a successful career path. I took these opportunities to further my career at Amadeus FiRe and am very happy that I was able to work my way up from consultant to area manager. I would like to take this opportunity to compliment our great team spirit in Mainz. We all support each other and can rely on each other. This also contributes to the feelgood factor. As regards my tasks, I still very much enjoy supporting our external employees in particular. Another reason why I like working here is that I believe that Amadeus FiRe is the most authentic personnel service provider in the market and maintains a very honest and professional relationship with its clients and applicants. Based on various different feedback sessions, I know that both target groups greatly appreciate this philosophy when they work with us.

What are your goals for the future?

I would like to prove myself as area manger and achieve even greater market penetration together with my dedicated employees. Ultimately, my aim is to expand the branch office even further and to consistently develop and support my team.

Voices of our employees

I owe a lot to my employer. Amadeus FiRe has shaped me and helped me grow both professionally and as a person.
Manuel Schmitz, Area Manager of the Dortmund branch office

I found the task of implementing something new with complete independence very appealing. Another factor that sparked my enthusiasm was Amadeus FiRe’s nationwide network and the extensive amount of communication the job involves.
Olaf Mayer, Managing Consultant, Berlin branch office

I have been promoted four times over the last five years at Amadeus FiRe and have worked my way up from recruiter to area manager.
Georg Alexander Bell, Area Manager of the Essen branch office

Combined management report for fiscal year 2017

1. Economic environment

Overall economic development

The German economy showed robust growth in 2017. Gross domestic product (GDP) after adjusting for inflation grew by 2.2%, which represents the highest increase since 2011. The economy grew by 1.9% and 1.7% in 2016 and 2015, respectively.

After somewhat weaker growth of 1.0% year on year in the first six months, economic momentum was brisk again in the third quarter (2.3% after adjusting for inflation compared with the prior-year quarter). In the fourth quarter, the economy stabilized at a very good level on the back of high new orders and upbeat signs from economic mood indicators.

Responsible for this positive development in the German economy in 2017 was domestic expenditure. Gross investment increased by 3.6% (price-adjusted) year on year, due primarily to the above-average growth of 3.0% in gross capital expenditure. Investments in construction were 2.6% higher than in the prior year and investments in new machinery and equipment rose by 3.5% (price-adjusted). In terms of consumption, private consumer spending made another major contribution to growth this year of 2.0% (price-adjusted), while growth in government spending was below average at 1.4% year on year. The balance of trade contributed 0.2 percentage points to GDP growth this year. Price-adjusted exports of goods and services rose by 4.7%, while imports increased by 5.2% in the same period.

On the production side of GDP, the German economy was boosted by almost all of its sectors in 2017. Strong year-on-year increases were recorded by the information and communication service industries (up 3.9%) as well as the trade, transportation and hospitality industries (up 2.9%). The manufacturing industry grew by 2.5%, with the export-strong sectors making a particularly strong contribution of 2.7%. The construction industry expanded by 2.2% adjusted for price effects compared with a year earlier. Business services were also well up, increasing by 2.5% on the prior year.

Public finances likewise continued on their course of consolidation in 2017. The government sector, including the federal, state and local governments as well as social insurance carriers, closed the year with a financing surplus of a record-breaking EUR 38.4b according to provisional calculations. Based on GDP at unadjusted prices, the budget surplus was 1.2% in 2017. According to preliminary calculations, the German state therefore posted a surplus for the fourth year running.

Economic sentiment in Germany was better in 2017 than a year earlier, in line with the economic growth. On average, the ifo Business Climate Index was some 5.9% higher than 2016 at 114.7. It peaked in November 2017, reaching its highest level since February 2014. German companies rated their current business situation as much better on average than in the prior year. The companies' business expectations also improved year on year.

The development of the German economy in 2017 was accompanied by strong global economic growth, which is continuing on its upward trajectory. Increasing optimism predominated, buoyed by the global economic mood indicators.

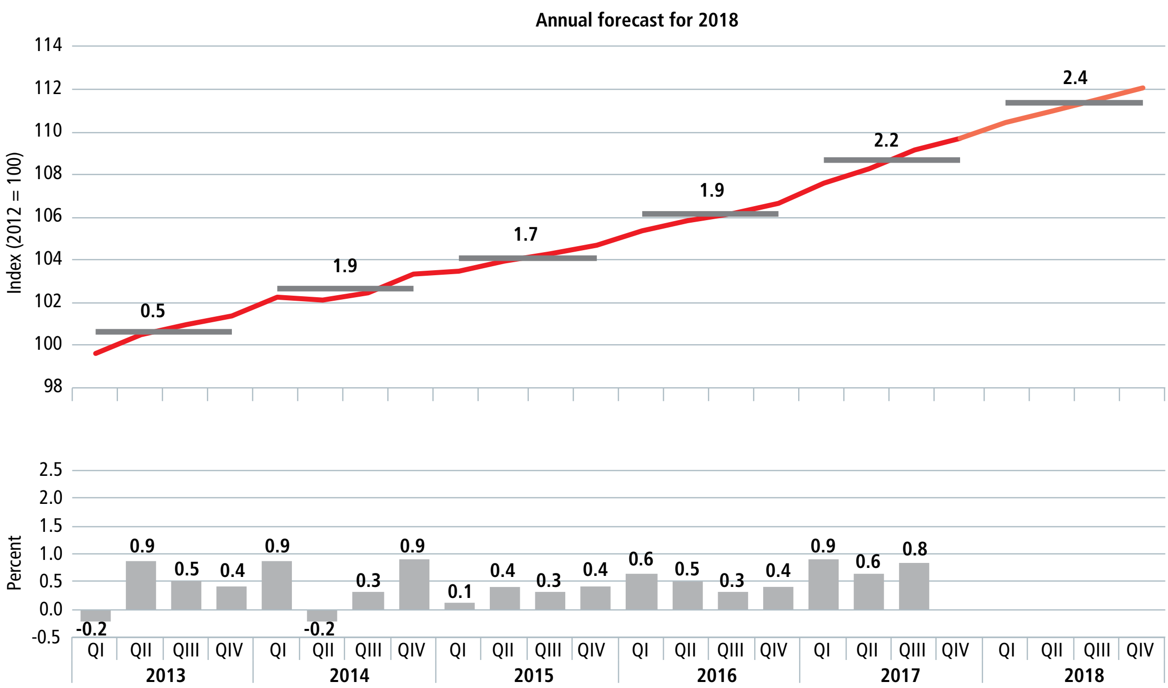
According to figures from the IMF, global economic growth came to 3.7% in 2017, the highest growth rate for seven years. Major emerging markets such as Russia and Brazil benefited from rising commodity prices and came out of recession. The situation in China is also positive, with the economy growing 6.8% in 2017. Economic growth increased in the industrialized countries as well and the upturn continued. The US achieved GDP growth of 2.3% in 2017, while Japan recorded GDP growth of 1.8%. The eurozone grew by 2.4% in the same period.

The German labor market was still in good condition in 2017 and largely unaffected by developments in the economy. An average of 44.3 million people were employed in Germany in 2017, a new record high and thus the highest level since German reunification. According to preliminary calculations by the German Federal Statistical Office (Destatis), the number of people in gainful employment increased by 638,000 persons (1.5%) in 2017 against the prior year. The increase in employment, which has been ongoing for more than a decade, thus continued in 2017. In this connection, negative demographic effects were balanced out by increased labor force participation by the German population as well as the immigration of foreign workers.

In 2017, the number of people in insurable employment again grew more strongly than the number in gainful employment. There were 32.8 million people in insurable employment in October 2017, 743,000 or 2.3% more than the year before (2016: up 602,000). Even though the increase in insurable employment has been subdued since mid-2017, these continued gains reflect the very strong underlying condition of the labor market. In addition to the economy, factors such as sectoral change, a shortage of qualified workers and immigration played a role, leading to a stable upward trend.

Unemployment and underemployment fell further on average in 2017. The low risk of becoming unemployed fell even further, while the chance of escaping unemployment by finding a job improved slightly. An average

Development of GDP in Germany (adjusted for inflation)



Quarterly development, prior-year prices, adjusted for seasonal and calendar effects
Annual averages, prior-year prices, year-on-year changes in percent
Changes compared with the prior quarter in percent, adjusted for seasonal and calendar effects

Source: German Federal Statistical Office, Federal Government's annual forecast for 2018 of 2,533,000 people were registered as unemployed in Germany in 2017, down 158,000 or 5.9% on the prior year. This is the lowest level of unemployment since 1991. The number of unemployed as a percentage of the total civilian labor force was 5.7% on average in 2017, down 0.4 percentage points year on year. As a result, unemployment has seen only limited benefit from the creation of jobs. This shows that jobseekers' profiles often fail to match the demand for workers in terms of field, qualifications and geographic location.

Demand for the factor of labor remains high in Germany. After more or less steady growth throughout the reporting year, the jobs index published by the German Federal Employment Agency (BA-X), which gages the demand for workers, hit an all-time record of 256 points at the end of 2017. The average level of the BA-X index exceeded the average prior-year level by more than 21 points (almost 10%) in 2017. This positive trend reflects the change in the structure of demand for workers that has taken place in recent years. Companies' demand for new employees is no longer determined by the general economic trend but rather by other factors such as the ongoing demand for specialists coupled with limited supply.

The labor market is and will remain an important stabilizing element for Germany's economy.

Industry performance

Temporary staffing

The number of people working in employee leasing arrangements rose further in 2017. According to the figures published by the German Federal Employment Agency, 933,045 people were in temporary employment on average in the first half of 2017, up 4.2% on the corresponding prior-year figure. The Agency's trend data for the first 10 months of 2017 indicate an increase of around 4% in the number of people working in the temporary employment sector.

The collective wage agreement in the temporary staffing industry, which is valid until the end of 2019, raised the pay received by temporary workers by 2.5% (West) and 4.0% (East) as of 1 March 2017. This increase as well as the positive salary trend in Germany have made temporary staffing services more expensive for customer companies. The volume of the temporary staffing market can therefore be expected to have grown by around 4% to 5% in 2017.

However, Amadeus FiRe Group's core submarket of commercial and IT professions (white collar) saw a weaker trend in the first half of 2017. This is due to the small number of available qualified candidates as well as to excess demand on the labor market, giving qualified candidates more opportunities to take up a permanent position.

In this light, recruiting enough temporary workers to meet the strong demand, in particular for qualified staff, remains a challenge for the industry. This shortage of candidates is clearly reflected in the number of vacant positions reported to the German Federal Employment Agency by the temporary staffing industry. As in 2016, temporary staffing accounted for around one third (32.0%) of the total number of positions reported in 2017.

The German temporary staffing market is still heavily fragmented. According to figures published by the German Federal Employment Agency as of 30 June 2017, the number of companies dedicated entirely or mostly to employee leasing is virtually unchanged at 13,042. The majority operate in the industrial sector, where competition is correspondingly fierce as a result. The Amadeus FiRe Group does not operate in this sector.

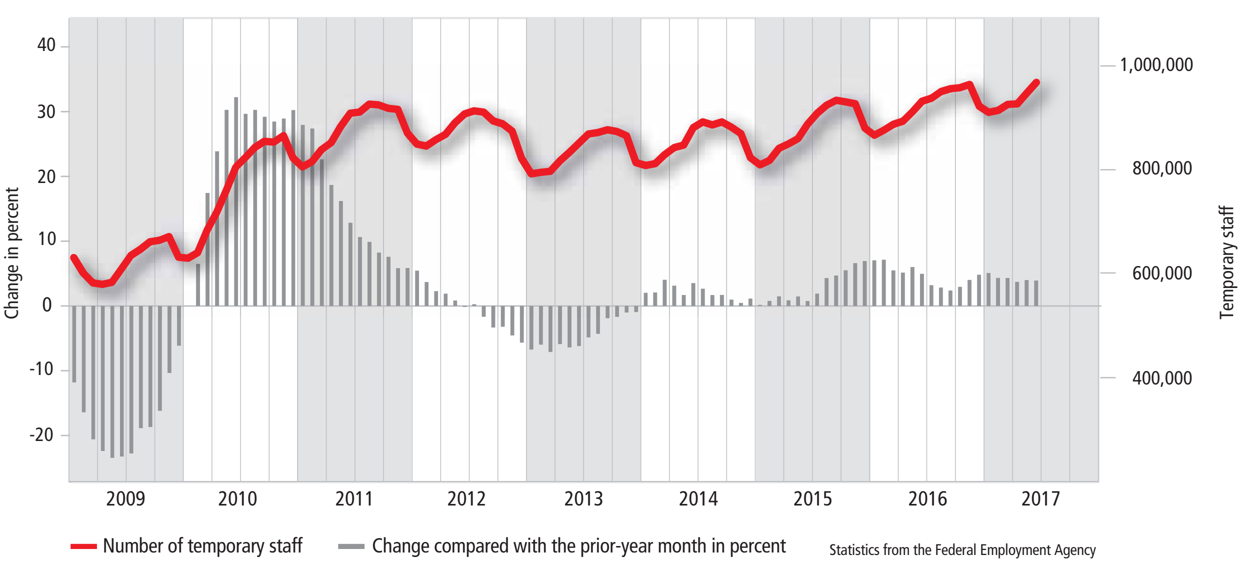
The law drafted by the German Federal Ministry of Labor and Social Affairs for the amendment of the AÜG ["Arbeitnehmerüberlassungsgesetz": German Personnel Leasing Act] and other laws was adopted in 2016 and entered into force on 1 April 2017. This law provides for a maximum lease duration of generally 18 months as well as equal pay for temporary workers after working for the company to which they are assigned for at least nine months. The consequences of the change in the law do not affect the current fiscal year and will only result in higher temporary staffing costs for customer companies in 2018. However, it is already evident that the administrative workload for both the temporary staffing industry and in particular the customer companies that borrow staff will be immense.

Collective agreements for the temporary staffing industry have been in place since 2003. From the outset, Amadeus FiRe has applied the industry collective wage agreement concluded between the iGZ ["Interessenverband Deutscher Zeitarbeitsunternehmen": German Temporary Employment Companies Industry Association] and the DGB ["Deutscher Gewerkschaftsbund": German Trade Union Federation]. The collective agreement currently in force was concluded on 30 November 2016 and has long-term validity until 31 ecember 2019. The pay rises (based on the pay specified by the BAP and iGZ collective agreements with the DGB collective bargaining association) specified therein are as follows:

	West	East
From 1 March 2017	2.5% (≙ 9.23 € for pay categorie 1)	4.0% (4.82% for pay category 1, ≙ 8.91 €)
From 1 April 2018	2.8% (≙ 9.49 € for pay category 1)	4.0% (≙ 9.27 € for pay category 1)
From 1 January 2019		Increase for pay categories 1 and 2 to minimum wage of EUR 9.49
From 1 April 2019	3.0% (pay categories 1 and 2: 3.2% ≙ 9.79 € for pay category 1)	3.5% (≙ 9.49 € in for pay category 1)
From 1 October 2019	Increase for pay categories 1 and 2 to minimum wage 9.96 €	Increase for pay categories 1 and 2 to minimum wage 9.66 €

Following the amendment to the German Personnel Leasing Act, the past year has also seen changes to the industry surcharge agreements introduced gradually in 11 industries from November 2012. As a result of the industry surcharge agreements, in cases of extended periods of assignment and correspondingly high surcharge levels, surcharges of up to

Number of temporary staff in Germany



Statistics from the Federal Employment Agency

50% on collectively agreed pay had to be paid. Following the introduction of the statutory equal pay rule, an additional surcharge level was installed in the pay system set out in the collective industry surcharge agreements in lieu of an “equal pay” salary. This new surcharge level normally applies after a contractual term of 15 months. With this additional surcharge level, surcharges of up to 67% on collectively agreed pay are possible. The different changes made to the respective industry surcharge agreements have significantly increased the complexity of contract administration.

On the one hand, the abovementioned legal regulations and collectively bargained provisions made temporary staffing an acceptable option in Germany for returning to the labor market and for career development. In turn, this presumably allowed the acceptance of temporary staffing to increase in general. On the other hand, such legal regulations and collectively bargained provisions have made temporary staffing increasingly expensive, with price hikes making it harder for German companies to achieve greater workforce flexibility.

Over the first decade of the millennium in particular, the temporary staffing sector has become firmly established and more important in Germany. One indicator of this is the penetration rate (i.e., the number of temporary staff relative to the total number in gainful employment). After standing at less than 1.0% in Germany at the turn of the millennium, this rate was just above the prior-year figure at 2.1% in the reporting year. In a European comparison, this leaves Germany somewhere in the middle. The UK and the Netherlands are examples of countries where the penetration rate is traditionally particularly high.

Permanent placement

Until a few years ago, the hiring patterns of companies were influenced primarily by general economic trends. However, this correlation is now weakening increasingly. Qualified staff have become scarce in recent years. Companies are trying to secure their workforce over the long term and are prepared to invest accordingly. As a result, the permanent placement market has recently ceased being a strong early warning indicator of the economy’s prospects. Other factors such as sectoral change, a tight labor market, a shortage of skilled labor as well as immigration now play an important role with respect to employment and are responsible for the stable upward trend in permanent placement. Experience has shown that when excess demand on the labor market is compounded by a shortage of qualified specialists, there is a strong trend towards permanent contracts.

The permanent placement market is currently characterized by a very limited supply of qualified professionals and executives. According to the BA-X, demand for workers in Germany grew steadily and at times very dynamically in 2017, which points to increasing difficulties in filling positions. According to a survey conducted by the German Chambers of Industry and Commerce in the fall of 2017, 56% (fall 2016: 48%) of the companies surveyed now see the shortage of specialists as a risk to the growth of their business. This is a new record high and is now the central risk factor for companies’ business performance in the medium term. The ifo employment barometer, which presents the employment plans of the companies surveyed for the next three months, also indicates a positive employment trend. In December 2017, the barometer hit a new historic high of 113.5 points (prior year: 111.6 points). Given the competitive labor market and demographic changes, the recruitment of qualified staff will remain a challenging task for companies over the long term.

Amadeus FiRe believes that the permanent placement market performed well again in 2017 thanks to ongoing excess demand and limited candidate availability. Unfortunately, there are no reliable sources indicating the size of the market in Germany. According to our estimates, the permanent placement market in Germany has a total volume of EUR 2.0b to EUR 2.5b and is set to grow further.

Training

The overall training market is likely to have remained stable for the most part in 2017. As in the prior years, the training institutions that form Wuppertaler Kreis e.V. – Bundesverband betriebliche Weiterbildung expected the revenue trend for 2017 to be stable or slightly positive.

The niche market for tax, finance and accounting training (in which the training companies of the Amadeus FiRe Group operate) is not very sensitive to economic cycles than the economy at large, mainly thanks to its high proportion of private customers.

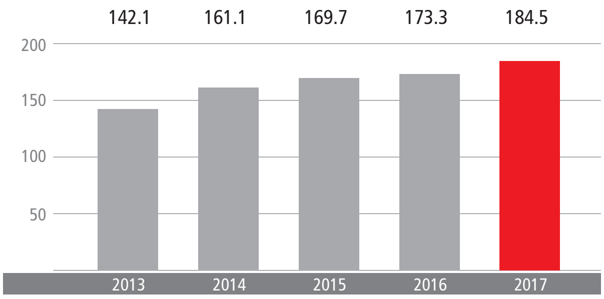
Unlike corporate customers, private customers plan their own professional training on a very long-term basis, and their decisions with respect to training are less dependent on short-term general economic trends and oriented more toward their long-term plans for their private lives and careers. Economic upturns and downturns therefore have more of a delayed impact on long-running training initiatives, and their effect is limited. The situation on the market for private customers is therefore likely to have remained stable on the whole, thanks in no small part to still very robust domestic employment levels in 2017.

The corporate customer business (mainly public and in-house business), on the other hand, is much more sensitive to short-term economic trends or regulatory changes. The field of tax, finance and accounting training is also affected by the extent of new legal regulations and changes to existing laws. There was no significant demand for training as a result of statutory changes and, consequently, no boom in the area of seminars in 2017. Overall, in-house training is becoming increasingly important for companies, including with a view to employee retention.

2. Business Situation of the Amadeus FiRe Group

The Amadeus FiRe Group generated consolidated revenue of EUR 184.5m in fiscal year 2017 (prior year: EUR 173.3m) – a year-on-year increase of 6.5%. The service segments temporary staffing, permanent placement and training made positive contributions to revenue. Revenue in the interim management service segment was down slightly.

Sales Revenues in EUR m



Cost of sales came to EUR 102.0 m, up 4.7% on the prior year. In the Amadeus FiRe Group, this figure mainly comprises the personnel expenses under employee leasing arrangements, fees for interim and project managers, the costs for internal consultants working exclusively in the field of permanent placement as well as expenses for instructors in connection with courses, training materials and rent for training venues.

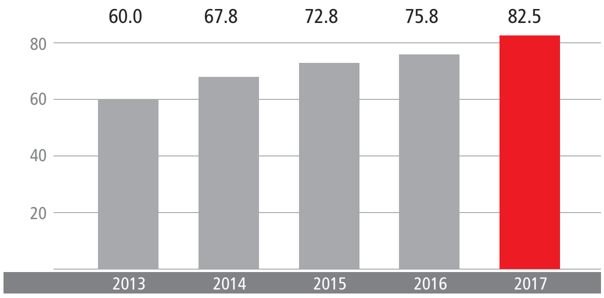
As a result, the gross profit for fiscal year 2017 amounted to EUR 82.5m (prior year: EUR 75.8m). This is a EUR 6.7m or 8.8% increase in comparison to the prior year, leading to an increase in the gross profit margin of 0.9 percentage points, from 43.8% in the prior year to 44.7%.

For more detailed comments on revenue and the gross profit margins for each service, see the descriptions of the business situation for the individual segments.

Selling and administrative expenses came to EUR 50.4m, compared with EUR 46.0m in the prior year. The increase of EUR 4.4m was mainly due to higher personnel expenses in the operating business and associated personnel-related expenses.

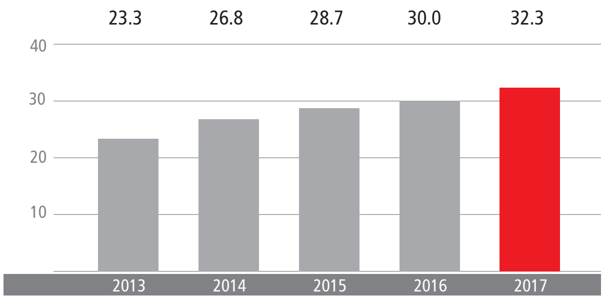
Profit from operations before goodwill impairment (EBITA), the Amadeus FiRe Group's most significant performance indicator, came to EUR 32.3m for the fiscal year. That represents a new record for the Amadeus FiRe Group and an increase of 7.6% or EUR 2.3m. The record was achieved even though fiscal year 2017 had three fewer chargeable days than the prior year, leading to an effect on revenue and earnings of around EUR 1.5m that had to be offset.

Gross profit in EUR m



The EBITA margin of 17.5% exceeded the figure of 17.3% recorded in the prior year by 0.2 percentage points.

EBITA in EUR m

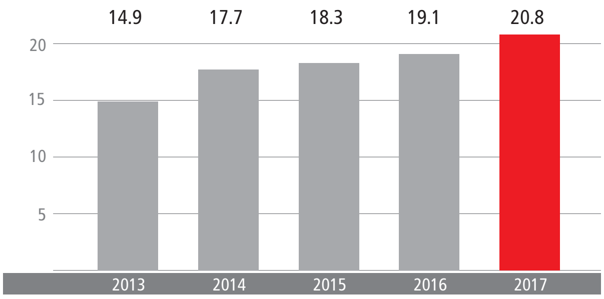


The Amadeus FiRe Group's profit after taxes came to EUR 22.1m, an increase of EUR 1.6m (up 7.8%). In the reporting year 2017, the profit after taxes was impacted by EUR 0.6m (prior year: EUR 0.6m) in finance costs. As in the prior year, the increase in these costs is entirely due to the effect of the higher measurement for accounting purposes of the settlement option held by the non-controlling interests of Steuer-Fachschule Dr. Endriss due to the positive performance of business. The share of profit after taxes that is attributable to non-controlling interests reported under liabilities and equity came to EUR 1.5m (prior year: EUR 1.5m).

Overall, the Amadeus FiRe Group realized a profit for fiscal year 2017 of EUR 20.8m, up 8.6% on the prior-year profit of EUR 19.1m.

Earnings per share stand at EUR 3.96 (prior year: EUR 3.66) with respect to the profit for fiscal year 2017 attributable to the ordinary shareholders.

Profit for the year in EUR m



3. Development of the Segments

For a good 30 years, the Amadeus FiRe Group has been a specialized personnel services provider for professionals and executives in the fields of commerce and IT at 19 locations throughout Germany. Amadeus FiRe is a reliable and accepted partner both for its own employees and for its customers. The Amadeus FiRe Group works with national and international companies of varying sizes across all industries.

Our core business comprises specialist temporary staffing, permanent placement and interim and project management. The Amadeus FiRe Group also provides training offerings from Steuer-Fachschule Dr. Endriss and Akademie für Internationale Rechnungslegung. The Company's core competencies are supporting its customers by providing personnel within the framework of the German Personnel Leasing Act, recruitment and permanent placement of professionals and executives, interim and project management as well as the provision of training in the areas of tax, finance and accounting and financial control. The Group only offers these services in Germany.

Segment reporting is based on the two segments, personnel services (temporary staffing, permanent placement, interim and project management) and training, in accordance with the Group's management accounts.

In the personnel services segment, the Amadeus FiRe Group focuses on the fields of commerce and IT, more specifically in the four divisions of accounting, banking, office and IT services. With the three personnel services of temporary staffing, permanent placement and interim and project management, the aim is to always offer Amadeus FiRe customers a broad spectrum of flexible solutions for a range of needs.

Customer companies thus benefit from greater flexibility when planning the assignment of human resources and can respond more quickly in peak periods. These companies can thus respond in the event of personnel bottlenecks or surpluses and can secure capacities when implementing projects. They are also able to benefit from the Amadeus FiRe Group's current market access and excellent market image when looking for and selecting personnel and thus find personnel and reduce the associated costs thanks to the time and resources saved.

Not only our customer companies, but also applicants and employees can make use of our many years of experience and in-depth expertise in the field of commercial professionals. This applies in particular to people looking to change jobs or pursue a new career in one of our specialist areas.

Our training segment offers corporate and private customers training with a particular focus on finance, accounting, tax and financial control, thereby providing our clients with a service complementing the professional focus of our personnel services segment. Participants keep their professional knowledge at a competitive level, improve their appeal on the labor market and ensure that they are able to progress professionally by attending the wide variety of top-quality courses and seminars run throughout Germany. Both private individuals seeking to gain recognized qualifications at various levels and companies looking to develop their employees' expertise and skills make use of the offerings.

Temporary staffing, permanent placement, interim and project management segment

In fiscal year 2017, revenue thus came to EUR 162.4m after EUR 152.6m in the prior year, an increase in the personnel services segment of EUR 9.8m or 6.4%. The temporary staffing and permanent placement segment services contributed positively to the increase. By contrast, revenue from interim and project management was below the prior-year level.

The sales organization was expanded as planned in 2017, although final implementation was slightly short of target. Amadeus FiRe continues to impose high requirements on its prospective employees and pursues a restrictive hiring policy. The prevailing shortage of qualified personnel is also making it difficult to increase headcount. We succeeded in enlarging the organization despite these challenges, particularly in the second half of the year.

The recruitment of qualified temporary staff was also a major challenge due to excess demand on the labor market. Permanent placement activities once again made a higher than proportional contribution to growth.

The gross profit margin improved from 42.7% to 43.6%. The increase stems from the higher growth and increased share of permanent placement in total revenue. Looking at the individual services, all three report gross profit margins that are lower than in the prior year. In calendar year 2017, there were 250 working days and therefore three fewer chargeable days than in 2016 (253 working days). This had a negative effect on the gross profit margin in temporary staffing, which improved year on year after elimination of this effect.

The segment's selling and administrative expenses rose by EUR 3.5m to EUR 42.6m in the past fiscal year. Although this 8.9% increase in selling and administrative expenses was greater than the growth in revenue, it was nevertheless slightly lower than expected and mainly stemmed from an increase in the personnel-related expenses of the sales organization (up EUR 2.8m). These include salary increases during 2017, the increase in headcount in the branches, in particular in the second half of the year, as well as in additional resources in the recruiting and legal departments. Rental expenses also increased (up EUR 0.2m) as a result of larger branches. Here, Amadeus FiRe also aims to offer its employees and applicants attractive offices in easily accessible locations.

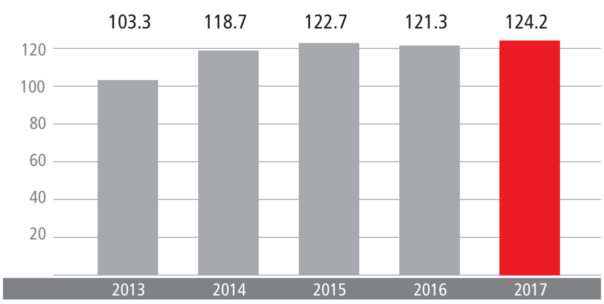
The segment's result before goodwill impairment came in at EUR 28.1m, a EUR 2.0m or 7.7% increase in comparison to the prior year. As a result, the profit margin rose from 17.1% in the prior year to 17.3%.

Investments of EUR 1.7m in the reporting year were up in comparison to the prior year (EUR 1.4m). The first part of a new sales software program was successfully introduced in the personnel services segment in the fiscal year. The second part will be commissioned in fiscal year 2018. EUR 3.2m has been invested in this project since it was launched at the end of 2014.

Temporary staffing

The temporary staffing service reported revenue growth of 2.4% or EUR 2.9m in fiscal year 2017. Revenue of EUR 124.2m was generated in the temporary staffing business. Fiscal year 2017 had three fewer chargeable days than the prior year, which is equivalent to an effect on revenue, gross profit and earnings of -EUR 1.5m. The drop in orders at the end of 2016 and beginning of 2017 was in line with the long-term average at around 10%. The volume of orders was below the comparable prior-year figures in the first two quarters. In the second half of the year, the number of orders increased and exceeded the prior-year level.

Temporary staffing Revenue in EUR m



We can still observe that customers are deciding to permanently employ a candidate for positions that were formally filled with temporary workers. This development reflects the competitive labor market. As noted, the Company's own sales organization was enlarged in the course of the year. In turn, the size of the sales organization ultimately has an impact on Amadeus FiRe's market presence, order situation and growth potential.

At 34.2%, the gross profit margin for temporary staffing was slightly lower than the prior year's figure of 34.9%.

The fewer chargeable days available had a negative effect on the gross profit margin for temporary staffing. There was an effect of 0.8 percentage points from the three fewer days.

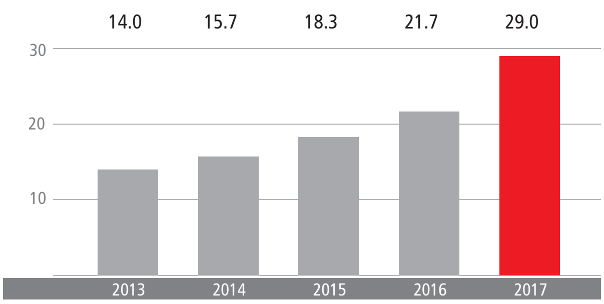
Temporary staffing's share of total revenue fell from 70% to 67% in 2017.

Permanent placement

There was a noticeable increase in revenue for the permanent placement service in the past year. The labor market has been in good condition in recent years with excess demand for qualified candidates and companies being very eager to hire, and this continues to be the case. When availability is poor, companies tend to try to retain staff and secure resources by offering permanent contracts. Amadeus FiRe is experiencing a shift in orders from temporary staffing to permanent placement. The competitive labor market continues to make potential candidates more willing to change jobs as they perceive the risk related to changing jobs to be lower. This is also positively affecting permanent placement.

In the fiscal year, revenue from permanent placement grew to just under the EUR 30m mark. Following a very positive year, permanent placement revenue improved by 33.6% to EUR 29.0m (prior year: EUR 21.7m). Since the start of efforts to significantly expand the sales organization in fiscal year 2010, the permanent placement service has increased its proportion of total revenue from 6.8% to 15.7% and, alongside temporary staffing, plays an important role in the sales process.

Permanent placement Revenue in EUR m

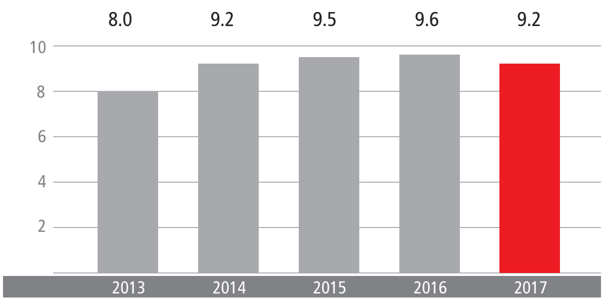


Interim and project management

In contrast to temporary staffing, interim and project management does not place its own staff at customer companies. All work is carried out with independent service providers. In this way, the expertise of external specialists is made available to customer companies for a limited period of time in connection with commercial projects.

Revenue from interim and project management fell 4.2% to EUR 9.2m in the fiscal year (prior year: EUR 9.6m). Its percentage of total revenue decreased from 5.5% in the prior year to 5.0% in the reporting year. In the past few years, the interim and project management service made only small steps and recorded low growth. This came to an end in 2017. In some regions, expectations were not met and market potential was not sufficiently exploited. Steps have been taken to increase the focus on interim and project management in the regions.

Interim and project management Revenue in EUR m



The gross profit for interim and project management amounted to EUR 2.4m and thus fell short of the prior-year figure of EUR 2.6m. The gross profit margin deteriorated to 26.2% (prior year: 27.1%).

Training Segment

The service portfolios of all of the companies in the Amadeus FiRe Group's training segment are established in the niche market for training in the fields of tax, finance and accounting and financial control.

With a history stretching back 67 years, Steuer-Fachschule Dr. Endriss has successfully established itself as Germany's largest specialist school for professional training in the fields of tax, accounting and financial control. Its portfolio of services covers preparation for state examinations such those for tax advisors, tax specialists, accountants and financial controllers. The company also runs recognized private certificate courses specially designed to prepare participants for professional practice in the field of accounting (e.g., as a financial accountant, accounting clerk, payroll accountant or fixed asset accountant). The product portfolio is rounded off by an extensive range of seminars which is growing all the time.

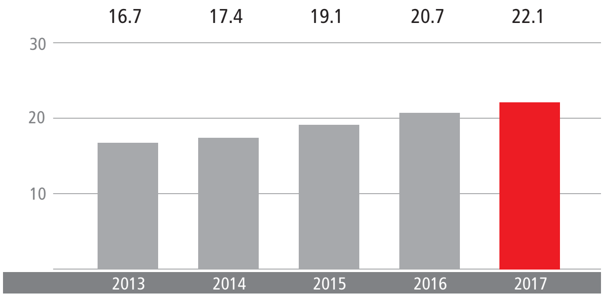
The portfolio of services offered by the training segment is enhanced by Akademie für Internationale Rechnungslegung and its specialist qualifications in international accounting in accordance with IASs/IFRSs and US GAAP. In addition to many different formats dealing with essential topics and special issues relating to international accounting, the academy's premium product is the "Certificate in International Accounting" (CINA®), which is well established and widely recognized in the business world.

The services offered by TaxMaster GmbH add an academic qualification in the form of a master's degree to the range of products in the training segment. This course provides students with a combination of professional (tax advisor) and university qualifications (Master of Arts) in the field of taxation and accounting, resulting in an attractive dual qualification for the graduate.

Like 2016, 2017 was characterized by low levels of legislative activity, with few new topics on both the national agenda and with respect to international accounting as well as tax law. Nonetheless, the company boosted the number of participants in its seminars as well as in general qualifications compared to the prior year. The total number of new participants in all training courses improved to just under 16,000 in the reporting year.

Revenue from the training segment increased from EUR 20.7m the prior year to EUR 22.1m in the reporting year. The consistent implementation of the product and location strategy, the development in the area of tax advisory training programs including the TaxMaster course and the systematic development and expansion of the range of seminars contributed to this positive result.

Training segment Revenue in EUR m



The gross profit margin increased by 1.5 percentage points from 51.3% to 52.8%, mainly due to an increase in the number of participants in established events.

The segment's result before goodwill impairment (EUR 4.2m) exceeded the level achieved in the prior year (EUR 3.9m) by 7.7%.

4. Assets, liabilities and financial position of Amadeus FiRe Group

Composition of assets, equity and liabilities

Amounts stated in EUR m	31 Dec 2017		31 Dec 2016		Change	
ASSETS						
Non-current assets						
Software	4.0	5.1%	3.0	4.1%	1.0	33%
Goodwill	6.9	8.8%	6.9	9.5%	0.0	0%
Property, plant and equipment	1.7	2.2%	1.5	2.1%	0.2	13%
Deferred tax assets	1.1	1.4%	1.0	1.4%	0.1	10%
	13.7	**17.6%**	**12.5**	**17.2%**	**1.2**	**10%**
Current assets						
Income tax credit	0.0	0.0%	0.7	1.0%	-0.7	-100%
Trade receivables	20.4	26.2%	18.6	25.6%	1.8	10%
Other assets	0.1	0.1%	0.1	0.1%	0.0	0%
Prepaid expenses	0.5	0.6%	0.5	0.7%	0.0	0%
Cash and cash equivalents	43.4	55.6%	40.4	55.6%	3.0	7%
	64.4	**82.6%**	**60.2**	**82.8%**	**4.2**	**7%**
Total assets	**78.0**	**100.0%**	**72.7**	**100.0%**	**5.3**	**7%**
EQUITY AND LIABILITIES						
Equity						
Subscribed capital	5.2	6.7%	5.2	7.2%	0.0	0%
Capital reserves	11.3	14.5%	11.2	15.7%	0.1	1%
Retained earnings	30.1	38.6%	28.6	39.3%	1.5	5%
Equity attributable to equity holders of the parent	46.6	59.7%	45.0	61.7%	1.6	4%
Non-controlling interests	0.6	0.8%	0.4	0.6%	0.2	50%
	47.1	**60.4%**	**45.4**	**62.4%**	**1.7**	**4%**
Non-current liabilities						
Liabilities to non-controlling interests	5.3	6.8%	4.7	6.5%	0.6	13%
Other liabilities and accrued liabilities	0.6	0.8%	2.0	1.7%	-1.4	-70%
Deferred tax liabilities	0.6	0.8%	0.6	0.8%	0.0	0%
	6.6	**8.5%**	**7.3**	**10.0%**	**-0.7**	**-10%**
Current liabilities						
Income tax liabilities	0.8	1.0%	0.0	0.0%	0.8	
Trade payables	1.5	1.9%	1.4	2.0%	0.1	7%
Liabilities to non-controlling interests	1.6	2.1%	1.6	2.2%	0.0	0%
Other liabilities and accrued liabilities	20.4	26.2%	17.1	24.5%	3.3	19%
	24.3	**31.2%**	**20.1**	**27.6%**	**4.2**	**21%**
Total equity and liabilities	**78.0**	**100.0%**	**72.7**	**100.0%**	**5.3**	**7%**

In fiscal year 2017, the Amadeus FiRe Group's total assets rose by EUR 5.3m to EUR 78.0m (prior year: EUR 72.7m). The equity and liabilities side of the balance sheet was still dominated by a high equity ratio of 60.4% (prior year: 62.4%). This means that the structure of the Amadeus FiRe Group's financing remains solid.

Non-current assets increased by EUR 1.2m to EUR 13.7m in the fiscal year. This is mainly due to the ongoing project to implement a new sales software program.
Current assets increased by EUR 4.1m to EUR 64.4m, with cash and cash equivalents up EUR 3.0m. Trade receivables increased by EUR 1.8m in line with revenue, while an income tax credit of EUR 0.7m reported in the prior year no longer exists.

On the liabilities side, non-current liabilities decreased by EUR 0.7m to EUR 6.6m. As of the balance sheet date, they include liabilities to non-controlling interests of Steuer-Fachschule Dr. Endriss totaling EUR 5.3m, resulting from a potential settlement claim in respect of the non-controlling interests. The value of the settlement claim rose by EUR 0.6m in comparison to the prior year on account of the trend in the training business and stable prospects for the future. Other liabilities and accrued liabilities decreased by EUR 1.3m.

Current liabilities came to EUR 24.3m as of the reporting date (prior year: EUR 20.1m), mainly due to higher income tax liabilities (up EUR 0.8m) and accrued liabilities for bonuses (up EUR 2.6m).

Investment and financing

Amounts stated in EUR m	**01.01. – 31.12.2017**	01.01. – 31.12.2016
Cash flows from operating activities	**25.5**	**19.5**
thereof working capital changes	0.4	-0.4
Cash flows from investing activities	**-2.2**	**-1.8**
Cash flows from financing activities	**-20.4**	**-19.3**
Net change in cash and cash equivalents	**3.0**	**-1.6**
Cash at the beginning of the period	**40.4**	**42.0**
Cash at the end of the period	**43.4**	**40.4**
Composition of cash as of 31 December		
Cash on hand and bank balances (not subject to restraints on disposal)	43.4	40.4

Cash flows from operating activities

The cash flows from operating activities increased by EUR 6.0m to EUR 25.5m in fiscal year 2017 (prior year: EUR 19.5m).

Operating profit before working capital changes increased by EUR 2.6m in 2017, mainly due to an increase of EUR 1.6m in the profit attributable to non-controlling interests recognized under liabilities and an effect of EUR 0.6m from increased tax expenses. At EUR 1.0m, write-downs were up around EUR 0.2m on the prior-year level. Interest payments did not result in any net outflow of cash. Non-cash finance costs stem from the EUR 0.6m higher settlement liability to non-controlling interests of Steuer-Fachschule Dr. Endriss amounting to EUR 5.3m (prior year: EUR 4.6m) and are recognized as liabilities accordingly.

A EUR 0.4m improvement in working capital (prior year: decrease of EUR 0.4m), due in particular to higher provisions for bonuses, also had a positive effect. In addition, cash outflows for income taxes paid were down EUR 2.6m on the prior year in 2017.

Cash flows from investing activities

Cash outflows from investing activities amounted to EUR 2.2m (prior year: EUR 1.8m). In addition to the ongoing investment in furniture and fixtures and the IT infrastructure, fiscal year 2017 saw further investments of EUR 0.9m (prior year: EUR 0.8m) in connection with the planned implementation of a new sales software program.

Interest income came to EUR 0.01m on account of the historically low interest rates.

Cash flows from financing activities

In fiscal year 2017, the Amadeus FiRe Group remained committed to its dividend policy and distributed the entire prior year’s net retained profit. A dividend of EUR 19.0m or EUR 3.66 per share was paid out to the shareholders of Amadeus FiRe AG in May 2017. EUR 1.3m of net cash and cash equivalents was also used to finance the payout to the non-controlling interests of Steuer-Fachschule Dr. Endriss. In the prior year, non-controlling interests received EUR 1.0m in distributions.

Cash and cash equivalents

Cash and cash equivalents came to EUR 43.4m as of 31 December 2017 (31 December 2016: EUR 40.4m). The share of total assets accounted for by cash and cash equivalents was therefore unchanged at 56%. The Amadeus FiRe Group holds cash and cash equivalents in order to be able to act quickly on investment projects. Cash and cash equivalents are deposited in short-term and low-risk investments.

The management board’s summary assessment of business developments in the reporting year

A shortage of supply in qualified specialists is a good market environment overall for the Amadeus FiRe Group. The permanent placement service, in particular, was able to benefit from this in the fiscal year and notched up significant growth. In view of the fact that there were three fewer working days available, the operating result increased significantly. The sustained focus on sales success factors and continual expansion of the sales organization continue to form the basis for success. Despite not hiring any new staff until later in the year than planned, we largely met our recruitment targets thanks to stepped up efforts. With its high equity ratio, available cash and cash equivalents and thanks to the implementation of the first part of the new sales software, the organization is well equipped for future development.

The return on equity rose by 2.3 percentage points in the fiscal year from 45.4% to 47.7%.

The Group’s economic situation can still be described as very stable. At the time of preparing these consolidated financial statements, the management board considers the Group’s economic situation to be strong.

5. Assets, liabilities, financial position and financial performance of Amadeus FiRe AG

In contrast to the consolidated financial statements based on the IFRSs of the International Accounting Standards Board (IASB) as applicable in the EU, the separate financial statements of Amadeus FiRe AG were prepared in compliance with German legally required accounting principles in accordance with the provisions of Secs. 242 to 256a and Secs. 264 to 288 HGB [“Handelsgesetzbuch”: German Commercial Code] and the special provisions of the AktG [“Aktiengesetz”: German Stock Corporation Act].

The Company’s purpose is the leasing of staff to companies within the framework of the German Personnel Leasing Act, permanent placement services for commercial professions as well as personnel and management consulting. The Company does not provide any tax or legal services.

As was the case for the Group, the trend for business was positive in 2017. Amadeus FiRe AG’s revenue rose 5.4%, from EUR 140.6m in the prior year to EUR 148.1m. Revenue from temporary staffing increased by EUR 2.9m or 2.4% to EUR 124.4m. Revenue for permanent placement rose by EUR 4.3 m to EUR 23.3 m, accounting for a 15.7% share of total revenue. Accordingly, temporary staffing was responsible for a share of 84.2%.

The cost of sales came to EUR 81.6m, an increase of EUR 2.7m (prior year: EUR 78.9m).

Selling expenses came to EUR 33.9m, EUR 3.1m higher than the EUR 30.8m recorded in the prior year. This increase is principally due to higher personnel expenses. The number of employees working in sales rose over the course of the year. Rent and vehicle costs also contributed to the increase in selling expenses.

General and administrative expenses were up 6.6% on the prior year at EUR 8.5m.

Income from equity investments amounting to EUR 1.9m was generated in fiscal year 2017 (prior year: EUR 7.0m). Other income from a profit and loss transfer agreement with Amadeus FiRe Services GmbH came to EUR 0.3m (prior year: EUR 0.2m). Net interest income amounted to EUR 1k (prior year: EUR 4k).

Income tax expenses in fiscal year 2017 totaled EUR 8.2m, compared with EUR 7.9m in the prior year.

This resulted in a profit of EUR 18.3m for fiscal year 2017 (prior year: EUR 22.4m), a decrease of EUR 4.1m.

Total assets as of 31 December 2017 were up by EUR 1.1m year on year to EUR 62.6m (prior year: EUR 61.5m). Non-current assets of EUR 12.0m were up in comparison to the prior year (EUR 11.0m).

Trade receivables rose by 6.8% or EUR 1.1m on the prior year. Receivables from affiliates were flat year on year at EUR 2.4m. Cash and cash equivalents came to EUR 29.5m at the end of the reporting year (prior year: EUR 30.0m).

Equity accounted for 74.7% of the equity and liabilities side of the balance sheet, compared with 77.3% in the prior year. Overall, equity decreased from EUR 47.5m to EUR 46.8m. The dividend payout proposed to the shareholder meeting was EUR 0.7m higher than the profit for 2017.

At the time this report was prepared, the management board also considered Amadeus FiRe AG’s financial performance, financial position and assets and liabilities to be very stable.

6. Our employees

In the personnel services industry and in an educational institution, the individual always takes center stage. The Amadeus FiRe Group's success story would not have been possible without the contribution of many people over the years. The Group's employees are the foundation of its positive performance and the most important element of a successful future. This future depends on the hard work and commitment of each and every employee.

The Amadeus FiRe Group had an annual average of 2,739 employees including trainees in 2017, which is an increase of 67 on average compared with the prior year. As of 31 December 2017, the Group had over 100 more employees than a year earlier and a headcount of 2,846. This encouraging development is attributable to a higher number of external and internal staff.

On average, some 82% of our employees represented Amadeus FiRe at our customers in 2017. They work there on assignments as accountants, banking experts, assistants, clerks in the fields of marketing, sales, HR, procurement and administration or as IT specialists, acting thereby as our best references. Their motivation and the professional qualifications of each and every one of them have a direct and significant influence on customer satisfaction.

But our internal sales and administrative staff also understand our customers' needs and act accordingly. As such, our HR consultants, recruiters, internal sales organization, specialist consultants and instructors, as well as our employees in accounting, HR, IT, marketing and all other administrative functions are the foundation of our operations.

Amadeus FiRe offers its external staff many opportunities to take the next step in furthering their careers and they frequently find prospects of long-term employment at companies that are customers of Amadeus FiRe. Amadeus FiRe hired 2,719 employees for customer assignments over the course of 2017 (prior year: 2,519 employees), opening up career prospects for each of them.

At the end of the first half of the year, the number of staff working on customer assignments was still slightly lower than in the prior year. This changed over the second six months, with the number of employees on customer assignments increasing to a level clearly in excess of the prior-year figure. The number of temporary workers as of 31 December 2017 was 2.7% higher than the prior-year figure. The average age of temporary workers was 39 in 2017. 63% of external staff were female. The average retention period for temporary workers at Amadeus FiRe is between 13 and 14 months. Employees use temporary work as a tool for their personal career development. Undertaking temporary work at Amadeus FiRe is usually a stepping stone along their individual career paths and not a long-term individual working model. Only a small number of temporary workers remain with Amadeus FiRe for

Number of employees*		March	June	Sept.	Dec.	Ø	**Personnel expenses (EUR k)**
Employees on customer assignments	**2017**	**2,151**	**2,169**	**2,321**	**2,326**	**2,242**	**78,600**
	2016	2,173	2,201	2,264	2,264	2,226	75,900
Sales staff (internal staff)	**2017**	**425**	**438**	**439**	**462**	**442**	**31,062**
	2016	371	387	385	407	387	26,566
Administrative staff	**2017**	**41**	**40**	**39**	**40**	**40**	**5,798**
	2016	44	42	42	41	42	5,596
Trainees	**2017**	**13**	**13**	**18**	**18**	**16**	**218**
	2016	15	14	21	20	18	245
Total	**2017**	**2,630**	**2,660**	**2,817**	**2,846**	**2,739**	**115,678**
	2016	2,603	2,644	2,712	2,732	2,673	108,307

*) This break down reflects only staff who where active in the fiscal year.

several years. A large percentage of external employees are taken on by the customer companies to which they are assigned. In 2017, 45% (prior year: 46%) of Amadeus FiRe employees switched from an ongoing assignment to a permanent position at the customer company. Former employees who were able to advance their careers thanks to Amadeus FiRe remain our important and valued ambassadors in their new positions at our customers.

The recruitment of qualified specialists remains a major challenge. The internet is still Amadeus FiRe's most important source of new recruits. In 2017, the proportion of hires resulting from the placement of job advertisements in various job portals and on Amadeus FiRe's home page was 73% (prior year: 76%). A second, very stable long-term source of recruitment are former employees and recommendations that can be seen as confirmation of the appreciation employees have for the Amadeus FiRe Group as an employer. Amadeus FiRe considers itself to be a partner for the future development of its employees' careers and offers employees and candidates alike an ideal platform through its portfolio of various personnel services and training opportunities.

At year-end, 55 more employees worked in sales than at the end of the prior year. The annual average number of employees in the sales organization was 442. Overall, this means that 14.2% more people were employed in sales over the course of the year than in fiscal year 2016. The average age was 32 years and was at the prior-year level.

In administration, the average number of employees decreased slightly from 42 in 2016 to 40 in 2017.

Amadeus FiRe has been readily living up to its social responsibility to open professional doors to young people for many years. An average of 16 trainees were employed during the reporting year (prior year: 18 trainees).

7. Takeover-related information

The following information required under takeover law is presented in accordance with Secs. 289a and 315a HGB.

Composition of subscribed capital

Subscribed capital corresponds to the parent's capital stock of EUR 5,198,237.00 and is divided into 5,198,237 no-par value bearer shares. The shares are issued as global certificates. The articles of incorporation and bylaws preclude any entitlement of shareholders to certification of their shares. Pursuant to Art. 18 of the articles of incorporation and bylaws of Amadeus FiRe AG, each share grants one vote.

Equity investments exceeding 10% of voting rights

There are currently no equity investments that exceed 10% of voting rights.

Appointment and removal of members of the management board, amendments to the articles of incorporation and bylaws

Members of Amadeus FiRe AG's management board are appointed and removed in accordance with Secs. 84 and 85 AktG in conjunction with Art. 6 of the articles of incorporation and bylaws. Amendments to the articles of incorporation and bylaws, with the exception of the Company's purpose, may be adopted by the shareholder meeting by a simple majority of the capital stock represented on adoption of the resolution. According to Art. 14 (4) of the articles of incorporation and bylaws, the supervisory board is authorized to resolve amendments to the wording of the articles of incorporation and bylaws.

Authority of the management board to buy back shares

By resolution of the shareholder meeting on 27 May 2015, the management board is authorized to acquire treasury shares. For further details, please refer to the section "Capital stock" in the notes to the financial statements.

Compensation agreements in the event of a takeover bid

A change of control agreement has been concluded with Mr. Peter Haas, the CEO. In the event of a takeover, this agreement provides for the possibility of premature resignation from office and payment of compensation for the remaining term of the contract, up to a maximum of 36 months. For more details, please see the section on compensation.

Other disclosures under Sec. 289 a and Sec. 315 a HGB, in particular under Nos. 2, 4, 5 and 8, are not applicable to Amadeus FiRe AG.

8. Statement on corporate governance pursuant to sec. 289a HGB

Responsible management focused on long-term value creation governs the activities of Amadeus FiRe AG's management and oversight bodies. In this statement, the management board reports on corporate governance, in its own name and on behalf of the supervisory board, pursuant to No. 3.10 of the German Corporate Governance Code and in accordance with Sec. 289f (1) HGB.

Declaration of compliance issued by the management board and supervisory board of Amadeus FiRe AG with respect to the recommendations of the Commission on the German Corporate Governance Code in accordance with Sec. 161 (1) AktG

The management board and supervisory board of Amadeus FiRe AG declare that the Company has met, and continues to meet, the recommendations of the German Corporate Governance Code (as amended on 7 February 2017) presented by the Commission on the German Corporate Governance Code with the following exceptions:

1. Departure from No. 4.2.2, paragraph 2

   The supervisory board observes all statutory provisions and recommendations of the German Corporate Governance Code pertaining to the appropriateness of the management board's compensation, but has not defined senior management for Amadeus FiRe AG.

   The management structure of Amadeus FiRe AG and the Amadeus FiRe Group is characterized by its relatively small management team, flat hierarchy and decentralized organization. The supervisory board believes that defining senior management would neither reflect the actual structure of the Company nor be useful from an operating or organizational perspective.

   The supervisory board is confident in its ability to ensure that the compensation of the management board is appropriate without defining senior management.

2. Departure from No. 4.2.3, paragraph 4

   The employment contract for management board member Peter Haas does not impose any limit on the severance payment to be paid out in the event that his appointment to the board is terminated prematurely (severance payment cap).

   The supervisory board considers the severance payment cap recommended by the Corporate Governance Code in the event that appointments to the management board are terminated prematurely to be problematic from a legal perspective. If the premature termination is for good cause for which the management board member is responsible, said management board member has no entitlement to the payment of severance. If the appointment to the management board is terminated without good cause and not as provided for by the board members' contracts, the management board member in question may receive the agreed compensation for the remaining term of his contract, i.e., until the end of his original appointment. The supervisory board considers this provision to be appropriate as it is in agreement with the interpretation of fixed-term contracts under German civil law, whereby such contracts cannot be terminated without good cause, meaning that the employee is entitled to payment of the agreed compensation. At the same time, it is uncertain from a legal perspective whether the Company would be able to unilaterally enforce a severance payment cap in a concrete case.

   Despite the abovementioned concerns, the supervisory board complied with the Code's recommendations and agreed a severance payment cap for the employment contract with Mr. von Wülfing in force since 1 January 2016.

3. Departure from No. 4.2.5, paragraph 3 (first bullet point)

   The Company opted not to state the maximum and minimum levels of compensation achievable by the management board (in accordance with standard table 1).

The supervisory board believes that stating the maximum and minimum levels of compensation in the requested form – without the context of the compensation rules behind it – is misleading and can lead to inaccurate conclusions. The remuneration report of Amadeus FiRe AG states that the variable remuneration of the management board members has either been revoked or it is subject to a cap. The supervisory board is of the opinion that this statement is entirely sufficient.

4. Departure from No. 5.4.1, paragraph 2, sentence 1

The Company has not set a time limit for membership of the supervisory board. The personal and professional qualifications of the candidates and members of the supervisory board remain the determining factors, regardless of the length of time they have served on the supervisory board.

5. Departure from No. 5.3.3

The supervisory board has not formed a permanent nomination committee for the purpose of electing supervisory board members.

The supervisory board intends to form a nomination committee as needed for the preparation of those shareholder meetings in which the election of supervisory board members shall be resolved.

Structure and oversight of Amadeus FiRe AG:

Shareholders and shareholder meeting

Amadeus FiRe AG's shareholders exercise their codetermination and control rights at the Company's shareholder meeting, which is convened at least once a year. The meeting is held within the first eight months of the fiscal year at the Company's registered office or in a city in Germany that is home to a stock exchange. It may also take place in a German city with a population of at least 250,000. The shareholder meeting resolves all matters assigned to it by law (including appropriation of accumulated profit, exoneration of the management board and supervisory board members, election of supervisory board members, appointment of auditors, amendments to the articles of incorporation and bylaws, and capital increases). Each share entitles the bearer to one vote.

Every shareholder who registers within the stipulated timeframe is entitled to attend the shareholder meeting. Shareholders not wishing to attend the shareholder meeting in person can exercise their voting rights by proxy through a representative, e.g., a bank, shareholder association or other third party. In addition, the Company allows its shareholders to exercise proxy voting by authorizing a representative appointed by the Company to exercise their voting rights in accordance with their instructions before the shareholder meeting.

Prior to the shareholder meeting, the shareholders receive the information prescribed by stock corporation law via the annual report, invitation to the shareholder meeting and various reports and sets of information required for adopting the pending resolutions. These reports and this information are also made available on Amadeus FiRe AG's website.

The next annual shareholder meeting is scheduled to take place on 24 May 2018 in Frankfurt am Main.

Cooperation between the management board and supervisory board and composition and work of committees

The members of the management board are appointed by the supervisory board in accordance with Sec. 84 AktG. Arts. 6 to 8 of the articles of incorporation and bylaws govern the number of management board members as well as the representation and management of the Company by the management board, applying the rules of procedure as adopted by the supervisory board. As of 31 December 2017, the management board comprises two members, Peter Haas and Robert von Wülfing. The management board regularly and comprehensively informs the supervisory board and its committees of all matters relevant to business planning and strategic development, business performance and the situation of the Group, including risks and risk management, on an ad hoc and timely basis. It consults with the supervisory board on the Company's strategy and regularly reports to the former on the status of implementation.

The supervisory board has addressed the risk management system, and in particular the effectiveness of the internal control and risk management system, in relation to the financial reporting process in detail. For further information, please see the section on risks in the management report.

The supervisory board appoints the members of the management board and advises and oversees their management of the Company. The management board's rules of procedure provide, among other things, that the management board may not carry out certain transactions without approval from the supervisory board.

The supervisory board periodically deals with the issue of potential conflicts of interest in its meetings and reviews the independence of its members in accordance with the principles of the German Corporate Governance Code. Supervisory board members are required to disclose conflicts of interest to the supervisory board. No conflicts of interest were disclosed by supervisory board members in fiscal year 2017, this ensuring that the management board receives impartial advice and oversight. There were no consulting or other service agreements between supervisory board members and the Company in the fiscal year.

The Company has taken out D&O insurance for Amadeus FiRe AG's management board and supervisory board members. This includes a deductible for members of the supervisory board and the management board.

Pursuant to the provisions of the MitbestG ["Mitbestimmungsgesetz": German Codetermination Act] and in accordance with Art. 9 (1) of its articles of incorporation and bylaws, Amadeus FiRe AG's supervisory board consists of 12 members, 6 of whom are elected by the shareholder meeting and six who are elected by the employees in accordance with the provisions of the MitbestG. For elections of supervisory board members, the nomination committee convened in advance for this purpose makes sure that the supervisory board's members have the required expertise, skills and professional experience and are sufficiently independent. Potential conflicts of interest and the Group's business activities are also taken into account.

No new members were elected to the supervisory board in 2017. The current 12 members of the supervisory board are:

- Mr. Christoph Gross, Chairman
- Mr. Michael C. Wisser, Deputy Chairman
- Mr. Knuth Henneke
- Ms. Annett Martin, since 3 August 2017
- Dr. Ulrike Schweibert
- Mr. Hartmut van der Straeten
- Ms. Ulrike Bert, employee representative
- Ms. Sybille Lust, employee representative
  (Ms. Angelika Kappe, employee representative
  since 1 January 2018)
- Ms. Ulrike Sommer, employee representative
- Mr. Elmar Roth, employee representative
- Mr. Andreas Setzwein, employee representative
- Mr. Mathias Venema, employee representative

The following people left the supervisory board over the course of the year:

- Ms. Ines Leffers, until 18 May 2017
- Ms. Sybille Lust, until 31 December 2017,
  employee representative

No former management board member is currently on the supervisory board, which is in compliance with the recommendations of the German Corporate Governance Code that no more than two former members of the management board should be members of the supervisory board of the Amadeus FiRe Group.

The supervisory board has set specific targets for the composition of its members: geographical presence through at least 10 German nationals, avoidance of potential conflicts of interest by excluding members with executive positions at competitors of the Company, its suppliers, customers or shareholders as well as broad and comprehensive experience and expertise in the Group's field of business. These targets have been taken into account in all nominations to date.

The following committees of the supervisory board were formed with supervisory board members. The supervisory board has not granted these committees any decision-making authority. The committees only work in an advisory capacity and carry out preparatory work for the full supervisory board. Members of the committee must disclose conflicts of interest to the committee.

Accounting and audit committee

Members:
- Mr. Hartmut van der Straeten, Chairman
- Mr. Michael C. Wisser
- Ms. Ulrike Bert
- Mr. Andreas Setzwein

The accounting and audit committee consists of four members. These comprise two supervisory board members who represent the shareholders and two supervisory board members who represent the employees. The accounting and audit committee is responsible for issues related to accounting, the review of the Company, group entities and the Group, including monitoring the (group) financial reporting process, the effectiveness of the internal control system, the risk management system and the internal audit system as well as the audit of the financial statements, in particular the auditors' independence and additional services rendered by the auditors. The committee assesses the auditors' audit reports and reports its assessment of audit report findings to the supervisory board, particularly with regard to the Company's future development. Common committee functions include:

- Preparations for choosing the auditors, decisions on supplementary audit areas, agreement on the audit fee and the issuing of the audit engagement to the auditors
- The appraisal of the auditors' findings and recommendations set out in a management letter
- Preparations for the review of the annual and consolidated financial statements by the supervisory board including the relevant management reports based on the results of the audit and supplementary remarks by the auditor
- Review of the interim financial statements

The accounting and audit committee meets on a regular basis before the interim financial statements are published and after the annual financial statements and consolidated financial statements have been presented by the management board. The committee also meets as required. The chairman of the committee regularly reports on the committee's work to the full supervisory board meetings.

The German Corporate Governance Code recommends that the chairman of the accounting and audit committee have specialist knowledge and experience in the application of accounting principles and internal controls. This recommendation has been implemented at Amadeus FiRe. Mr. van der Straeten served for many years on management boards and as a general manager of trading and manufacturing companies with responsibility for finance and accounting, financing, tax and commercial management. As a result, he has extensive knowledge and experience of internal controls and the application of accounting principles.

Personnel committee

Members:
- Mr. Christoph Gross, Chairman
- Mr. Knuth Henneke
- Ms. Ulrike Sommer
- Mr. Michael C. Wisser

The committee has four members comprising the chairman of the supervisory board, his deputy, a member of the supervisory board representing the employees and a member of the supervisory board representing the shareholders. The personnel committee deals with personnel matters for the management board members, including long-term succession planning. The personnel committee gives recommendations for the content of employment contracts with management board members and their compensation. Recommendations for current compensation are determined by systematically evaluating the performance of the individual management board members. The personnel committee also performs the functions pursuant to Sec. 27 (3) in conjunction with Sec. 31 (3) Sentence 1 MitbestG (mediation committee). The supervisory board chairman also chairs the personnel committee.

The personnel committee convenes when required, particularly before supervisory board meetings in which management board issues are addressed. The chairman of the committee regularly reports on the personnel committee's work and, where necessary, on the results of negotiations to the full supervisory board meetings.

Compensation of the management board and supervisory board

Compensation of the management board and supervisory board is presented in detail in the section on compensation in the management report. The Company has decided to summarize the information required by law, the information recommended by the German Corporate Governance Code and additional information on the compensation system in a separate section on compensation. The Company believes that this provides greater transparency and comprehensibility. Please see section 11 on compensation for further details.

Share transactions by board members

Members of the management board and the supervisory board are by law obliged pursuant to Sec. 15a WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act] to disclose the acquisition or disposal of shares in Amadeus FiRe AG or related financial instruments where the value of the transactions performed by the member and related parties reaches or exceeds EUR 5,000 in any one calendar year (directors' dealings). In fiscal year 2017, no shares were acquired or sold by members of the management board or the supervisory board or by entities closely related to the management board.

As of 31 December 2017, a total of 5,700 shares were held by supervisory board members. The members of the management board did not hold any shares. For a detailed breakdown, please see note 40 in the notes to the consolidated financial statements.

Policies promoting the participation of women in management positions in accordance with Sec. 76 (4) and Sec. 111 (5) AktG

The proportion of women at the two management levels below the management board was 11% (as of 31 December 2017). The FührposGleichberG ["Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst": German Act on the Equal Participation of Women and Men in Management Positions in the Private Economy and the Public Sector] required Amadeus FiRe AG for the first time to set targets for the proportion of women on the management board and the subordinate two management levels and to determine the date by which the relevant proportion of women is to be achieved. The management board set a target of at least 10% for the first and second management levels below the management board. This target was exceeded with a proportion of 11% as of the cut-off date 30 June 2017. The management board adopted a new resolution with a minimum proportion of 11% and an implementation deadline of midnight, 30 June 2022.

The Company's supervisory board is composed of 12 members. As of the balance sheet date, the supervisory board was composed of five women and seven men. When appointing men and women to its supervisory board, the Company thus complied with the statutory minimum quota of 30%.

Given the specific situation in the Company – in particular, the fact that the management board is currently composed of two male members – the supervisory board of Amadeus FiRe AG did not set a target that differs from the current situation.

The management and supervisory boards will review the quotas set as of 30 June 2022.

Risk management

Responsible management of the Company's risks is integral to good corporate governance. Systematic risk management as part of our value-based group management ensures that risks are recognized and measured at an early stage and that corresponding measures can be taken. The Company's risk management system is continuously enhanced and adapted to the changing conditions. The early warning system for the detection of risks is assessed by the statutory auditors. The management board regularly reports to the supervisory board on existing risks and their development.

For further details on the Amadeus FiRe Group's risk management system, please see the section on risks, which also contains the report on the internal control and risk management system in relation to the (group) financial reporting process.

Transparency and communication

Amadeus FiRe informs capital market players and interested parties about the Group's financial situation and new events regularly, and without delay. The annual report, half-year financial report and quarterly statements are published on time. Current events are announced in press releases and – if prescribed by law – in ad hoc reports. The Company keeps its shareholders regularly informed about important dates through a financial calendar which is published in the annual report and on the Company's homepage. All information is available in both German and English and can be accessed on Amadeus FiRe AG's website at www.amadeus-fire.de/en/investor-relations. This also allows private investors to obtain timely information on current developments.

Financial reporting and audit

Amadeus FiRe AG prepares its consolidated financial statements for the year and consolidated interim financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. Amadeus FiRe AG's (separate) financial statements are prepared in accordance with German commercial law (HGB). The financial statements are prepared by the management board, audited by the statutory auditors and reviewed by the supervisory board. The interim financial statements are reviewed by the audit committee before they are published.

The separate and consolidated financial statements of Amadeus FiRe AG and the combined management report of Amadeus FiRe AG and the Amadeus FiRe Group were audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Eschborn/Frankfurt am Main. The auditor was elected at the 2017 shareholder meeting.

Ernst & Young GmbH Wirtschaftprüfungsgesellschaft, Eschborn/Frankfurt am Main, has agreed to immediately inform the chairman of the audit committee of any reasons that would prevent them from performing the engagement or cast doubt on their impartiality during the audit, insofar as these are not remedied with immediate effect. The auditors are also required to report immediately on all material findings and events arising during the audit that affect the duties of the supervisory board. Furthermore, the auditors must inform the supervisory board and state in the audit report if they discover any facts in the course of the audit that are inconsistent with the declaration of compliance issued by the management board and supervisory board pursuant to Sec. 161 AktG. The audits conducted in fiscal year 2017 did not result in any such findings.

9. Sustainability report

Amadeus FiRe publishes its sustainability report and non-financial statement in accordance with Sec. 315b HGB in its combined management report on the Company's website. The most recent sustainability report and non-financial statement can be accessed at www.amadeus-fire.de/1/investor-relations/nachhaltigkeitsbericht.

10. Risks

The risk strategy is a component of our corporate strategy and is aimed at safeguarding the continued existence of our Company and systematically and continuously increasing its business value. Amadeus FiRe's management board has established a monitoring system to allow risks to be identified as early as possible. This system also serves to mitigate financial losses by promptly initiating counteraction. As part of the risk strategy, Amadeus FiRe's opportunities are assessed on the one hand and its risks evaluated on the other. An appropriate, transparent and manageable level of risk is consciously taken on in core areas of competency if an adequate return is likely.

Risk management

The management board has set forth in writing the specific processes and definitions of the risk management system at Amadeus FiRe, including uniform assessment methods. The general managers of the subsidiaries, departmental heads and other employees identify and assess risks at prescribed intervals. The responsible member of the management board reviews the risks and, if necessary, assesses the correlation of individual risks in terms of the risk for the Company as a whole. In addition, there is a standardized, timely reporting function that allows the Group to identify deviations and peculiarities at an early stage. The management and supervisory boards review the Group's medium and long-term strategy annually and evaluate the achievement of the defined steps outlined in the strategy. In this way, the risk assessment is integrated in the Company's strategy, and opportunities and the related earnings potential are identified. The supervisory board reviews the internal control system at regular intervals. Where it makes financial sense, risks are transferred to insurers by concluding group insurance policies.

Risk areas

Significant risks for the Amadeus FiRe Group are as follows:

General economic risks

The economic situation improved further in the reporting year compared with the prior year. The German economy is now showing strong growth, driven again in 2017 by domestic demand from households. At the beginning of 2018, economic activity is likely to continue to flourish, particularly as income prospects are still good and interest rates remain low. Government consumption is expected to rise again in 2018 and also contribute to GDP expansion.

The risks to stable economic growth and a robust labor market as well as the risks related to an expected recession in Germany described in the economic researchers' and the German government's forecasts are therefore considered remote.

Uncertainty about the new government following the parliamentary elections in September 2017 poses a risk for the German economy. An effective government with a stable majority is a key stabilizing factor for the economy. Further risks to the German economy can be found in international trade. Brexit negotiations whose outcome is currently still uncertain, structural problems in the Italian banking sector and general political disintegration tendencies could pose a threat to economic growth. It is also unclear to what extent the US will continue to introduce new customs duties and trade restrictions.

Due to their qualification levels, the refugees who have arrived in the past three years will likely only be able to participate in the workforce to a limited extent and will thus place a significant strain on social welfare systems.

Transparency is low overall and it is difficult to forecast how the various factors will develop. The underlying economic and political situation appears to be very robust and stable, however. Nonetheless, the overall performance of the German economy could turn out to be more favorable or less favorable than predicted in the opportunities and outlook section. One basic prerequisite for stable growth in Germany is global economic growth of 3% or more.

Industry risks

In our experience, the temporary staffing sector is quickly hit by cyclical fluctuations. This poses a risk for the industry as it means that adverse economic or labor market developments directly impact the sector.

In recent years, companies have come to value temporary staffing as a short-term response tool to manage fluctuations in labor demand and also as a time and resource-saving recruitment channel. As a result of this development, temporary staffing has become more widely accepted and appreciated. Employees value temporary work as an alternative to short-term unemployment or as a stepping stone along their career paths. The reputation of temporary staffing has also improved in society. The collective agreements for the temporary staffing industry which have been in place since 2003, the changes to the industry surcharge agreements introduced gradually since November 2012 and the amendments to the German Personnel Leasing Act which entered into force in April 2017 have contributed to this development.

Despite these positive developments, customer companies' economic situation and therefore general economic growth poses an intrinsic risk to the future performance of the industry and the Amadeus FiRe Group.

The temporary staffing industry is highly regulated and draws a lot of attention from the world of politics and society at large. The statutory and collective provisions that have been introduced or amended have made employee leasing more expensive and substantially increased the administrative workload of temporary staffing companies.

However, the surcharges on the collective wages are in some cases lower for highly qualified professions, which are the focus of the Amadeus FiRe Group, than for industrial workers. There is also less reliance on a few, large customers. Experience thus far has shown that the Amadeus FiRe Group's customers accept the higher cost rates brought about by the industry surcharges. Proper administrative processing is also guaranteed.

When the law for the amendment of the German Personnel Leasing Act on came into force on 1 April 2017, it introduced a maximum lease duration of 18 months as well as equal pay for temporary workers after working for the company to which they are assigned for 9 months. This means that, after 9 months, a temporary worker should receive the same salary as the permanent staff of the company to which he or she is assigned. In addition to higher salary costs due to the pay rises set out in the collective agreement from November 2016 currently in force, the rules will lead to substantially higher administrative expenses from 2018 since a peer salary will have to be determined for every temporary worker. In addition, the law reduces workforce flexibility.

The difficulty for the industry and the customer companies posed by the fact that the wage components covered by the term equal pay were not adequately defined by the legislator was partly resolved through the addition of supplements to the industry surcharge agreements. They introduced an additional surcharge level in the pay system set out in the collective industry surcharge agreements in lieu of an "equal pay" salary. According to recent figures from January 2018, the order books of the temporary staffing industry have not declined significantly. Some customers have accepted and are adopting the new equal pay system. However, there is also a relevant group of customer companies that categorically refuse to accept assignments lasting longer than nine months. It is currently not possible to assess what course of action the customer companies will pursue in the medium term. The high administrative workload, the requirement to disclose internal information used to calculate equal pay and yet another increase in the cost of leasing staff are a risk factor for long-term assignments.

The rule on the maximum lease duration does not affect the business development of the Amadeus FiRe Group to any large extent because the average assignment length for a temporary worker at Amadeus FiRe is about eight months.

As a rule, changes in labor legislation also affect the temporary staffing industry. A reduction in protection from dismissal or similarly far-reaching measures could have an immediate and dramatic impact on companies' business volumes. However, there is currently no indication of any plans to fundamentally change the existing arrangements.

It is impossible to assess the potential impact of any such future changes on the industry, as this would depend on the specific details.

Economic trends play a critical role in the training sector, particularly in the corporate customer business. A company's investment in training for employees depends heavily on its general financial position and performance. For business with private individuals, developments on the labor market are important. Private individuals feel less pressure to enhance their skills when the situation on the labor market is good and they are in a secure job. On the other hand, such people are more willing to personally invest in costly training.

Legal risks

Changing legal risks arise for the Amadeus FiRe Group because it operates in an environment highly regulated by laws. Aside from the legal requirements arising for the Group from its stock exchange listing, further legal factors, particularly from the area of employee leasing, play an important role. These include, in particular, adherence to the sometimes complex underlying legal framework arising from the German Personnel Leasing Act, German tax law and from collective wage agreements.

The Amadeus FiRe Group has set up an internal audit function charged with regularly monitoring compliance with the various legal provisions, the relevant industry collective wage agreement for employee leasing and the collective surcharge agreements as well as compliance with the Group's internal policies. Although staff regularly receive additional advisory services from external experts and attend training sessions covering the relevant subjects (such as collective bargaining and labor law, the AGG ["Allgemeines Gleichbehandlungsgesetz": German Anti-Discrimination Act], social security law (pseudo self-employment, etc.)), infringements of collectively bargained provisions and/or labor law provisions cannot be ruled out entirely in day-to-day business. The framework conditions have been changed and revised so often – note in particular the legislative changes as of 1 April 2017 – that the correct interpretation of the changes is not clear, even among industry experts and specialist lawyers. However, Amadeus FiRe believes the measures taken minimize the legal risks.

Amadeus FiRe is not currently involved in any "significant" legal actions. Any negative consequences resulting from proceedings in which Amadeus FiRe is currently involved are not expected to have a material impact on the Amadeus FiRe Group's earnings situation.

IT risks

IT security and IT risk management have been among Amadeus Fire AG's top priorities for many years. Internal checks are regularly conducted to verify implementation of the IT systems used on the basis of the specifications and guidelines of the BSI ["Bundesamt für Sicherheit in der Informationstechnik": German Federal Office for Information Security] and to document compliance with the security standards. In view of the current threats to the World Wide Web, we are scrutinizing the existing security environment and will expand and optimize it if appropriate.

Since the Company has locations across Germany but stores its data centrally, it is essential that there are as few disruptions to the line connection and as little downtime as possible. The risk of downtime is countered by using a high-quality and secure wide area network and redundant data lines from various providers. High connection quality is specified in service level agreements with tailored performance standards. The transferred information is adequately protected using the latest encryption technologies.

High-performance IT components with high redundancy of the relevant systems are used within the secure data processing center. Data loss is countered effectively by using highly available and highly reliable servers as well as by backing up data every day. Particular care is taken to protect the personal data of business partners and employees. Moreover, the assignment of rights is restrictive and monitored in order to preserve the confidentiality and integrity of the information. If disruptions occur in primary IT operations, a disaster recovery plan is in place that is designed to ensure that data of the core systems that are mirrored in a data processing center at another location are made available after tolerable periods of downtime. There are no significant foreseeable IT risks at present.

Financing risks

The Amadeus FiRe Group held cash and cash equivalents amounting to EUR 43.4m as of 31 December 2017. These funds form the basis for the solid financing of the Company's operations, the option to make further acquisitions and potential share buy-backs. The Company does not have any liabilities to banks or financial instruments. There is no material currency risk due to the fact that the Company's operations are in Germany. No financing or default risks are discernible at present.

Personnel risks

Due to its business purpose of the Amadeus FiRe Group, it has a continuously high need for qualified professionals and executives, both to work in-house and as temporary employees. Having the required number of qualified employees at all times where possible is essential both for ongoing business and for future growth.

As part of its business policy, Amadeus FiRe pursues a restrictive hiring policy in terms of the qualifications of its prospective employees. The current shortage of professionals and executives and a low rate of unemployment make it difficult to recruit suitable staff. This is also reflected by the fact that the planned number of internal sales staff was only achieved toward the end of the reporting year. The excess demand on the labor market is expected to continue in 2018 and recruiting opportunities will be unlikely to improve as a result. Any further tightening of the labor market would pose a potential risk for planned business activities.

In a bid to attract employees and retain existing staff in the long term, the Amadeus FiRe Group offers attractive working conditions and salaries, tailored personnel development and conducts extensive recruitment activities. These efforts are designed to reduce the turnover risk and the risk of a lack of qualified staff. The Amadeus FiRe Group has given highest priority to human resources as a risk area.

Overall risk assessment by company management

Assessing the overall risk situation involves a consolidated examination of all individual risks and areas of risk. The Amadeus FiRe Group's risk environment did not change significantly in comparison to the prior year during the reporting period. From a current perspective, there are no identifiable risks that could jeopardize the ability of the Amadeus FiRe Group or any of its segments to continue as a going concern.

Internal control and risk management system in relation to the (group) financial reporting process

Due to the fact that the parent company, Amadeus FiRe AG, is a capital market-oriented company as defined by Sec. 264d HGB, the key elements of the internal control and risk management system in relation to the (group) financial reporting process, which also includes the financial reporting processes of the companies included in the consolidated financial statements, must be described in accordance with Secs. 289 (4) and 315 (4) HGB.

The greater goal of the accounting-related internal control and risk management system implemented in the Amadeus FiRe Group is to ensure the compliance of the financial reporting so that the separate financial statements, consolidated financial statements and group management report conform to all relevant regulations.

In this context, the internal control system comprises all policies and procedures introduced by management that are designed to aid the organizational implementation of management's decisions in order to ensure the effectiveness and efficiency of operations, the compliance and reliability of internal and external financial reporting and compliance with the legal provisions relevant to the organization.

The risk management system comprises all organizational policies and procedures aimed at identifying risks and addressing risks that arise in the course of business. The aim of the internal control system over financial reporting is to implement controls to provide reasonable assurance that a compliant set of separate and consolidated financial statements can be prepared in spite of any identified risks.

The Amadeus FiRe Group has the following structures and processes in place for group financial reporting:

Amadeus FiRe uses a standardized group-wide approach to monitor the effectiveness of its internal control system. This approach includes a definition of the required controls, which are documented using uniform specifications and regularly tested. The management board of Amadeus FiRe AG is responsible for establishing and effectively maintaining adequate controls over financial reporting.

All entities included in the consolidated financial statements are integrated into this system using a defined management and reporting organization. The principles, structures and procedures and the processes of the accounting-related internal control and risk management system are outlined in the Company's organizational instructions, which are amended in line with internal and external developments on a regular basis.

With respect to the group financial reporting process, we consider those elements of the internal control and risk management system to be significant that could have a considerable impact on the information contained in and the overall picture conveyed by the consolidated financial statements and group management report. These include:

- Identification of the main risks and control areas relevant for the group financial reporting process
- Monitoring controls for overseeing the financial reporting process at the level of the management board and the consolidated entities
- Preventive controls in finance and accounting and in the Group's physical operating processes, which generate vital information for the preparation of the consolidated financial statements and group management report
- Measures to ensure that financial reporting transactions and data are processed using appropriate IT systems
- Measures to oversee the accounting-related internal control and risk management system, in particular by the internal audit function

The design of the internal control systems in place was regularly assessed in fiscal year 2017. The audit firm tested the systems on a sample basis as part of the audit of the financial statements. No separate external examination was carried out as there were no indications that the internal control system was ineffective.

As the parent company of the Amadeus FiRe Group, Amadeus FiRe AG is included in the group-wide accounting-related internal control and risk management system described above. The above information is therefore also generally applicable for the separate HGB financial statements of Amadeus FiRe AG.

11. Compensation

The section on compensation includes a summary of the principles applied to setting the total compensation paid to members of the management board of Amadeus FiRe AG. It also describes the structure and amount of the compensation paid to the management board members. This section also sets out the principles applied to compensation for the members of the supervisory board, and the amounts involved. The section on compensation is in line with the recommendations of the German Corporate Governance Code. It meets the requirements of the applicable provisions contained in Secs. 289a (2), 314 (1) Nos. 6a and b, 315a (2) No. 2 HGB.

Basic structure of the compensation system for the management board

Total compensation of the management board comprises a fixed component, a performance-based management bonus and fringe benefits, taking into account the respective responsibilities of the management board members. The structure of the management board's compensation system is discussed by the supervisory board as proposed by the personnel committee and reviewed on a regular basis.

The fixed non-performance based component is paid on a monthly basis as a basic salary. In addition, management board members receive fringe benefits in the form of compensation in kind, primarily the amounts recognized under tax law for the use of company cars. The performance-based management bonus essentially comprises the earnings and growth-oriented bonuses. The earnings-oriented bonus is calculated pro rata based on EBITA for the respective fiscal year. The growth-oriented bonus is calculated based on the increase in EBITA relative to an EBITA "high water mark" or highest figure attained to date. Negative performance in a fiscal year is reflected in the amount of variable compensation and can result in claims to management bonuses for the respective fiscal year being lost entirely.

The management board members also have a potential entitlement to remuneration under a "Long Term Incentive" (LTI) plan aimed at achieving a long-term and sustainable increase in EBITA over the term of their employment contracts. A potential entitlement under the LTI does not arise until the end of the term of the respective management board member contract. If an entitlement under the LTI is expected based on the current business plans, this is calculated and a provision is set up to cover a later disbursement of the accrued entitlement.

The management bonus amount is regulated in the management board employment contracts depending on the respective responsibilities of the management board members.

Remuneration earned by management board members

2017 Amounts stated in EUR k	Fixed compensation	Management bonuses	Other compensation	LTI*
Peter Haas	610	1,549	19	400
Robert von Wülfing	234	444	18	105
Total	**844**	**1,993**	**37**	**505**
2016				
Peter Haas	600	1,401	22	400
Robert von Wülfing	234	409	14	97
Total	**834**	**1,810**	**36**	**497**

*) The amounts accrued during the year for a later due date are not discounted here.

Remuneration paid to management board members

2017 Amounts stated in EUR k	Fixed compensation	Management bonuses	Other compensation	LTI*
Peter Haas	610	1,401	19	0
Robert von Wülfing	234	409	18	0
Total	**844**	**1,810**	**37**	**0**
2016				
Peter Haas	600	1,361	22	0
Robert von Wülfing	234	344	14	0
Total	**834**	**1,705**	**36**	**0**

*) The amounts accrued during the year for a later due date are not discounted here.

Other compensation includes fringe benefits such as company cars and accident insurance. There were no additional compensation components such as pension or benefit commitments or third-party benefit plans for fiscal year 2017.

The Company also has a change of control clause in place with Mr. Haas. In the event of a change of control, Mr. Haas is entitled, within a certain timeframe, to prematurely resign from office and terminate his employment contract. If this right is exercised, the Company must pay the contractually agreed gross compensation and a 100% bonus for the remaining term of the contract, up to a maximum of 36 months from the date on which the termination takes effect.

Supervisory board compensation

The compensation of the supervisory board is determined by the shareholder meeting and is governed by Art. 13 of the articles of incorporation and bylaws. The compensation paid to the supervisory board was most recently amended at the 2014 annual shareholder meeting, and the articles of incorporation and bylaws were amended accordingly. This compensation is based on the functions and responsibilities of the members of the supervisory board. Each member of the supervisory board receives annual compensation of EUR 20,000, the chairman of the supervisory board receives double this amount and the deputy chairman one and a half times. Supervisory board members who were only on the supervisory board for part of the fiscal year receive prorated compensation. Starting from the sixth supervisory board meeting in a given fiscal year, each member of the supervisory board receives a per-meeting fee of EUR 500.

Additional compensation is paid for chairing and sitting on supervisory board committees. The chairman of a committee receives EUR 8,000, the chairman of the accounting and audit committee and the chairman of the standing committee (which is currently not established) each receive EUR 10,000 and members of committees receive EUR 5,000 for each full year of membership or chairmanship. If a supervisory board member does not attend meetings of the supervisory board or committees of which he or she is a member, one third of his or her total compensation is reduced in proportion to the ratio between the total number of meetings of the supervisory board or committees of which he or she is a member and the meetings that the supervisory board member did not attend. Out-of-pocket expenses incurred by supervisory board members in the course of their duties are reimbursed. No variable compensation is paid to supervisory board members.

The members of the supervisory board received the following specific compensation during the reporting year:

Amounts stated in EUR k	Supervisory board compensation	Committee compensation	Per-meeting fee
Mr. Christoph Groß	40.0	8.0	0.0
Mr. Michael C. Wisser	29.0	10.0	0.0
Ms. Ines Leffers (until May 2017)	7.6	0.0	0.0
Ms. Dr. Ulrike Schweibert	20.0	0.0	0.0
Ms. Annett Martin (from August 2017)	8.3	0.0	0.0
Mr. Knuth Henneke	20.0	5.0	0.0
Mr. Hartmut van der Straeten	20.0	10.0	0.0
Ms. Ulrike Bert	20.0	5.0	0.0
Ms. Ulrike Sommer (formerly Hösl-Abramowski)	20.0	5.0	0.0
Ms. Sibylle Lust (until Dezember 2017)	20.0	0.0	0.0
Mr. Elmar Roth	20.0	0.0	0.0
Mr. Andreas Setzwein	20.0	5.0	0.0
Mr. Mathias Venema	20.0	0.0	0.0
	264.9	48.0	0.0

The members of the supervisory board received the following specific compensation in 2016:

Amounts stated in EUR k	Supervisory board compensation	Committee compensation	Per-meeting fee
Mr. Christoph Groß	37.8	7.6	0.0
Mr. Michael C. Wisser	29.0	9.7	0.0
Ms. Ines Leffers (from May 2016)	12.4	0.0	0.0
Ms. Dr. Ulrike Schweibert (from May 2016)	12.4	0.0	0.0
Mr. Dr. Karl Graf zu Eltz (until May 2016)	7.7	0.0	0.0
Mr. Dr. Arno Frings (until May 2016)	7.7	0.0	0.0
Mr. Knuth Henneke	20.0	5.0	0.5
Mr. Hartmut van der Straeten	20.0	10.0	0.5
Ms. Ulrike Bert	20.0	5.0	0.5
Ms. Ulrike Sommer (formerly Hösl-Abramowski)	20.0	5.0	0.5
Ms. Silke Klarius (until May 2016)	7.7	1.9	0.0
Ms. Sibylle Lust	18.9	0.0	0.0
Mr. Elmar Roth	20.0	0.0	0.5
Mr. Andreas Setzwein (from May 2016)	12.4	3.1	0.0
Mr. Mathias Venema	20.0	0.0	0.5
	265.8	47.2	3.0

In addition to the supervisory board compensation listed above, additional payments were made to the supervisory board's employee representatives as part of their employment in fiscal year 2017 and recognized as an expense. The amount of the payments depends on the applicable salary grades in the Company. Supervisory board members did not receive any further compensation or benefits for individual services rendered in the reporting period, in particular advisory and referral services.

11. The Amadeus FiRe share

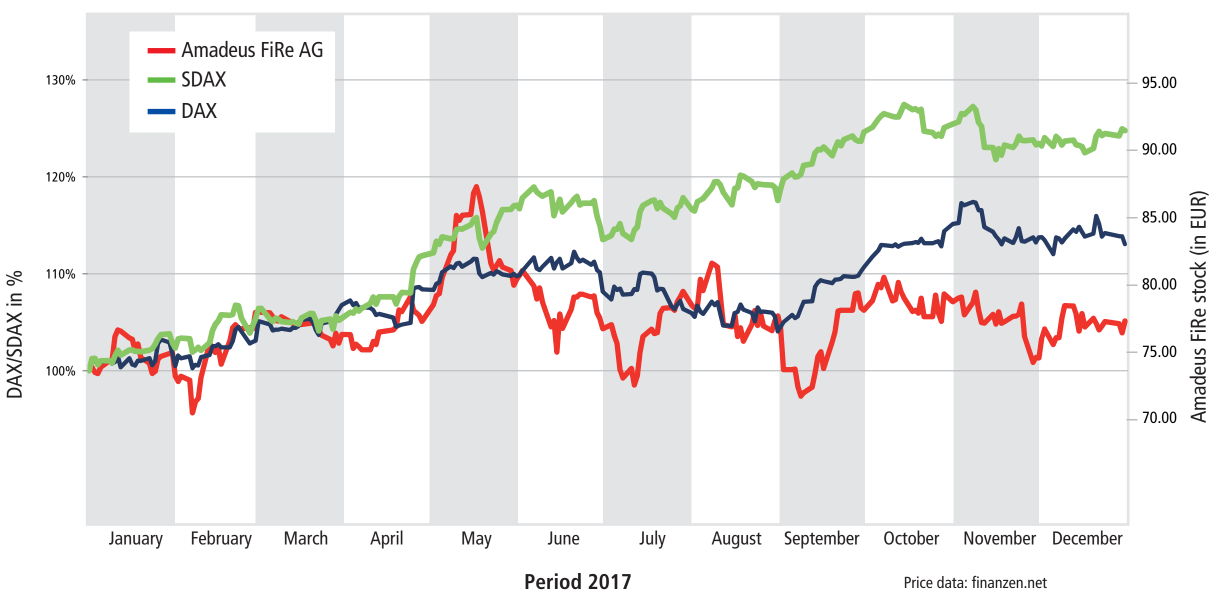
Performance of the Amadeus FiRe share in fiscal year 2017

Amadeus FiRe AG shares have been listed on the Regulated Market of the Frankfurt Stock Exchange since 4 March 1999 and admitted to the Prime Standard since 31 January 2003. Amadeus FiRe AG was listed on the SDAX from 22 March 2010 to 18 September 2017. Due to new listings of larger and more cash-strong companies in the MDAX and SDAX as part of the regular review of the SDAX in September 2017, the share of Amadeus FiRe AG was removed from the index.

Following a positive stock market development toward the end of 2016, the DAX continued its upward trajectory at the beginning of 2017 to reach a record 12,938 points in June. This was due to a good domestic economy in Germany, an upswing in the global economy during 2017 and the expansionary monetary policy still pursued by the central banks. Uncertainty about Brexit, the tense relationship with North Korea or the crisis in Spain due to Catalonia's independence movement were not an issue and saw the DAX decline only slightly to just under 12,000 points in September. Shortly afterwards, the DAX climbed to its all-time high of 13,518 points on 7 November 2017, moving sideways for the remainder of the year at between 12,900 and 13,200 points. The share prices of the companies listed on the SDAX developed less favorably in the first half of the year and then did much better than those of DAX companies from mid-2017 to the end of 2017. At year-end, the SDAX was up 23.3% on the prior year and the DAX up 13.1%.

The price of the Amadeus FiRe share fluctuated in 2017. In the first quarter, the share price moved almost in line with the DAX and SDAX indices. It fell sharply after the dividend was paid out on 18 May 2017. The price bottomed out at EUR 71.50 at the beginning of September. From September until the end of the year, the share moved sideways, fluctuating at between EUR 82.00 and EUR 71.50. The share price increased by 5.8% over the year as a whole.

Indexed share price performance



Price data: finanzen.net

Key figures for the Amadeus FiRe share

in EUR	2017	2016
Market price (XETRA closing price, Frankfurt)		
High	87.35	75.20
Low	70.23	54.40
Year-end	77.21	73.42
Trading volume on German exchanges (in thousands of units)	2,234	2,287
Number of shares outstanding (in thousands)	5,198	5,198
Stock market capitalization (31 December, in EUR m)	401.0	381.6
Earnings per share	3.96	3.66

Amadeus FiRe AG's shareholder structure as of 31 December 2017

According to the definition of Deutsche Börse AG, 100% of the shares of Amadeus FiRe AG are in free float. About 57% of the known shareholdings are held by foreign institutional investors, and around 43% by institutional investors in Germany. As the shares of Amadeus FiRe AG are bearer shares and the reporting threshold under the WpHG [“Wertpapierhandelsgesetz”: German Securities Trading Act] is 3%, the ownership of a sizable portion is unknown.

Investor Relations

The Amadeus FiRe Group's management board and investor relations department maintain an ongoing dialog with existing and potential investors, stock market analysts and banks. The fundamental principle governing communication with market participants is that all information must be communicated frankly, transparently and without delay. Reporting is as active and comprehensive as possible in order to allow all participants in the capital market to make as realistic an assessment as possible of the Company's performance. As well as providing regular reports on the current state of business, strategic direction and objectives of the Amadeus FiRe Group, the management board presented the Company at two roadshows in Germany and several other European countries. In addition, meetings were held with national and international investors and analysts to communicate the current situation and the Company's business development. As the prior year, Amadeus FiRe's stock was analyzed and evaluated by M.M. Warburg, Bankhaus Lampe and Montega AG in 2017.

The Company's annual and quarterly reports, capital market dispatches, analyst assessments, online stock market information and information on the annual general meeting are available via the Group's investor relations homepage (www.amadeus-fire.de/en/investor-relations). Amadeus FiRe ensures that up-to-date and extensive information is made available and that the Company can be contacted at any time.

13. Subsequent events

No significant events have occurred since 31 December 2017 that are expected to have a material impact on Amadeus FiRe's assets, liabilities, financial position and financial performance.

14. Opportunities and outlook

Focus of the Amadeus FiRe Group for the next fiscal year

The Amadeus FiRe Group will continue to offer the services temporary staffing, permanent placement, interim and project management and training. It will retain its basic focus on commercial areas, concentrating on finance and accounting as well as IT services. There are no plans to expand into other countries.

Overall economic outlook

Economic forecasts for 2018 unanimously predict continued upward global economic growth. The International Monetary Fund forecasts global economic growth of 3.9% next year, which is slightly above the figure for 2017. The global economic situation is volatile and uncertain in light of low interest rates, expansionary monetary policy and the effects of factors including Brexit and upcoming elections in Europe.

On a positive note, tax reforms in the US covering a period until 2020 are expected to have a positive impact on global economic growth in 2018. Emerging markets are also expected to record another strong economic performance in 2018 following growth in 2017. The main reason for this positive development is the recovery in the oil price.

The IMF is forecasting 2.7% growth for the US in 2018. For the second largest economy, China, the IMF's forecast is growth of 6.5%.

Attempts are likely to be made again in 2018 to jump-start the economy using monetary policy. The European Central Bank has extended its program of buying up government bonds until the end of September 2018, albeit halving its investment to EUR 30 b per month. The effects on the growth of the global economy remain to be seen, particularly considering the fact that the US Federal Reserve raised its key interest rates three times in a row in 2017 with no change in its policy expected under new leadership either.

On the back of high domestic demand and high exports, real GDP growth in the eurozone of 2.2% is expected in 2018 compared with 2.4% in 2017.

Early indicators such as the ifo index or the purchasing managers' indices point to solid German economic growth in 2018 as well. In its latest forecast, issued in January, the IMF predicts growth of 2.3% in Germany in 2018, before adjustment for calendar effects. There are no calendar effects in 2018 since the total number of available working days will be the same as in 2017. Deutsche Bundesbank expects German real GDP to grow by 2.5% in 2018. As in the past, this figure, which is also not adjusted for calendar effects, is the figure on which the Amadeus FiRe Group is basing its opportunities and outlook report.

In 2018, growth will be driven by household spending, construction and government expenditure. In this connection, private consumption will benefit from record-high employment, continuing real wage growth and low interest rates. The rising oil price will have a slight dampening effect. Housing construction will expand further in 2018. In light of positive labor market and income prospects as well as ongoing immigration, demand for residential property remains high, in particular in large cities. Government spending will increase again in 2018 with more asset purchases and non-cash benefits for health and care in 2018.

Favorable export prospects, in particular exports to emerging countries, point to a further increase in investments. The increase in exports will also lead to higher capacity utilization and, in turn, to additional investments. Funding conditions for companies also remain favorable thanks to stable interest rates.

Deutsche Bundesbank Forecast in %	**2017**	**2018**
Global economic growth (IMF forecast)	3.4	3.9
Utilization of real GDP		
Household spending	1.6	1.7
Government spending	2.3	1.8
Gross capex	3.1	4.2
Exports	3.2	5.4
Imports	4.1	6.0
Contributions to GDP growth (in percentage points)		
Final demand (Germany)	1.9	2.1
Changes in inventories	0.0	0.1
Net exports	-0.1	0.2
German GDP (real)	**1.8**	**2.5**

Source: German Federal Statistical Office, International Monetary Fund (IMF), Deutsche Bundesbank

A certain risk for the 2018 forecast can be seen in the process currently underway to form a new government.

Risks to the 2018 forecast can also be found in international trade. The further development of the oil price, Brexit negotiations between the United Kingdom and the European Union whose outcome is currently still uncertain, structural problems in the Italian banking sector as well as general political disintegration tendencies could pose a threat to economic growth. The debate around the nuclear deal with Iran is also a source of uncertainty, in particular with regard to North Korea, which is continuing to make progress on its own nuclear weapons program. The response of the global economy to this uncertainty remains to be seen. It is also unclear to what extent the US will continue to introduce new customs duties and trade restrictions.

The labor market is again expected to see a positive development next year. While absolute employment is expected to rise further, lower immigration levels, acute labor shortages and an unfavorable outlook for German demographics will have a negative impact and be responsible for more muted growth over the next few years. The baby boomers, i.e., those born between 1955 and 1965, will cease pursuing active employment and go into retirement in the coming years. This will likely exacerbate the shortage of skilled labor long term.

The annual economic report by the German federal government forecasts an annual average increase in people in gainful employment of 490,000 for 2018 compared to the prior year. The number of people in work is therefore set to increase to over 44.5 million in 2018 as employment growth continues apace.

Unemployment in 2018 is likely to be slightly lower than the past year's average of 5.7%. The number of people of working age has increased as a result of immigration, but a rising proportion thereof are expected to participate in labor market policy measures and will therefore be removed from the statistics. The number of people officially registered as unemployed is therefore expected to decrease somewhat in 2018. DIW (Berlin) expects an unemployment rate of 5.5%.

Industry performance

There will continue to be a strong correlation between the market for employee leasing and the general economic trend. This means that the forecast development of the global and national economies and the performance of the labor market will have a commensurate impact on the market for employee leasing.

Experience has shown that demand in the industrial sector is more directly and strongly affected by economic developments, while the qualified sector responds in a late-cyclical manner.

The temporary staffing sector has become established as a flexible employment model in recent years. Given the current positive economic situation and the related increase in demand from companies, there should still be potential for growth. The 2.5% real growth in GDP forecast for 2018 is likely to result in a further increase in demand in the temporary staffing market.

The growing cost of temporary staffing services should have an offsetting effect, however. Higher collectively agreed compensation, further effects from industry surcharge agreements and the new statutory equal pay rules have increased prices for temporary staffing in Germany.

From April 2018, the next phase of the increase in collectively agreed compensation under the temporary staffing collective wage agreement will take effect (2.8% in the West and 4.0% in the East).

The law for the amendment of the German Personnel Leasing Act and other laws entered into force on 1 April 2017. This law provides for a maximum lease duration of generally 18 months as well as equal pay for temporary workers after working for the company to which they are assigned for at least nine months. The equal pay provision applies from January 2018 and the maximum lease duration from mid-2018. The introduction of the law will make temporary staffing services more expensive in 2018 on the one hand, and make it even harder for German companies to achieve greater workforce flexibility on the other.

The difficulty for the industry posed by the fact that the wage components covered by the term equal pay were not adequately defined by the legislator was partly resolved through the addition of supplements to the industry surcharge agreements. They introduced an additional surcharge level in the pay system set out in the collective industry surcharge agreements in lieu of an “equal pay” salary. The rule on the maximum lease duration does not affect the business development of the Amadeus FiRe Group to any large extent because the average assignment length for a temporary worker at Amadeus FiRe is about eight months. According to recent figures from January 2018, the order books of the temporary staffing industry have not declined significantly. The market conduct of the customer companies is thus unchanged as yet. While the long-term effects of equal pay remain to be seen, we expect there to be a negative, albeit not so significant impact on business. The new rules will also result in a much heavier workload internally as we work to ensure correct processing and advise and support our customer companies.

The industry surcharges that were renegotiated in early 2017 and will affect all wage groups from the second half of 2018 will likely amplify the collectively agreed increase in wages for temporary staffing even further. Following the introduction of the statutory equal pay rule, an additional surcharge level was installed in the pay system set out in the collective industry surcharge agreements in lieu of an “equal pay” salary. This new surcharge level normally applies after a contractual term of 15 months. With this additional surcharge level, surcharges of up to 67% on collectively agreed pay are now possible. However, the impact should be less pronounced for more qualified employees because the surcharges are higher for the lower wage groups (representing less qualified employees) than for the higher groups. On account of this, as well as the industry structure of Amadeus FiRe’s customers and the small number of employees in the lower wage groups, the market segment of relevance to Amadeus FiRe is expected to be less severely affected.

The supply side is still dominated by the major challenge of recruiting new employees due to the lack of availability. Employment prospects for qualified staff will continue to be good due to excess demand on the labor market and the trend toward hiring permanent employees. Given the demographic trend in Germany, qualified personnel will become scarcer in the long term and, as a result, the number of workers and qualified specialists available will be limited further. These factors make it more difficult to attract and hire candidates for temporary staffing.

There will be 250 chargeable days in 2018, the same number as in 2017. No arithmetic effect on revenue and earnings is therefore expected in this regard in 2018.

No growth in the number of people working in employee leasing arrangements is expected for the whole temporary staffing market due to the robust, competitive labor market, price increases and effects of the law for the amendment of the German Personnel Leasing Act and other laws. The price rises should result in minor market growth however. According to a survey conducted by the Lünendonk market research institute in 2017, temporary staffing agencies predict market growth of just 1.5% in 2018. Growth in Amadeus FiRe’s core market for qualified specialists compared to 2017 is not expected due to the trend toward permanent employment and the tight applicant market.

2018 should again present good opportunities for the permanent placement service. Experience has shown that a short supply of qualified staff increases the willingness of companies to invest in acquiring suitable personnel. The shortage in Germany in the area of qualified professionals and executives is especially pronounced. The trend toward permanent contracts will continue in a bid to secure talent. Given these factors, the permanent placement market should perform very well in 2018. Growth in the region of 10% is expected.

The overall performance of the economy has only a slight impact on interim and project management. A greater number of restructuring and cost-cutting projects are carried out in recessionary phases, while staff are needed for the more traditional interim management projects in recovery phases. In Amadeus FiRe’s assessment, demand for interim and project management on the extremely competitive market in Germany was comparatively unchanged in 2017. A similar pattern is expected for 2018.

Demand for training in the fields of tax, finance and accounting is expected to be stable in 2018. The overall general trends at work in the field of training are demographic change, a shift toward academic qualifications, insufficient readiness for the world of work (inadequate qualifications after completing formal training) and the increasing mobility of media. The projected demographic change (shortage of specialists) is expected to lead to a fall in demand for basic training on the one hand but a rising demand for further training aimed at the later stages of people's careers on the other. Attractive training packages for life-long learning could therefore become a crucial tool for employer branding. The trend toward more academic qualifications in training is also continuing in Germany, which is reflected in the fact that the number of people starting university is increasing relative to the number of people joining the workforce. At the same time, there is an increasingly urgent need to develop suitable bridging courses to give graduates who are becoming less equipped for the world of work more practical professional training. Finally, the meteoric rise of mobile media is influencing the way training is provided. Solutions must be developed to provide training rapidly and flexibly, without being tied to particular locations or times, as part of a digitalization strategy that is appropriate to the target group.

No wide-spread changes in the fields of tax or accounting are anticipated on a national level in 2018. However, a high level of new topics could emerge in the wake of the coalition talks, which are still ongoing.
The special market for training in the area of international financial reporting standards (IFRSs, US GAAP) is expected to be flat or even contract in 2018 due to decreasing demand.

Forthcoming succession arrangement on the management board of Amadeus FiRe AG

Mr. Peter Haas, CEO of Amadeus FiRe AG, has decided not to renew his management board contract which is due to expire as of 31 December 2018. Peter Haas has been a member of the management board of Amadeus FiRe AG for 18 years and CEO since 2008. He made a significant contribution to the successful development of the Company during this period. The long-term plan for his succession, which was initiated jointly by the supervisory board and management board, will be implemented in due course and was officially announced and publicized on 23 October 2017.

Mr. Robert von Wülfing will be appointed as CEO with effect from the date on which Mr. Haas leaves the management board. Mr. von Wülfing has been a member of the management board of Amadeus FiRe AG since 2012 and is currently Chief Financial Officer and responsible for the training segment. Mr. Dennis Gerlitzki will be appointed as a new member of the management board, likewise effective as of the date on which Mr. Haas leaves the board. As Chief Operations Officer, Mr. Gerlitzki will be responsible for the personnel services segment. Mr. Gerlitzki has worked successfully for Amadeus FiRe in various roles for 14 years and has been responsible for a large number of Amadeus FiRe's branches in Germany in his role as regional director since 2008.

Both men can look back on longstanding and close working relationships with Mr. Haas on operational as well as strategic topics at first-tier management level and have the full confidence of Mr. Haas and the supervisory board. Their high level of expertise and experience are an excellent basis for continuing the successful management of the Company into the future.

Anticipated sales and earnings development

Another positive economic situation in Germany is forecast for 2018. Confidence in the German economy is at a similar level as it was in 2017. In January 2018, the ifo Business Climate Index improved from 117.2 to a level of 117.6 points.

A differentiated view of the personnel services segment should be taken and, as already mentioned, opportunities for growth in this segment are good overall, in line with the labor market. High demand for specialists combined with short supply is favorable for Amadeus FiRe's business model.

Full staffing levels are planned at the branches for fiscal year 2018. Efforts will be undertaken to create additional, specialized teams to selected locations. The aim is to further strengthen the sales organization long term in order to successfully penetrate the regional markets and further improve Amadeus FiRe's market position.

The implementation of the next part of the new sales software as well as stepping up recruitment activities and strengthening recruitment resources will be important areas targeted by investment in 2018.

The additional expenses for expanding the sales organization will arise for the creation of new jobs, the full-year salaries for positions which were vacant in the past year as well as salary adjustments to safeguard competitiveness. Additional expenses of approximately EUR 3.8m are planned for this for fiscal year 2018.

The second part of the sales software is also scheduled to be implemented in 2018 following the successful introduction of the applicant management module of the new sales software in 2017. We plan to roll out customer management as the second sales software module in the third quarter of 2018. The expected additional costs for fiscal year 2018 are pegged at EUR 0.9m.

The volume of orders in the temporary staffing industry falls at the beginning of the year due to seasonal factors. In 2018 there was an additional one-time effect from the new equal pay rule. Following enactment as of 1 April 2017 of the new legislation requiring equal pay after nine months, all orders that were commenced prior to 1 April 2017 were affected at the end of the year. In line with our expectations, the adjustment at the start of 2018 was stronger than in the prior year due to this special effect. Nonetheless, the number of orders at the beginning of January was slightly above the prior-year level. Amadeus FiRe expects a moderate increase in revenue from temporary staffing in the course of the year, due in part to the abovementioned investments in personnel for the sales organization.

After the significant calendar effect in 2017, there are no arithmetical effects on revenue and earnings in fiscal year 2018 due to a greater or small number of chargeable days.

The permanent placement service performed unexpectedly well in the fiscal year. Following considerable growth in recent years, we anticipate a further slight increase in revenue in 2018.

Assuming that the market for interim and project management continues its stable development, the Amadeus FiRe Group is also planning to boost its revenue from interim and project management services and to expand its market position again slightly. After the service underperformed in 2017, we intend to enhance our focus on this area and facilitate a turnaround.

Overall, provided the customer companies do not alter their behavior significantly in response to the equal pay rules, we expect revenue to increase and EBITA to be on a par with the prior year in the personnel services segment.

We do not expect to see an especially high level of new topics in Amadeus FiRe's training segment in 2018 due to changes in the regulatory environment arising from the current government talks. Further market share will be gained thanks to the expansion of sales activities and the ever broader range of courses and seminars the Group offers in economic centers where it has its own training premises and employees. This should result in a high single-digit percentage increase in training revenue and a similar increase in EBITA.

In fiscal year 2018, the Amadeus FiRe Group aims to further grow its revenue and to exceed this year's EBITA of EUR 32.3m. Despite the abovementioned negative earnings effects, the management board expects EBITA to increase by approximately EUR 0.5m. We assume that the planned investments in the expansion of business operations will be executed successfully.

To improve its market position in the training segment, the Group may consider acquisitions in addition to the planned organic growth.

The above forecasts apply without restriction to Amadeus FiRe AG since that company's portfolio of services mainly comprises temporary staffing and permanent placement.

Based on the positive result for fiscal year 2017, the management board expects to be able to pay out a dividend again in 2018.

Overview of the accuracy of the forecasts made in the outlook section of the 2016 Annual Report

	Forecast made in the 2016 Annual Report	Current status (2017)
Global economy		
Global economic growth	3.4%	3.7%
Eurozone growth	1.6%	2.4%
German economy		
GDP (real)	**1.8%**	**2.2%**
Utilization of real GDP		
Household spending	1.6%	2.0%
Government spending	2.3%	1.4%
Gross capex	3.1%	3.0%
Exports	3.2%	4.7%
Imports	4.1%	5.2%
Contributions to GDP growth (in percentage points)		
Final demand (Germany)	1.9%	1.4%
Changes in inventories	0.0%	0.1%
Net exports	-0.1%	0.2%
German labour market		
Net immigration	+ 206,000	N/A
Average unemployment figure	„likely to fall short of the 2016 level (<2.69 million people) on average in 2017“	2,533,000
Industry performance		
Temporary staffing market	„market growth of 2.6%“	4-5%*
Temporary staffing market for commercial specialists	„market volume on a par with 2016“	N/A
Permanent placement market	„market growth of around 10%“	„developed well“*
Interim and project management market	„slight market growth“	N/A
Training market	„unchanged compared to 2016“	„stable development“
Performance of Amadeus FiRe in terms of unit sales and earnings		
Services		
Revenue, temporary staffing	„moderate revenue growth" (mor than EUR 121.3m)	EUR 124.2m
Revenue, permanent placement	„moderate revenue growth" (mor than EUR 21.7m)	EUR 29.0m
Revenue, interim and project management	„moderate revenue growth" (mor than EUR 9.6m)	EUR 9.2m
Revenue, training	„slight increase“ (more than EUR 20.7m)	EUR 22.1m
Group as a whole		
Total revenue	„moderate revenue growth" (mor than 173.3m)	EUR 184.5m
Group EBITA	„increase of EBITA of about 2% (30.7 Mio.)“	EUR 32.3m

*) Current estimate of Amadeus FiRe

15. Responsibility statement

We confirm that, to the best of our knowledge and in accordance with the applicable financial reporting framework, the consolidated financial statements provide a true and fair view of the assets, liabilities, financial position and financial performance of the Group and that the group management report gives a true and fair view of the development of business, including the operating result and the Group’s position, and also describes the principal opportunities and risks relating to the expected future development of the Group.

Frankfurt am Main, 1 March 2018

Peter Haas
CEO

Robert von Wülfing
CFO

Consolidated financial statements 2017

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Consolidated income statement – twelve months of fiscal year 2017

Amounts stated in EUR k	Notes	01.01.-31.12.2017	01.01.-31.12.2016
Revenue	1	184,525	173,295
Cost of sales	2	-102,042	-97,465
Gross profit		**82,483**	**75,830**
Selling expenses	3	-41,550	-37,646
General and administrative expenses	4	-8,801	-8,349
Other operating income	6	224	205
Other operating expenses	7	-37	-2
Profit from operations before goodwill impairment		**32,319**	**30,038**
Impairment of goodwill		0	0
Profit from operations		**32,319**	**30,038**
Finance costs	9	-649	-597
Finance income	9	7	10
Profit before taxes		**31,677**	**29,451**
Income taxes	10	-9,612	-8,990
Profit after taxes		**22,065**	**20,461**
Profit attributable to non-controlling interests recognized under liabilities	11	-1,282	-1,320
Profit for the period		**20,783**	**19,141**
Attributable to non-controlling interests		213	139
Attributable to equity holders of the parent		20,570	19,002

Earnings per share, in relation to the profit of the period attributable to the ordinary equity holders of the parent			
basic (euro/share)	12	3.96	3.66
diluted (euro/share)		3.96	3.66

Consolidated statement of compehensive income – twelve months of fiscal year 2017

Amounts stated in EUR k		01.01.-31.12.2017	01.01.-31.12.2016
Profit for the period		20,783	19,141
Other comprehensive income	13	**0**	**0**
Total comprehensive income for the period		**20,783**	**19,141**
- Attributable to non-controlling interests		213	139
- Attributable to equity holders of the parent		20,570	19,002

Consolidated balance sheet as of 31 December 2017

Amounts stated in EUR k	Notes	31.12.2017	31.12.2016
ASSETS			
Non-current assets			
Software	14	3,971	3,009
Goodwill	14	6,935	6,935
Property, plant and equipment	15	1,677	1,510
Deferred tax assets	17	1,071	1,046
		13,654	**12,500**
Current assets			
Income tax credit	18	0	658
Trade receivables	18	20,420	18,604
Other assets	18	73	69
Prepaid expenses	19	467	467
Cash and cash equivalents	20	43,403	40,448
		64,363	**60,246**
Total assets		**78,017**	**72,746**
EQUITY & LIABILITIES			
Equity			
Subscribed capital	21	5,198	5,198
Capital reserves	23	11,247	11,247
Retained earnings	24	30,122	28,577
Equity attributable to equity holders of the parent		46,567	45,022
Non-controlling interests		558	369
		47,125	**45,391**
Non-current liabilities			
Liabilities to non-controlling interests	26	5,342	4,693
Other liabilities and accrued liabilities		642	1,954
Deferred tax liablilities	17	616	616
		6,600	**7,263**
Current liabilities			
Income tax liabilities	27	773	0
Trade payables	27	1,506	1,398
Liabilities to non-controlling interests	27	1,569	1,607
Other liabilities and accrued liabilities	27	20,444	17,087
		24,292	**20,092**
Total equity and liabilities		**78,017**	**72,746**

Consolidated statement of changes in group equity for fiscal year 2017

Amounts stated in EUR k	Equity attributable to equity holders of the parent				Non con-trolling interests Note 25	Total equity
	Subscribed capital Note 21	Capital reserves Note 23	Retained earnings Note 24	Total		
01.01.2016	**5,198**	**11,247**	**27,925**	**44,370**	**247**	**44,617**
Total comprehensive income for the period	0	0	19,002	19,002	139	19,141
Profit distributions	0	0	-18,350	-18,350	-17	-18,367
31.12.2016	**5,198**	**11,247**	**28,577**	**45,022**	**369**	**45,391**
01.01.2017	**5,198**	**11,247**	**28,577**	**45,022**	**369**	**45,391**
Total comprehensive income for the period	0	0	20,570	20,570	213	20,783
Profit distributions	0	0	-19,025	-19,025	-24	-19,049
31.12.2017	**5,198**	**11,247**	**30,122**	**46,567**	**558**	**47,125**

Consolidated cash flow statement for fiscal year 2017

Amounts stated in EUR k	Notes	01.01. - 31.12.2017	01.01. - 31.12.2016
Cash flows from operating activities	28		
Profit for the period before profit attributable to non-controlling interests		22,066	20,461
Tax expense		9,612	8,990
Amortisation, depreciation and impairment of non-current assets		0	0
Finance income		-7	-10
Finance costs		649	597
Non-cash transactions		-11	-169
Operating profit before working capital changes		**33,342**	**30,721**
Increase/decrease in trade receivables and other assets		-1,789	-689
Increase/decrease in prepaid expenses and deferred income		0	-37
Increase/decrease in trade payables, other liabilities and accrued liabilities		2,177	344
Other non-cash income		0	0
Cash flows from operating activities		**33,730**	**30,339**
Interest paid		0	0
Income taxes paid		-8,237	-10,836
Net cash from operating activities		**25,493**	**19,503**
Cash flows from investing activities	29		
Cash paid for intangible assets and property, plant and equipment		-2,201	-1,762
Receipts frome the disposal of assets		24	0
Interest received		7	10
Net cash used in investing activities		**-2,170**	**-1,752**
Cash flows from financing activities	30		
Dividends paid to non-controlling interests in partnerships Dividends paid to non-controlling interests in corporations Cash paid to non-controlling interests		-1,343	-999
Profit distributions		-19,025	-18,350
Net cash used in financing activities		**-20,368**	**-19,349**
Net change in cash and cash equivalents		**2,955**	**-1,598**
Cash and cash equivalents at the beginning of the period		**40,448**	**42,046**
Cash and cash equivalents at the end of the period		**43,403**	**40,448**
Composition of cash as of 30 December Cash on hand and bank balances (without drawing restrections)		**43,403**	**40,448**

Notes to the consolidated financial statements for fiscal year 2017

General

Amadeus FiRe AG is a stock corporation under German law and has its registered office at Darmstädter Landstrasse 116, Frankfurt am Main, Germany. The Company is entered in the commercial register at the local court of Frankfurt, under HRB no. 45804.

Amadeus FiRe AG has been listed on the Regulated Market of the Frankfurt Stock Exchange since 4 March 1999. Amadeus FiRe AG was admitted to the Prime Standard on 31 January 2003.

The fiscal year is the calendar year.

The activities of the group entities comprise the provision of temporary personnel within the framework of the AÜG ["Arbeitnehmerüberlassungsgesetz": German Personnel Leasing Act], permanent placement, interim and project management as well as the provision of training in the areas of tax, finance and accounting and financial control.

On 22 February 2018, the management board approved the IFRS consolidated financial statements and subsequently passed them on to the supervisory board for approval.

Abbreviations of group entities and investments

Akademie für Internationale Rechnungslegung	Akademie für Internationale Rechnungslegung (AkiR) GmbH, Colgone, Germany
Amadeus FiRe AG	Amadeus FiRe AG, Frankfurt am Main, Germany
Amadeus FiRe Personalvermittlung	Amadeus FiRe Personalvermittlung & Interim Management GmbH, Frankfurt am Main, Germany
Amadeus FiRe Services	Amadeus FiRe Services GmbH, Frankfurt am Main, Germany
Endriss GmbH	Dr. Endriss Verwaltungs-GmbH, Cologne, Germany
Endriss Service GmbH	Steuer-Fachschule Dr. Endriss Service GmbH, Cologne, Germany
Greenwell Gleeson Österreich	Greenwell Gleeson Personalberatung GmbH i.I., Vienna, Austria
Steuer-Fachschule Dr. Endriss	Steuer-Fachschule Dr. Endriss GmbH & Co. KG, Cologne, Germany
TaxMaster GmbH	TaxMaster GmbH, Cologne, Germany

Accounting Policies

Basis of the consolidated financial statements

The consolidated financial statements of Amadeus FiRe AG for the fiscal year ended 31 December 2017 were prepared in accordance with the International Financial Reporting Standards (IFRSs) formulated by the International Accounting Standards Board (IASB), as adopted by the EU. All International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and all interpretations by the IFRS Interpretations Committee (IFRS IC) – formerly the International Financial Reporting Interpretations Committee (IFRIC) or the Standing Interpretations Committee (SIC) – effective for fiscal year 2017 were observed. The separate financial statements of the entities included in consolidation were all prepared on the basis of uniform accounting policies. The separate financial statements of the group entities were prepared as of the balance sheet date of the consolidated financial statements.

The consolidated financial statements are prepared using the cost method. This does not include the liabilities in connection with the settlement obligation to the non-controlling interests in Steuer-Fachschule Dr. Endriss, which are recognized at fair value through profit or loss.

The consolidated financial statements of Amadeus FiRe AG are presented in euros.

Due to rounding differences, information presented in these consolidated financial statements may differ slightly from the actual figures (units of currency, percentages, etc.).

Changes in accounting policy

The following IASB pronouncements have been endorsed by the European Union (EU) and are effective for reporting periods beginning on or after 1 January 2017:

New pronouncements		**Mandatory date of first-time adoption (EU)**
Amendments IAS 7	Disclosure Initiative (Amendments to IAS 7 Cash Flow Statements	1 January 2017
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 Income Taxes)	1 January 2017

The first-time adoption of these standards in fiscal year 2017 did not have any effect on the assets, liabilities, financial position and financial performance in the consolidated financial statements of the Amadeus FiRe Group.

The following IASB pronouncements have been endorsed by the EU but were not effective for the 2017 reporting period:

New pronouncements		**Mandatory date of first-time adoption (EU)**
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4 Insurance Contracts)	1 January 2018 1 January 2018
Amendments to IFRS 2	Classification and Measurement of Share-Based Payment Transactions	
Annual Improvements to IFRS 2014-2016	Amendments to IFRS 1, IFRS 12, IAS 28	1 January 2017/ 1 January 2018
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
Clarifications to IFRS 15	Revenue from Contracts with Customers (Clarifications to IFRS 15)	1 January 2018
IFRS 16	Leases	1 January 2019

The Amadeus FiRe Group does not plan early adoption and the Group will only apply these pronouncements in the reporting periods in which they become effective in the EU.

The amendments to IFRS 4, the amendments to IFRS 2 and the annual improvements to IFRS 2014-2016 are not relevant for the Amadeus FiRe Group.

The first-time adoption of IFRS 9 Financial Instruments in fiscal year 2018 will not have any material impact on Group's assets, liabilities, financial position and financial performance.

Due to the simple structure of the Amadeus FiRe Group's service portfolio, revenue recognition will not change significantly in fiscal year 2018 as a result of the initial application of IFRS 15 Revenue from Contracts with Customers (including the clarifications to IFRS 15).

We are currently analyzing the effects arising from the first-time adoption of IFRS 16 Leases in fiscal year 2019 on the Amadeus FiRe Group's assets, liabilities, financial position and financial performance. We cannot reliably estimate the quantitative effects until we have completed this project. Based on our current knowledge, the Amadeus FiRe Group expects the following qualitative impact on the consolidated financial statements:

- To date, payment obligations from operating leases have been disclosed in the notes to the consolidated financial statements. In the future, the resulting rights and payment obligations will have to be recognized as right-of-use assets and lease liabilities in the balance sheet (right-of-use model).
- On initial application, the Group expects a significant increase in total equity and liabilities due to the increase in lease liabilities and a similar rise in non-current assets as a result of the right-of-use assets to be recognized as a result of applying the right-of-use model.
- In the consolidated income statement, the Group will have to recognize depreciation charges and interest expenses instead of lease expenses in the future.

Overall, total assets and total equity and liabilities should not increase by more than the amount recognized as other financial commitments (less any discounting effects; see note 34).

New pronouncements		**Mandatory date of first-time adoption (EU)**
IFRS 17	Insurance Contracts	1 January 2021
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IFRS 9	Prepayment Feature with Negative Compensation	1 January 2019
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to IAS 28	Accounting for long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture	1 January 2019
Amendments to IAS 40	Transfers of Investment Property	1 January 2018
Annual improvements to IFRS 2015-2017	Amendments to IFRS 3, IFRS 11, IAS 12, IAS 23	1 January 2019

The Amadeus FiRe Group intends to apply the new pronouncements listed above as soon as they become effective in the EU. The IASB and IFRS IC pronouncements are transposed into European law via endorsement by the EU. They cannot be adopted early as they have not yet been endorsed. Based on the Amadeus FiRe Group's current knowledge, these pronouncements, which have not yet been transposed into European law, will only have a minor impact on the presentation of the Group's assets, liabilities, financial position and financial performance.

Consolidation principles

The Company's consolidated financial statements include Amadeus FiRe AG and all subsidiaries under the legal or factual control of the Company (the "Group" or the "Amadeus FiRe Group").

The financial statements of the domestic and foreign subsidiaries included in consolidation are prepared in accordance with uniform accounting policies pursuant to IFRS 10. The Company applies the acquisition method pursuant to IFRS 3 to business combinations. Consolidation begins from the date on which Amadeus FiRe AG obtains control over the subsidiary. Specifically, the Group controls an investee if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee that significantly affect its returns)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. This is true for all subsidiaries of the Amadeus FiRe Group.

During consolidation, receivables and liabilities between consolidated entities were fully eliminated, as were income and expenses within the Group. Income and expenses relate solely to profit and loss transfer agreements, interest income and interest expenses from loan agreements, and, to a lesser extent, advertising and other administrative services.

The goodwill arising on consolidation represents the excess of the cost of an acquisition over the Group's interest in the fair value of the identifiable net assets of a subsidiary. The impairment test prescribed by IAS 36 was performed as of 31 December 2017. The goodwill was allocated to the cash-generating units. Cash-generating units are the operating, legally independent entities of the Amadeus FiRe Group.

Use of judgment and main sources of estimation uncertainty

In preparing the consolidated financial statements, assumptions and estimates were made which had an effect on the presentation and recognized amounts of assets and liabilities, income and expenses, and on disclosed contingent liabilities. These assumptions and estimates generally relate to the goodwill impairment test, the measurement of liabilities to non-controlling interests, the recoverability of future tax benefits and the classification of leases by the lessee. Additional assumptions and estimates relate to the uniform determination of economic lives of assets within the Group and the recoverability of trade receivables.

Impairment of goodwill
The Group determines on each balance sheet date whether there are any indications of impairment. Under IAS 36, goodwill is subject to an impairment test once a year – or more often if there are indications of impairment.

An impairment loss is recognized in profit or loss as soon as the carrying amount of a cash-generating unit exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less the costs of disposal and its value in use. Fair value less the costs of disposal is the amount obtainable from a sale in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. For further details, please see note 14.

The recoverable amount is determined based on a value in use calculation using the discounted cash flow (DCF) method. The cash flows used in the DCF valuation are based on current budgets and forecasts for the next five years. This involves making assumptions as to future revenue and costs. Assumptions as to future replacement investments in the Company's operations are made on the basis of historical values, and historical income patterns are projected into the future. If significant assumptions differ from actual figures, impairment losses may have to be recognized in the future. The key assumptions used were a terminal growth rate of 1.0% (prior year: 1.0%), a pre-tax discount rate of 10.2% (prior year: 10.6%) and a post-tax discount rate of 7.4% (prior year: 7.7%).

Measurement of liabilities to non-controlling interests
As a result of the partners' statutory right of termination in respect of their interests in a partnership, the non-controlling interests in Steuer-Fachschule Dr. Endriss are recognized in liabilities in accordance with IAS 32.11. The agreement concluded between the partners stipulates that termination is possible as of 31 December 2017 at the earliest. A partner is entitled to a settlement upon termination. The amount of the settlement is determined using the Stuttgart method in accordance with the above partnership agreement. The potential settlement obligation was measured at fair value using the Stuttgart method as of the balance sheet date (EUR 5,521k; prior year: EUR 4,860k) and the change in value was recognized in the income statement under finance costs.

Deferred tax assets on loss carryforwards
Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the unused tax losses can be utilized. The calculation of the amount of the deferred tax assets requires significant judgment on the part of management as regards the amount and timing of the future taxable income and the future tax planning strategies. As of 31 December 2017, the carrying amount of deferred tax assets recognized for unused tax loss carryforwards came to EUR 0k (prior year: EUR 0k), and the non-recognized unused tax loss carryforwards totaled EUR 763k (prior year: EUR 658k). For further details, please see notes 10 and 17.

Leases as the lessee
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. The Amadeus FiRe Group is currently only a lessee under operating leases. Operating lease payments are recognized as an expense in the consolidated income statement on a straight-line basis over the lease term. For further details, please see note 34.

Currency translation

The presentation currency and the functional currency of the Company and all consolidated entities is the euro.

Defined contribution plans

Under the defined contribution plans for basic pensions up to the income threshold for the assessment of contributions, the Company pays contributions to pension insurance schemes in accordance with statutory provisions. The Company does not have any other benefit obligations beyond the payment of contributions.

Revenue and expense recognition

Revenue from temporary staffing services, permanent placement and interim and project management is recognized once the service has been rendered. Revenue from training services that are performed over an extended period of time is recognized over time as the service is rendered.

Operating expenses are recognized in profit or loss when a service is used or when the costs are incurred.

Interest income is recognized as the interest accrues. Interest income is included in finance income in the consolidated income statement.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method.

Goodwill is initially measured at cost, which, in turn, is defined as the amount by which the cost of the business combination exceeds the Group’s interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible assets

Intangible assets not acquired as part of a business combination are recognized initially at cost. The cost of an intangible asset acquired in a business combination is its fair value at the acquisition date. In subsequent periods, the intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each fiscal year-end. No impairment losses had to be recognized or reversed in fiscal years 2016 and 2017.

Software is amortized on a straight-line basis over useful lives of 3 to 10 years.

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. No impairment losses had to be recognized or reversed in fiscal years 2016 and 2017.

Property, plant and equipment is depreciated on a straight-line basis over useful lives of 3 to 10 years. The residual carrying amounts, useful lives and depreciation methods used are reviewed and adjusted as necessary as of each fiscal year-end.

Income taxes

Current income taxes
Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities, using the tax rates and tax laws that have been enacted by the end of the reporting period.

Deferred taxes
Deferred taxes are recognized using the liability method for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:
- where the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability resulting from a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax losses can be utilized, except:
- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability resulting from a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and sufficient taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reviewed at each balance sheet date and recognized to the extent to which it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Classification of financial instruments

Financial assets and financial liabilities carried on the consolidated balance sheet include cash and cash equivalents, trade receivables, trade payables, other assets and other liabilities and liabilities to non-controlling interests. The accounting policies for recognition and measurement of these items are discussed in the relevant accounting policies found in this note.

Financial instruments are classified as financial assets or financial liabilities in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to financial instruments or components thereof classified as financial liabilities are recognized as an expense or income in the consolidated income statement.

Cash and cash equivalents

Cash and cash equivalents recognized in the consolidated balance sheet comprise cash on hand and bank balances. They correspond to cash and cash equivalents presented in the cash flow statement.

Trade receivables and other assets

Receivables are stated at the fair value of the consideration given and are carried at amortized cost less any valuation allowances. In some cases, impaired and uncollectible trade receivables are written down using allowance accounts. The decision as to whether a credit risk should be accounted for via an allowance account or through a direct reduction of the receivable depends on the degree of reliability of the risk situation assessment.

Impairment of financial assets

The Group tests financial assets or groups of financial assets for impairment at each balance sheet date.

If there is an objective indication that financial assets carried at amortized cost are impaired, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding expected future credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate determined on initial recognition). The carrying amount of the asset is reduced through an allowance account. The impairment loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. However, the new carrying amount of the asset may not exceed the amortized cost at the date of reversal. The reversal is recognized in profit or loss.

If there is objective evidence (such as probability of insolvency or significant financial difficulties of the obligor) that not all due amounts of trade receivables will be collected pursuant to the original payment terms, an impairment loss is charged using an allowance account. Receivables are derecognized when they are classified as uncollectible.

Trade payables

Trade payables are measured at amortized cost, representing the settlement amount.

Liabilities to non-controlling interests

For information on liabilities to non-controlling interests, please see the comments under "Use of judgment and main sources of estimation uncertainty."

Accrued liabilities

Accrued liabilities are recognized when, and only when, the Company has a present obligation (legal or constructive) as a result of a past event, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

Fair value of financial assets and liabilities

Given their short maturities, the carrying amounts of financial assets and liabilities approximate their fair values. Impairment losses are recognized on financial assets whose carrying amount is higher than their fair value (present value of estimated future cash flows).

Accounting for leases as the lessee

As the Amadeus FiRe Group's lease agreements are all operating leases the leased assets are not capitalized by the lessee. The lease payments are recognized as an expense in the consolidated income statement on a straight-line basis over the lease term.

Notes to the consolidated income statement

1. Revenue

The Company provides temporary staffing, permanent placement, interim and project management as well as training services, mainly on the basis of service contracts

Amounts stated in EUR k	2017	2016	Change from the prior year EUR k	%
Temporary staffing	124,218	121,345	2,873	2%
Permanent placement	28,963	21,651	7,312	34%
Interim and project management	9,204	9,580	-376	-4%
Training	22,139	20,719	1,420	7%
	184,525	**173,295**	**11,230**	**6%**

All current-period revenue was generated by services and mainly in Germany. Around 12% of total revenue (prior year: 12%) was generated from private customers, with training being the main source of such revenue. 88% of revenue (prior year: 88%) was generated with around 5,200 corporate customers (prior year: 4,600), while revenue from the 10 largest customers accounts for around 7% (prior year: 9%). The customer with the largest share of revenue contributed 1.9% to total revenue (prior year: 2.1%).

For information on the development of revenue by segment, please see the section on segment reporting.

2. Cost of sales

Personnel expenses for temporary staff, the cost of services purchased from external consultants, lecturer fees, expenses for training rooms, and personnel expenses for staff employed in permanent placement services are recognized as cost of sales. Assignment-related travel expenses were also reported in this item.

3. Selling expenses

Selling expenses include management expenses, personnel expenses for sales staff, the premises and vehicle expenses attributable to such staff, marketing costs and depreciation of the non-current assets used. In addition, expenses for communication as well as training costs for the sales department are included on a proportionate basis.

4. General and administrative expenses

Administrative expenses include management expenses, personnel expenses for head office employees, premises and vehicle expenses attributable to such staff as well as depreciation of the non-current assets used. Ongoing IT costs, legal and consulting fees, accounting costs as well as costs of shareholder meetings and the financial statements are also recognized in this item.

5. Additional disclosures required due to the use of the function of expense method

The Group had an average of 2,739 employees and trainees in fiscal year 2017 (prior year: 2,673). In the fiscal year, personnel expenses amounted to EUR 115,678k (prior year: EUR 108,307k). EUR 78,600k of these expenses related to employees on customer assignments (prior year: EUR 75,900k), EUR 31,062k to sales staff (prior year: EUR 26,566k), EUR 5,798k to administrative staff (prior year: EUR 5,596k) and EUR 218k to trainees (prior year: EUR 245k).

Headcount breaks down as follows:

	2017	2016
Administrative staff	40	42
Sales staff	442	387
Employees on customer assignments	2,241	2,226
	2,723	**2,655**
Trainees	16	18
	2,739	**2,673**

In the fiscal year, contributions to the statutory pension insurance system and to direct insurance policies amounted to EUR 8,698k (prior year: EUR 8,166k).

Amortization of intangible assets and depreciation of property, plant and equipment amounted to EUR 1,033k in the fiscal year (prior year: EUR 852k).

6. Other operating income

Other operating income mainly includes discounts, income from renovation allowances and income from subleasing.

7. Other operating expenses

Other operating expenses mainly include expenses stemming from losses on disposals of non-current assets.

8. Impairment of goodwill

An impairment test of recognized goodwill was carried out in accordance with IAS 36. No impairment losses were identified in fiscal years 2016 and 2017.

9. Financial result

The financial result includes finance income of EUR 7k (prior year: EUR 10k). This was primarily generated with time deposits at banks.

Finance costs amount to EUR 649k (prior year: EUR 597k). These arose as a result of measuring the non-controlling interests in line with the development of the related liability.

10. Income taxes

Income taxes were determined on the basis of the results of the individual entities in fiscal year 2017. The corporate income tax rate in fiscal year 2017 amounted to 15% of the tax base (prior year: 15%). As in the prior year, a 5.5% solidarity surcharge was levied on the corporate income tax. The trade tax rate varies throughout Germany; for the Amadeus FiRe Group, it averages 15.9% (prior year: 15.9%) of the tax base. In the fiscal year, deferred tax income of EUR 25k was recognized in profit or loss for temporary measurement differences (prior year: deferred tax income of EUR 174k).

As of the balance sheet dates, income taxes broke down as follows:

Amounts stated in EUR k	2017	2016
Current tax expense:		
Corporate income tax and solidarity surcharge	4,940	4,697
Corporate income tax and solidarity surcharge for prior years	0	0
Trade tax on income	4,697	4,467
	9,636	9,164
Deferred taxes:		
Relating to origination and reversal of temporary differences	-25	-174
Tax expense	**9,612**	**8,990**

For information on the composition of deferred taxes, please see note 17.

Reconciliation pursuant to IAS 12:

The theoretical amount of tax that would have resulted had the group tax rate of 31.8% for the above income taxes (prior year: 31.8%) been applied to the pre-tax result is reconciled to the reported total tax expense as follows:

Amounts stated in EUR k	2017	2016
Profit/loss before taxes	**31,677**	**29,451**
Theoretical tax expense based on the effective tax rate in Germany	**10,073**	**9,365**
Trade tax add-backs	55	52
Tax on non-deductible expenses	68	108
Tax payable by non-controlling interests	-301	-283
Trade tax exemption for Steuer-Fachschule Dr. Endriss	-328	-375
Trade tax exemption for TaxMaster GmbH	-80	-45
Other	125	168
Reported tax expense	**9,612**	**8,990**

11. Profit attributable to non-controlling interests disclosed under liabilities

The profit share attributable to the non-controlling interests in Steuer-Fachschule Dr. Endriss was recognized in profit or loss for the period as these non-controlling interests are classified as liabilities in accordance with IAS 32.

12. Earnings per share

Earnings per share are calculated in accordance with IAS 33. Profit for the period attributable to equity holders of the parent is divided by the weighted average number of ordinary shares outstanding during the fiscal year to give the basic earnings per share.

		2017	2016
Profit for the period attributable to equity holders of the parent	EUR k	20,570	19,002
Weighted average number of ordinary shares	units	5,198,237	5,198,237
Basic earnings per share	EUR	3.96	3.66
Diluted earnings per share	EUR	3.96	3.66

13. Other comprehensive income

In the reporting period, the effect was EUR 0k (prior year: EUR 0k).

Notes to the consolidated balance sheet

Non-current assets

14. Intangible assets

Amounts stated in EUR k	31.12.2017	31.12.2016
Software under development	2,318	2,402
Software	1,654	607
Goodwill	6,935	6,935
	10,907	**9,944**

Software under development of EUR 2,318k (prior year: EUR 2,402k) mainly includes payments for the acquisition of the software.

No internally generated non-current intangible assets were recognized. Amortization of software of EUR 348k (prior year: EUR 250k) is recognized in cost of sales, selling and administrative expenses.

Impairment of goodwill
The recoverable amount of the cash-generating units is determined in a value in use calculation using cash flow projections based on five-year financial budgets and forecasts prepared by management. The pre-tax discount rate applied to the cash flow projections is 10.2% (prior year: 10.6%). The growth rate used to extrapolate the cash flows of the cash-generating units beyond the five-year period is 1.0% (prior year: 1.0%).

Key assumptions used in value in use calculations
The following assumptions used in calculating the value in use of the cash-generating units leave room for estimation uncertainty:
- Five-year business plan
- Discount rates
- Growth rate used to extrapolate cash flow projections beyond the forecast period

Five-year business plan – The business plan was prepared on the basis of estimates of future business development made by management. These estimates are based on historical values.

Discount rates – The discount rates reflect estimates made by management on risks to be attributed to specific cash-generating units. A base rate of 1.25% (prior year: 1.00%) and a risk premium of 6.25% (prior year: 6.25%) were used to determine the appropriate discount rates for the individual cash-generating units.
Estimates of growth rates – The terminal growth rate used to extrapolate the cash flow projections beyond the forecast period remained unchanged against the prior year at 1.0%.

Sensitivity of assumptions made
Management believes that no reasonably possible change to the assumptions made for determining the value in use of the remaining cash-generating units Steuer-Fachschule Dr. Endriss, Akademie für Internationale Rechnungslegung, Amadeus FiRe Personalvermittlung and Amadeus FiRe AG could cause the carrying amount of the cash-generating units to materially exceed their recoverable amount. In addition to the impairment test, a sensitivity analysis was performed for the cash-generating units. If the discount rates used were to increase or the terminal growth rate were to decrease by one percentage point, there would still not be any need to recognize impairment losses for all four cash-generating units.

The goodwill acquired in business combinations was allocated for impairment testing to the following cash-generating units:

Amounts stated in EUR k	31.12.2017	31.12.2016
Goodwill Steuer-Fachschule Dr. Endriss	3,853	3,853
Goodwill Amadeus FiRe Personalvermittlung	1,388	1,388
Goodwill Akademie für Internationale Rechnungslegung	1,280	1,280
Goodwill Amadeus FiRe AG	415	415
	6,935	**6,935**

15. Property, plant and equipment

Amounts stated in EUR k	31.12.2017	31.12.2016
Property, plant and equipment	1,677	1,497
	1,677	**1,497**

Depreciation of EUR 685k (prior year: EUR 602k) is recognized in cost of sales, selling and administrative expenses.

16. Consolidated statement of changes in non-current assets for fiscal year 2017

Amounts stated in EUR k	Cost				
	01.01.2017	Additions	Disposals	Reclassifications	31.12.2017
Intangible assets					
Software	4,847	440	51	955	6,191
Software under development	2,402	871	0	-955	2,318
Goodwill	14,254	0	0	0	14,254
	21,503	**1,311**	**51**	**0**	**22,763**
Property, plant and equipment					
Other plant and equipment	6,298	847	329	13	6,829
Property, plant and equipment under development	13	43	0	-13	43
	6,311	**890**	**329**	**0**	**6,872**
	27,814	**2,201**	**380**	**0**	**29,635**

Amounts stated in EUR k	Accumulated amortization, depreciation and impairment				Carrying amounts	
	01.01.2017	Additions	Disposals	31.12.2017	31.12.2017	31.12.2016
Intangible assets						
Software	4,240	348	51	4,537	1,654	607
Software under development	0	0	0	0	2,318	2,402
Goodwill	7,319	0	0	7,319	6,935	6,935
	11,559	**348**	**51**	**11,856**	**10,907**	**9,944**
Property, plant and equipment						
Other plant and equipment	4,801	685	291	5,195	1,634	1,497
Property, plant and equipment under development	0	0	0	0	43	13
	4,801	**685**	**291**	**5,195**	**1,677**	**1,510**
	16,360	**1,033**	**342**	**17,051**	**12,584**	**11,454**

16. Consolidated statement of changes in non-current assets for fiscal year 2016

Amounts stated in EUR k	Cost				
	01.01.2016	Additions	Disposals	Reclassifications	31.12.2016
Intangible assets					
Software	4,453	391	7	10	4,847
Software under development	1,573	868	0	-39	2,402
Goodwill	14,254	0	0	0	14,254
	20,280	**1,259**	**7**	**-29**	**21,503**
Property, plant and equipment					
Other plant and equipment	5,885	491	107	29	6,298
Property, plant and equipment under development	0	13	0	0	13
	5,885	**504**	**107**	**29**	**6,311**
	26,165	**1,763**	**114**	**0**	**27,814**

Amounts stated in EUR k	Accumulated amortization, depreciation and impairment				Carrying amounts	
	01.01.2016	Additions	Disposals	31.12.2016	31.12.2016	31.12.2015
Intangible assets						
Software	3,997	250	7	4,240	607	456
Software under development	0	0	0	0	2,402	1,573
Goodwill	7,319	0	0	7,319	6,935	6,935
	11,316	**250**	**7**	**11,559**	**9,944**	**8,964**
Property, plant and equipment						
Other plant and equipment	4,301	602	102	4,801	1,497	1,584
Property, plant and equipment under development	0	0	0	0	13	0
	4,301	**602**	**102**	**4,801**	**1,510**	**1,584**
	15,617	**852**	**109**	**16,360**	**11,454**	**10,548**

17. Deferred taxes

Deferred taxes break down as follows as of the balance sheet date:

Amounts stated in EUR k	Consolidated balance sheet		Consolidated income statement	
	31.12.2017	31.12.2016	2017	2016
Deffered tax assets				
Liabilities to non-controlling interests	928	813	115	106
Accrued liabilities	143	233	-90	68
Tax loss carryforwards	0	0	0	0
	1,071	**1,046**	**25**	**174**
Deferred tax liabilities				
Goodwill usable for tax purposes	616	616	0	0
	616	**616**	**0**	**0**
Total tax income/expense			**25**	**174**

The unused tax loss carryforwards include an amount of EUR 763k (prior year: EUR 658k), for which no deferred tax assets were recorded due to uncertainty as to the realization of the loss carryforwards. In accordance with the prevailing legal provisions, these tax loss carryforwards can be carried forward for an indefinite time and in an unlimited amount as long as they are not utilized.

Current assets

18. Income tax credit, trade receivables and other assets

The prior-year income tax credit includes income taxes for fiscal year 2016 and prior years taking into account refundable tax on investment income and the related solidarity surcharge.

Trade receivables break down as follows:

Amounts stated in EUR k	31.12.2017	31.12.2016
Trade receivables	20,642	18,724
Allowances	-222	-120
	20,420	**18,604**

Overdue trade receivables which were not impaired break down as follows as of 31 December:

Group EUR k	Total	Neither overdue nor impaired	Overdue but not impaired			
			by less than 30 days	30 to 60 days	60 to 90 days	more than 90 days
2017	**20,286**	12,767	6,376	921	190	32
2016	**18,554**	12,435	5,153	812	135	19

The maximum credit risk is reflected in the amortized cost of the receivables and other financial assets which are recorded on the balance sheet.

Credit checks and a dunning system limit the risk of receivable losses. In operating activities, outstanding receivables are monitored continuously by location, i.e., locally. On 31 December 2017, the average term of trade receivables in relation to revenue in the month of December was 35 days (31 December 2016: 34 days).

Default risk is accounted for by specific bad debt allowances. As of the balance sheet date, there were neither material offset amounts, which reduce this risk, nor financial guarantees for third-party obligations, which increase this risk.

For trade receivables which were neither impaired nor in arrears, there were no indications as of the balance sheet date that the debtors will not meet their payment obligations. Trade receivables are non-interest bearing and are generally due within 8 to 90 days. Bad debts on trade receivables amounted to EUR 97k in fiscal year 2017 (prior year: EUR 120k). This is the absolute default amount of trade receivables independent of the recognition and consideration of bad debt allowances. This equates to 0.48% of the receivables volume as of the balance sheet date (prior year: 0.65%).

The net loss in the category trade receivables came to EUR 214k (prior year: EUR 138k). The net loss in the category loans and receivables came to EUR 207k (prior year: EUR 128k).

Bad debt allowances developed as follows:

Group EUR k	2017	2016
Allowances on 1 January	**120**	**102**
Charge for the year	187	114
Utilization	-33	-26
Reversals	-52	-70
Allowances on 31 December	**222**	**120**

Group procedures are in force to ensure that services are only rendered to customers with a proven credit history and who do not exceed an acceptable credit exposure limit. In fiscal year 2017, receivables totaling EUR 187k net (prior year: EUR 114k) were written down. This mainly relates to allowances for trade receivables and their derecognition due to uncollectibility.

Other assets break down as follows:

Amounts stated in EUR k	31.12.2017	31.12.2016
Receivables from employees	27	35
Other	46	34
	73	**69**

Assets of EUR 36k (prior year: EUR 47k) of the total other assets recognized have a credit risk. These assets were neither overdue nor impaired as of the balance sheet date.

With regard to other financial assets which were neither impaired nor in arrears, there were no indications as of the balance sheet date that the debtors will not meet their payment obligations.

Trade receivables and other assets mainly have short terms. Thus, the carrying amounts as of the balance sheet date correspond to the fair value.

19. Prepaid expenses

Prepaid expenses totaling EUR 467k (prior year: EUR 467k) chiefly comprise amounts paid in advance for job advertisements and maintenance services.

20. Cash and cash equivalents

Cash and cash equivalents solely comprise cash on hand and bank balances as well as short-term time deposits that have terms of up to 90 days starting from the date of placement. As of the balance sheet date 31 December 2017, the interest rate for the time deposits was 0.00% (prior year: between 0.00% and 0.02%).

Cash and cash equivalents mainly have short terms. Thus, the carrying amounts as of the balance sheet date correspond to the fair value.

Amounts stated in EUR k	31.12.2017	31.12.2016
Bank balances	40,651	17,334
Cash on hand	7	8
Time deposits	2,745	23,106
	43,403	**40,448**

Equity

21. Capital stock (subscribed capital)

The subscribed capital is the parent company's capital stock of EUR 5,198,237.00 and is divided into 5,198,237 no-par value bearer shares held by numerous shareholders. No shareholders are known to hold more than 25% of shares. The subscribed capital has been fully paid in.

By resolution of the shareholder meeting on 27 May 2015, the Company is authorized for a period until 26 May 2020 to acquire via the stock exchange treasury shares of up to a total of 10% of the capital stock available at the time of the resolution. The purchase price per share (excluding acquisition charges) may not be more than 10% above or below the price of an Amadeus FiRe share determined in the opening auction in XETRA trading (or in a comparable successor system) on any given trading day.

At no time may the shares acquired on the basis of this authorization together with other treasury shares already purchased and held by the Company or which are attributable to the Company constitute more than 10% of the relevant capital stock.

The authorization may be exercised by the Company in full or in part, on one or several occasions and also for its account by third parties.

The management board is authorized to re-sell treasury shares purchased under the current or previous authorizations on the stock exchange or by means of a tender addressed to all shareholders or use them as follows:

- With the approval of the supervisory board, treasury shares may be redeemed without the need for a resolution by the shareholder meeting to approve redemption.
- With the approval of the supervisory board, treasury shares may be offered and transferred to third parties in return for contributions in kind, in particular in connection with business combinations or the acquisition of entities, parts of entities or equity investments in entities.
- With the approval of the supervisory board, treasury shares may be sold to third parties in return for cash provided that the Amadeus FiRe shares are not sold at a price that is significantly less than the stock market price (Sec. 186 (3) Sentence 4 AktG ["Aktiengesetz": German Stock Corporation Act]).

In aggregate, the shares used on the basis of the authorizations for sale to third parties in return for cash and issued applying Sec. 186 (3) Sentence 4 AktG as appropriate (subject to the exclusion of subscription rights in return for contributions in cash close to the stock market price) must not exceed 10% of the capital stock at the time of use. Shares which are issued on the basis of other existing authorizations during the term of this authorization applying Sec. 186 (3) Sentence 4 AktG directly or indirectly are counted towards this aggregate amount. The authorizations to sell or use treasury shares may be exercised on one or several occasions, individually or jointly, in full or in part.

The shareholders' subscription rights to purchased treasury shares are excluded to the extent that these shares are used to acquire contributions in kind or sold to third parties in return for cash under the above authorizations.

22. Authorized capital

By virtue of a resolution adopted by the shareholder meeting on 27 May 2015, the management board was authorized to increase the capital stock on or prior to 26 May 2020, with the approval of the supervisory board, on one or more occasions, by up to an aggregate of EUR 1,559,471.00 by issuing up to 1,559,471 new no-par value bearer shares in return for cash contributions or contributions in kind (Authorized Capital 2015). In this regard, shareholders must be granted indirect subscription rights (Sec. 186 (5) AktG). However, the management board is authorized, with the approval of the supervisory board, to exclude the shareholders' subscription rights:

a) if the capital increase is made in return for cash contributions and if the notional share in capital stock of the new shares for which the subscription right is excluded does not exceed 10% of the lower of capital stock existing on the date of entry of the authorization in the commercial register or the capital stock available on the date of issue of the new shares, and the issue price of the new shares is not, pursuant to Sec. 203 (1) and (2) and Sec. 186 (3) Sentence 4 AktG, significantly less than the stock market price of the Company's shares of the same class and features which are already traded on the stock exchange on the date the final issue price is determined by the management board; shares which are issued or sold during the term of the authorization until the date of its exercise applying Sec. 186 (3) Sentence 4 AktG directly or indirectly are included when calculating the 10% upper limit;
b) if capital increases are made in return for non-cash contributions for the purposes of acquiring entities, parts of entities or equity investments in entities;
c) for fractional amounts.

23. Capital reserves

The capital reserves are chiefly the result of amounts generated in excess of the nominal value from the issuance of shares (premium).

24. Retained earnings

Retained earnings as of 31 December 2017 break down as follows:

Amounts stated in EUR k	
As of 1 January 2017	28,577
Profit distributions	-19,025
Profit for the period accruing to the equity holders of the parent	20,570
As of 31 December 2017	30,122

In the prior year, retained earnings developed as follows:

Amounts stated in EUR k	
As of 1 January 2016	27,925
Profit distributions	-18,350
Profit for the period accruing to the equity holders of the parent	19,002
As of 31 December 2016	28,577

25. Non-controlling interests

The non-controlling interests recognized separately under equity relate to shares in Endriss GmbH, TaxMaster GmbH, Endriss Service GmbH and Akademie für Internationale Rechnungslegung.

26. Non-current liabilities

Liabilities to non-controlling interests

These liabilities are due to the non-controlling interests in Steuer-Fachschule Dr. Endriss. For more information, please see the comments under "Use of judgment and main sources of estimation uncertainty."

27. Current liabilities

Liabilities classified as current have a residual term of up to one year. No collateral has been provided.

Income tax liabilities
In the prior year, income tax liabilities of EUR 1,046k related to amounts owed by the group entities for previous fiscal years and for fiscal year 2015.

Trade payables
All trade payables are due to third parties; they are stated at the settlement amount.

Liabilities to non-controlling interests
These liabilities are mainly due to claims of non-controlling interests to a share in the profit for the period (EUR 1,569k; prior year: EUR 1,607k).

Other liabilities and accrued liabilities
Other liabilities break down as follows:

Amounts stated in EUR k	31.12.2017	31.21.2016
Prepayments of course fees	4,485	4,107
VAT	2,142	2,008
Wage and church tax	1,422	1,256
Other	19	29
	8,068	**7,400**

Accrued liabilities break down as follows:

Amounts stated in EUR k	31.12.2017	31.21.2016
Bonuses	6,533	3,936
Accrued vacation	2,358	2,088
Outstanding invoices	978	1,064
Overtime	568	623
Employer's liability insurance	512	539
Personnel, other	365	448
Audit and tax consulting fees	137	136
Legal and consulting costs	84	39
Other	842	814
	12,376	**9,687**
Other liabilities and accrued liabilities	**20,444**	**17,087**

The other accrued liabilities include levies in lieu of employing the severely disabled, remuneration to the supervisory board and the costs of the shareholder meeting.

Financial liabilities

Group in EUR k	31.12.2017			
	Total	**Residual term up to 1 year**	**Residual term beetween 1 and 5 years**	**Residual term more than 5 years**
Liabilities to non-controlling interests, undiscounted	7,199	1,569	5,630	0
Trade payables	1,506	1,506	0	0
Other financial liabilities	15	15	0	0
Total	**8,720**	**3,090**	**5,630**	**0**

	31.12.2016			
	Total	**Residual term up to 1 year**	**Residual term beetween 1 and 5 years**	**Residual term more than 5 years**
Liabilities to non-controlling interests, undiscounted	6,576	1,607	4,969	0
Trade payables	1,398	1,398	0	0
Other financial liabilities	11	11	0	0
Total	**7,985**	**3,016**	**4,969**	**0**

Current liabilities to non-controlling interests are attributable to the profit for the period of the individual entities in fiscal year 2017.

The non-current liabilities to non-controlling interests are due in 2019 at the earliest. For more information on maturities, please see our comments under “Use of judgment and main sources of estimation uncertainty.”

Financial liabilities to non-controlling interests that relate to severance payment options bear interest. The remaining financial liabilities to non-controlling interests are non-interest bearing.

Trade payables are non-interest bearing and generally due in 90 days or less (prior year: 90 days).

Other financial liabilities are non-interest bearing and due in 30 days on average.

Trade payables and other liabilities are generally due in the short term; the amounts recognized in the balance sheet approximate the fair values. As the contractual agreements relating to the financial liabilities do not provide for the possibility of premature termination, there were no liquidity risks as of the balance sheet date.

Measurement of financial instruments by category

Financial assets and financial liabilities are assigned to the categories “Loans and receivables” and “Financial liabilities measured at amortized cost” in accordance with IAS 39. Financial assets and financial liabilities are all measured at amortized cost. Only the liabilities in connection with the settlement obligation to the non-controlling interests in Steuer-Fachschule Dr. Endriss of EUR 5,234k (prior year: EUR 4,585k) are recognized at fair value through profit or loss. The carrying amounts of all financial instruments recognized in the consolidated financial statements approximate their fair value. The carrying amount of financial instruments of the category “Loans and receivables” is EUR 63,843k (prior year: EUR 59,073k). The carrying amount of the category “Financial liabilities” comes to EUR 8,145k (prior year: EUR 7,710k).

Notes to the consolidated cash flow statement

The Company's cash flow statement is in accordance with IAS 7. As such, cash flows are broken down into cash flows from operating activities, investing activities and financing activities.

28. Cash flows from operating activities

The cash flows from operating activities increased to EUR 25,493k during fiscal year 2017 (prior year: EUR 19,503k). This corresponds to an increase of EUR 5,990k. This change is attributable to a EUR 2,621k increase in operating profit before working capital changes, a EUR 770k change in net working capital and a decrease by EUR 2,599k in the amount of income taxes paid in comparison with the prior year.

29. Cash flows from investing activities

Net cash used in investing activities increased to EUR 2,170k (prior year: EUR 1,752k). Investments in intangible assets and property, plant and equipment increased by EUR 439k year on year. The investments were mainly made to improve the Company's IT infrastructure for both software and hardware and to develop a new sales software program. Due to the continued drop in interest rates in fiscal year 2017, interest received decreased by EUR 3k.

30. Cash flows from financing activities

In fiscal year 2017, EUR 19,025k of the accumulated profit for 2016 was distributed to the shareholders (prior year: EUR 18,350k). This corresponds to a dividend of EUR 3.66 per share (prior year: EUR 3.53 per share). Dividends of EUR 1,343k were distributed to non-controlling interests (prior year: EUR 999k). As a result, the cash outflow increased to EUR 20,368k (prior year: EUR 19,349k). The settlement option held by the non-controlling interests of Steuer-Fachschule Dr. Endriss of EUR 5,234k (prior year: EUR 4,585k) is a potential outflow. It has been recognized since fiscal year 2005. It is currently not expected that this option will be exercised in the future.

The changes in financial liabilities whose cash flows are currently shown or will be shown as cash flows from financing activities in the future are as follows:

Amounts stated in EUR k	31.12.2016	Cash changes in profit attributable to non-controlling interests	measurement effects	profit attributable to non-controlling interests	31.12.2017
Non-current liabilities:					
Liabilities to non-controlling interests	4,693	-	649	-	5,342
Current liabilities:					
Liabilities to non-controlling interests	1,607	-1,320	-	1,282	1,569
Total	**6,300**	**-1,320**	**649**	**1,282**	**6,911**

Notes to the segment reporting

31. Segment reporting

The Group's business is organized by products and services for corporate management purposes and has the following two segments which are subject to reporting:

a. Temporary staffing/interim and project management/permanent placement
b. Training

For a description of the segments, please see the management report.
The operating result of each segment is monitored separately by management. The performance of the segments is assessed on the basis of their profit from operations before goodwill impairment (EBITA).

Transfer prices between the operating segments are set on an arm's length basis.

Segment reporting by geographical segment is not performed because the Company currently renders most of its services in Germany, and thus is only active in one geographical segment.

As information on the allocation of liabilities to reporting segments is not used as a basis for management decisions, such information is not recorded in the accounts.

Amounts stated in EUR k	Temporary staffing / permanent placement/ interim and project management	Training	Consolidated
01.01.-31.12.2017			
Revenue*			
Segment revenue	162,386	22,139	184,525
Result			
Segment result before goodwill impairment (EBITA)	**28,135**	**4,184**	**32,319**
Depreciation of property, plant and equipment	665	368	1,033
Impairment of goodwill	0	0	0
Segment assets	62,775	15,242	78,017
Investments	1,730	471	2,201
Finance costs	0	649	649
Finance income	1	6	7
Income taxes	9,078	534	9,612
01.01.-31.12.2016			
Revenue*			
Segment revenue	152,576	20,719	173,295
Result			
Segment result before goodwill impairment (EBITA)	**26,102**	**3,936**	**30,038**
Depreciation of property, plant and equipment	560	292	852
Impairment of goodwill	0	0	0
Segment assets	58,555	14,191	72,746
Investments	1,369	393	1,762
Finance costs	0	597	597
Finance income	4	6	10
Income taxes	8,549	441	8,990

*) Revenue between segments of EUR 22 k (prior year: EUR 12 k) and EUR 21 k (prior year: EUR 28 k) was eliminated.

Other Notes

32. Financial risk management objectives and policies

The main financial liabilities used by the Group comprise trade payables, liabilities to non-controlling interests and other liabilities. The main purpose of these financial liabilities is to fund the Group's operations. The Group has various financial assets such as trade receivables, cash and cash equivalents which arise directly from its operations.

The Group does not have any derivative financial instruments and no trading with derivatives took place in fiscal years 2017 and 2016.

Interest-related cash flow risks as well as liquidity and credit risks may result from financial instruments; these risks are subject to constant monitoring by the Company's management. The following sections describe how management currently evaluates these risks and their effects.

Interest rate risk

The potential settlement obligation for the non-controlling interests in Steuer-Fachschule Dr. Endriss is recognized in the non-current liabilities to non-controlling interests. The resulting obligations were measured at their present value as of the balance sheet date. There is no significant interest rate risk from these non-current liabilities.

The Group also generates finance income from its balances at various banks. The table below shows the sensitivity of the Group's profit or loss before taxes to a reasonably possible change in interest rates:

	Increase/decrease in basis points	Effect on profit or loss before taxes (EUR k)
2017	+50	220
	-50	-221
2016	+50	20
	-50	-207

Currency risk

The Group operates in Germany. There is no currency risk.

Credit risk

The Group trades only with third parties of good credit standing. All customers intending to enter into transactions with the Group on a credit basis undergo a credit check. Management has set guidelines for reviewing creditworthiness and dunning. In addition, receivable balances are monitored on an ongoing basis. As a result, the Group's exposure to bad debts is not significant. The maximum credit risk is limited to the carrying amount reported in note 18.

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents, the maximum credit risk in the event of default by a counterparty is the carrying amount of these instruments.

Liquidity risk

The Group has adequate cash and cash equivalents to cover all its payment obligations. No liquidity risk exists for the Group at present.

Capital management

The Group's capital management activities are primarily aimed at maintaining a good equity ratio and a sustained return on capital employed in order to support its operations and maximize its shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group can alter its dividend payments to shareholders or issue new shares.

The Company's equity ratio was 60.4% as of the balance sheet date (prior year: 62.4%), while the return on equity amounted to 47.7% (prior year: 45.4%). The return on equity was calculated on the basis of weighted monthly values.

33. Contingent liabilities

The Company has issued rental payment guarantees of EUR 1,465k to lessors. No other contingent liabilities subject to compulsory disclosure exist.

34. Other financial obligations

Amounts stated in EUR k	31.12.2017	31.12.2016
Less than 1 year	5,664	4,892
1 to 5 years	17,455	18,458
More than 5 years	7,886	9,823
	31,005	**33,173**

Other financial obligations consist mainly of office rental obligations and lease agreements for various vehicles. The average term of the lease agreements is 3 to 10 years. The leases do not contain any renewal options. No restrictions were imposed on the Company by the lease agreements. Expenses from rental and lease agreements amounted to a total of EUR 5,723k in the fiscal year (prior year: EUR 5,347k).

35. Related party relationships

There were no significant related party relationships in the fiscal year.

The consolidated financial statements include Amadeus FiRe AG and the subsidiaries listed in the following table (Amadeus FiRe Group):

	Share in equity in %	
	31.12.2017	**31.12.2016**
Direct equity investments/ financial assets		
Amadeus FiRe Services	100	100
Steuer-Fachschule Dr. Endriss	60	60
Endriss GmbH	60	60
Amadeus FiRe Personalvermittlung	100	100
Greenwell Gleeson Austria	100	100
Indirect equity investments/ financial assets		
Akademie für Internationale Rechnungslegung	60	60
TaxMaster GmbH	48	48
Endriss Service GmbH	60	60

Amadeus FiRe AG indirectly holds 80% of the shares in TaxMaster GmbH through Steuer-Fachschule Dr. Endriss. Amadeus FiRe AG indirectly holds 100% of the shares in Endriss Service GmbH and Akademie für Internationale Rechnungslegung via Steuer-Fachschule Dr. Endriss.

Management board

In fiscal year 2017, Mr. Peter Haas (graduate in business economics), Rödermark (CEO), and Mr. Robert von Wülfing (business administration graduate), Königstein (CFO), were the incumbent members of the management board with authorization to represent the Company on their own. They are entitled to conclude legal transactions on behalf of the Company with themselves acting as agents of third parties.

In fiscal year 2017, the following responsibilities were allocated to the members of the management board according to the distribution-of-business plan drawn up by the supervisory board:

Mr. Peter Haas, Chief Executive Officer:
Corporate strategy, personnel services segment, acquisitions and investments, marketing and public relations as well as investor relations

Mr. Robert von Wülfing, Chief Financial Officer:
Finance and accounting and financial control, personnel administration, IT, legal and internal audit, training segment

Supervisory board

In fiscal year 2017, the supervisory board of Amadeus FiRe AG comprised six members representing the shareholders and six members representing the employees pursuant to the MitbestG ["Mitbestimmungsgesetz": German Codetermination Act] and in accordance with Art. 9 (1) of its articles of incorporation and bylaws. These are:

- Mr. Christoph Gross
  Mainz, auditor, Chairman
- Mr. Michael C. Wisser
  Neu-Isenburg, business administration graduate, member of the management board of Aveco AG, Frankfurt am Main, Deputy Chairman
- Mr. Knuth Henneke
  Neustadt, independent business consultant
- Mr. Hartmut van der Straeten
  Wehrheim, independent business consultant
- Ms. Ines Leffers
  Krefeld, tax advisor, Director International Tax of the Signode Industrial Group, Düsseldorf, until 18 May 2017
- Ms. Annett Martin
  Wiesbaden, German public auditor/tax advisor, Wiesbaden, since 3 August 2017
- Dr. Ulrike Schweibert
  Bad Vilbel, lawyer and partner of the law firm Schweibert Lessmann & Partner, Frankfurt am Main
- Ms. Ulrike Bert
  Grossostheim-Ringheim, financial accountant at Amadeus FiRe AG, employee representative
- Ms. Urike Sommer
  Mühlheim, personnel clerk, Amadeus FiRe AG, employee representative
- Ms. Sibylle Lust
  Frankfurt am Main, trade union secretary, employee representative
- Mr. Elmar Roth
  Alzenau, IT executive, employee representative
- Mr. Mathias Venema
  Mainz, trade union secretary, employee representative
- Mr. Andreas Setzwein
  Obertshausen, lawyer, employee representative

The supervisory board set up the following committees:

Accounting and audit committee

Chairman:	Mr. Hartmut van der Straeten
Other members:	Mr. Michael C. Wisser
	Ms. Ulrike Bert
	Mr. Andreas Setzwein

Personnel committee

Chairman:	Mr. Christoph Gross
Other members:	Mr. Michael C. Wisser
	Mr. Knuth Henneke,
	Ms. Ulrike Sommer

Functions of board members on supervisory or advisory boards

- Mr. Christoph Gross
  Member of the supervisory board of Aveco Holding AG, Frankfurt am Main
  Member of the supervisory board of IC Immobilien Holding AG, Frankfurt am Main
  Member of the supervisory board of PNE Wind AG, Cuxhaven (until 31 May 2017)
- Mr. Michael C. Wisser
  Member of the supervisory board of WISAG Gebäudereinigung GmbH, Vienna, Austria
- Mr. Knuth Henneke
  Chairman of the advisory board of Aqua Vital Quell- und Mineralwasser GmbH, Neuss
- Mr. Mathias Venema
  Member of the supervisory board of Frasec Fraport Security Services GmbH, Frankfurt am Main

Remuneration of the management board and supervisory board

The remuneration of the management board in the fiscal year amounted to EUR 3,388k (prior year: EUR 3,190k). The remuneration paid to the supervisory board in the fiscal year came to EUR 313k (prior year: EUR 316k). For an individual breakdown and for further details on the remuneration of the members of the management board and supervisory board, please refer to the explanations given in the chapter on the compensation of corporate bodies in the combined management report.

Shares held by board members

The table below shows the shares held by individual board members.

Board member	**Board position**	**Number of shares**
Christoph Gross	Chairman of the supervisory board	5,200
Ulrike Bert	Member of the supervisory board, employee representative	500

Security transactions of members of the management board and supervisory board

In fiscal year 2017, no shares were acquired or sold by members of the management board or the supervisory board or by entities closely related to the management board.

36. Auditor's fees

The total auditor's fees in the fiscal year came to EUR 220k and break down as follows:

Amounts stated in EUR k	**2017**	**2016**
Audit services	162	158
Other services	58	13
Total	**220**	**171**

37. Significant events after the balance sheet date

No significant events occurred after the balance sheet date.

38. Corporate governance

The declaration of compliance with the German Corporate Governance Code pursuant to Sec. 161 AktG was made by the management board and the supervisory board on 23 October 2017; it was made permanently available to shareholders on the Company's website.

39. Disclosures pursuant to Secs. 264 (3) and 264b HGB

The subsidiary Amadeus FiRe Services makes use of the exemption pursuant to Sec. 264 (3) HGB ["Handelsgesetzbuch": German Commercial Code], and Steuer-Fachschule Dr. Endriss applies Sec. 264b HGB with respect to disclosure obligations.

Frankfurt am Main, 1 March 2018

Peter Haas Chief Executive Officer	Robert von Wülfing Chief Financial Officer

Audit opinion

To Amadeus FiRe AG

Report on the audit of the consolidated financial statements and of the combined management report

Opinions

We have audited the consolidated financial statements of Amadeus FiRe AG, Frankfurt am Main, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2017, and the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity for the fiscal year from 1 January to 31 December 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of Amadeus FiRe AG for the fiscal year from 1 January to 31 December 2017. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance included in section 8 of the combined management report or the non-financial statement included in section 9 of the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2017, and of its financial performance for the fiscal year from 1 January to 31 December 2017, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of the statement on corporate governance contained in section 8 of the combined management report or the non-financial statement contained in section 9 of the combined management report.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key audit matters in the audit of the consolidated financial statements:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 January to 31 December 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be a key audit matter:

Goodwill impairment test

Reasons why the matter was determined to be a key audit matter:

Goodwill is tested for impairment at least once every fiscal year (impairment test). These tests are generally based on the present value of future cash flows of the cash-generating unit to which goodwill is allocated. They are based on projections derived from financial budgets and forecasts approved by the Company's executive directors. For discounting, the weighted average cost of capital (WACC) of the respective cash-generating unit is used. The outcome of these tests is highly dependent on the executive directors' estimate of future cash inflows and the discount rate used and, therefore, subject to considerable uncertainty. In this light and due to the materiality of goodwill, impairment testing of goodwill was a key audit matter.

Auditor's response:

During our audit, we assessed the valuation model underlying the impairment test, in particular its methodical and mathematical accuracy, with the help of our valuation experts.

We obtained an understanding of the future cash inflows and discount rates underlying the valuations. We discussed the significant planning assumptions with the executive directors and compared these with the results and net cash inflows realized in the past to assess the reliability of the budgets and forecasts. In addition, our assessment was based on a comparison with general and industry-specific market expectations regarding the significant value drivers in the budgets and forecasts. As even relatively small changes in the discount rate used can have significant effects on the calculated amounts, we also assessed the inputs used to determine the discount rate and obtained an understanding of the calculation method. In addition, we performed our own sensitivity analyses for the cash-generating units in order to estimate any potential impairment risk associated with a reasonably possible change in a significant assumption used in the valuation. Moreover, we assessed the information on the goodwill impairment test included in the notes to the consolidated financial statements.

Our procedures did not lead to any reservations concerning the valuation of goodwill.

Reference to related disclosures:

With regard to the recognition and measurement policies applied for goodwill and the related disclosures on judgments and sources of estimation uncertainty, refer to the information in the section "Accounting policies" in the notes to the consolidated financial statements. Additional disclosures on goodwill made by the Company are included under the heading "14. Intangible assets" in the notes to the consolidated financial statements.

Other information

The executive directors are responsible for the other information. The other information comprises the statement on corporate governance contained in section 8 of the combined management report and the non-financial statement contained in section 9 of the combined management report.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the combined management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 18 May 2017. We were engaged by the supervisory board on 19 July 2017. We have been the group auditor of Amadeus FiRe AG without interruption since fiscal year 2003.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to group entities the following services that are not disclosed in the consolidated financial statements or in the combined management report:

Other services: Monitoring the implementation of the new sales software program

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Christoph von Seidel.

Eschborn/Frankfurt am Main, 1 March 2018

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

von Seidel
Wirtschaftsprüfer
[German Public Auditor]

Rücker
Wirtschaftsprüfer
[German Public Auditor]

Overview of the past several years

Amounts stated in EUR k	2011	2012	2013	2014	2015	2016	**2017**
Revenues	**130,071**	**137,003**	**142,057**	**161,057**	**169,726**	**173,295**	**184,525**
Change to prior year	*11.9%*	*5.3%*	*3.7%*	*13.4%*	*5.4%*	*2.1%*	*6.5%*
Temporary staffing	96,784	101,075	103,307	118,738	122,730	121,345	124,218
Interim and project management	7,387	7,134	8,033	9,193	9,532	9,579	9,204
Permanent placement	11,660	13,462	13,984	15,698	18,333	21,651	28,963
Training	14,240	15,332	16,733	17,428	19,130	20,719	22,139
Gross profit	**55,821**	**58,281**	**60,045**	**67,820**	**72,761**	**75,830**	**82,483**
in %	42.9%	42.5%	42.3%	42.1%	42.9%	43.8%	44.7%
Change to prior year	*16.5%*	*4.4%*	*3.0%*	*12.9%*	*7.3%*	*4.2%*	*8.8%*
EBITDA	**22,955**	**23,524**	**24,112**	**27,598**	**29,467**	**30,890**	**33,352**
in %	17.6%	17.2%	17.0%	17.1%	17.4%	17.8%	18.1%
EBITA	**22,183**	**22,699**	**23,270**	**26,789**	**28,681**	**30,038**	**32,319**
in %	17.1%	16.6%	16.4%	16.6%	16.9%	17.3%	17.5%
Change to prior year	*17.7%*	*2.3%*	*2.5%*	*15.1%*	*7.1%*	*4.7%*	*7.6%*
Gross Profit Conversion (EBITA / gross profit)	**39.7%**	**38.9%**	**38.8%**	**39.5%**	**39.4%**	**39.6%**	**39.2%**
EBIT	**22,183**	**19,619**	**23,270**	**26,789**	**28,681**	**30,038**	**32,319**
in %	17.1%	14.3%	16.4%	16.6%	16.9%	17.3%	17.5%
Change to prior year	*17.7%*	*-11.6%*	*18.6%*	*15.1%*	*7.1%*	*4.7%*	*7.6%*
Profit before tax	**22,728**	**19,657**	**22,708**	**26,680**	**28,164**	**29,451**	**31,667**
Tax	-7,224	-6,672	-6,977	-8,146	-8,601	-8,990	-9,612
Profit after tax	**15,504**	**12,985**	**15,731**	**18,534**	**19,563**	**20,461**	**22,065**
Profit attributable to non-controlling interests disclosed under liabilities	-763	391	-880	-852	-1,222	-1,320	-1,282
Profit for the period	**14,718**	**13,376**	**14,851**	**17,682**	**18,341**	**19,141**	**20,783**
in %	11.3%	9.8%	10.5%	11.0%	10.8%	11.0%	11.3%
Change to prior year	*22.0%*	*-9.1%*	*11.0%*	*19.1%*	*3.7%*	*4.4%*	*8.6%*
- dallocated to shareholders	14,786	13,497	14,699	17,508	18,361	19,002	20,570
Change to prior year	*22.2%*	*-8.7%*	*8.9%*	*19.1%*	*4.9%*	*3.5%*	*8.3%*
Average number of employees	**2,368**	**2,423**	**2,427**	**2,676**	**2,691**	**2,655**	**2,724**
Employees on customer assignment	2,017	2,058	2,054	2,285	2,288	2,226	2,242
Sales staff (internal staff)	306	328	333	349	361	387	442
Administrative staff	45	37	40	42	42	42	40

Amounts stated in EUR k	2011	2012	2013	2014	2015	2016	**2017**
Balance sheet total	**62,410**	**59,734**	**61,618**	**68,092**	**71,912**	**72,746**	**78,017**
Stockholders' equity	**42,694**	**41,307**	**40,823**	**43,794**	**44,617**	**45,391**	**47,125**
Equity ratio	68.4%	69.2%	66.3%	64.3%	62.0%	62.4%	60.4%
Return on equity	39.4%	32.1%	37.7%	44.3%	44.6%	45.4%	47.7%
Cash	**35,927**	**35,333**	**37,564**	**41,651**	**42,046**	**40,448**	**43,403**
Net cash from operating activities	**17,212**	**15,698**	**18,192**	**20,921**	**21,144**	**19,503**	**25,493**
Net cash from operating activities per share	3.31	3.02	3.50	4.02	4.07	3.75	4.90
Net cash from investing activities	**-515**	**-549**	**-626**	**-1,320**	**-2,139**	**-1,752**	**-2,170**
Net cash from financing activities	**-9,716**	**-15,743**	**-15,335**	**-15,514**	**-18,610**	**-19,349**	**-20,368**
Share price 31.12.	**26.65**	**41.32**	**54.60**	**62.40**	**74.99**	**73.42**	**77.21**
Earnings per share (in EUR)	2.84	2.60	2.83	3.37	3.53	3.66	3.96
Number of shares (in thousands of units)	5,198	5,198	5,198	5,198	5,198	5,198	5,198
Stock market capitalization 31.12. (in EUR m)	138.5	214.8	283.8	324.40	385.8	381.6	401.0
Dividend per share (in EUR)	2.84	2.95	2.83	3.37	3.53	3.66	3.96*
Total dividend	14,763	15,335	14,711	17,518	18,350	19,026	20,585
Change to prior year	*70.1%*	*3.9%*	*-4.1%*	*19.1%*	*4.7%*	*3.7%*	*8.2%*
Payout ratio	100%	114%	100%	100%	100%	100%	100%

* Proposal

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