



Skills are our Assets

Quarter I Report – 2003/2004

Amadeus AG

An Overview

Amadeus Group Financial Summary

Amounts stated in EUR k	Ist quarter 2003/2004	Ist quarter 2002/2003	Divergency in %
Sales revenues	12.466	16.126	-22,7
Gross profit on sales	4.825	5.972	-19,2
Gross profit margin in %	38,7	37,0	
EBITDA	564	1.499	-62,4
EBITDA margin in %	4,5	9,3	
EBITA	251	1.185	-78,8
EBITA margin in %	2,0	7,4	
EBIT	-94	844	-111,1
EBIT margin in %	-0,8	5,2	
Profit before tax	-34	957	-103,6
PBT margin in %	-0,3	5,9	
Net earnings	-247	396	-162,4
Net earnings margin in %	-2,0	2,5	
Balance sheet total	32.248	40.423	-20,2
Stockholders' equity	24.155	25.120	-3,8
Cash and cash equivalents	12.812	18.789	-31,8
Net cash from operating activities	-765	332	-330,4
Net cash from operating activities per share	-0,14	0,06	
Earnings per share	-0,05	0,08	-162,5
Average number of shares undiluted	5.295.064	5.211.731	
Earnings per share diluted	-0,04	0,07	-157,1
Average number of shares diluted	5.544.511	5.564.111	
Average number of employees	844	1.125	-25,0

Amadeus AG Human Resource Services and Solution Provider

Consolidated Financial Statements 1st Quarter of Fiscal Year 2003/2004 (01.04. – 30.06.2003)

After three months of the fiscal year the Group achieves consolidated sales revenues of EUR k 12.466 (prior year: EUR k 16.126), a decline of 22,7 per cent. Sales revenues for the first quarter are in line with the plan for fiscal year 2003/2004.

The consolidated financial statements are prepared in accordance with IFRS and show at 30th of June 2003 the following revenues in the different services:

- Temporary staffing EUR k 7.580;
a decrease of 32,4 per cent
- Interim and project management EUR k 1.872;
a decrease of 6,9 per cent
- Permanent placement EUR k 764;
a slight increase of 0,4 per cent
- Executive search EUR k 365;
a decrease of 6,4 per cent
- Training & education EUR k 1.885;
an increase of 8,0 per cent

Following a very strong 1st quarter of fiscal year 2002/2003 with a growth of 9 per cent contrary to a declining German market, Quarter I temporary staffing sales dropped by 32,4 per cent. Mainly this is caused by the late cyclical slump in demand especially in the area of finance and accounting.

In an ongoing recessive market environment the services interim and project management, permanent placement and executive search nearly maintained prior year levels.

The development of the Steuer-Fachschule Endriss remains to be impressive. The college continues to strengthen its leading market position in training and education in accounting and tax.

After the first quarter of the fiscal year Amadeus AG achieves a gross profit of EUR k 4.825 (prior year: EUR k 5.972). The gross profit margin gained 170 basis points, improving from 37,0 per cent to 38,7 per cent.

The adjusted gross profit margin in temporary staffing has been increased significantly compared to the previous quarter, reflecting an improved utilization rate. At this point the restrictive recruitment policy the company initialized during the 3rd quarter of fiscal year 2002/2003 starts to materialize.

The selling and administrative expenses decreased by 4,2 per cent from EUR k 4.791 to currently EUR k 4.590 because of executed cost cut measures, especially in personnel cost. Partly these savings are compensated by investments in business operations.

Up to June 30, 2003, the EBITA totals to EUR k 251 (prior year: EUR k 1.185), a reduction by 78,8 per cent. The EBITA margin for the first three months was 2,0 per cent compared to 7,4 per cent in prior year's quarter. The planned result for the first quarter was slightly exceeded.

The Amadeus Group states a negative net income of EUR k -247 for the first quarter after achieving a net income of EUR k 396 in the prior year. The undiluted earnings per share including goodwill amortization amount to minus EUR -0,05 (prior year: EUR 0,08).

Financial Situation

In the 1st quarter the cash flow from operating activities turned out negative EUR k -765. This is due to a decreasing operating result, a decline in prepayments received and paid income taxes for previous periods. Capital expenditure after three months amount to EUR k 297 (prior year: EUR k 341).

At 30.06.2003 the cash position of the Amadeus Group totals to EUR k 12.812.

Prospects

The ongoing weak economic situation continues to burden the German staffing industry. Currently, positive signs for an economic pick-up are not foreseeable.

In general 1st quarter sales revenues and profitability are impacted by many not chargeable bank holidays falling in that period. An improvement is expected in the following quarters.

Compared to the previous quarters the current gross profit development has been improved already due to various executed measures in personnel. The management expects the utilization rate to stabilize on a higher level.

Following the approval by the shareholders at the annual general meeting on August 6, 2003, it is planned to merge the brands 'Amadeus' and 'FiRe' to 'AMADEUS FIRE'. Currently the branding 'FiRe' is used to market services in finance and accounting and accounts for almost two-thirds of group revenues. The naming 'AMADEUS FIRE' will create a unique branding and a more concentrated appearance to the market. Sales and marketing activities will be focussed and will lead to an improved operational efficiency as well as mid-term cost savings.

As a result of the above discussed impacts the management reinforces the stated projections to achieve full year sales of some EUR 54 million and an EBITA margin of 5 per cent.

Frankfurt, July 21, 2003



Günter Spahn
CEO & Chairman
of the Board



Peter Haas
CFO &
Board Member



Christian Schreiter
Manager Operations &
Deputy Board
Member

Consolidated Income Statement

1st Quarter of Fiscal Year 2003/2004

Amounts stated in EUR k	01.04. – 30.06.2003	01.04. – 30.06.2002
Sales revenues	12.466	16.126
Cost of rendered services	7.641	10.153
Gross profit	4.825	5.972
Selling expenses	3.402	3.565
Administrative expenses	1.188	1.225
Other operating income	21	5
Other operating expenses	-4	-2
Income from operations before goodwill amortization	251	1.185
Goodwill amortization	346	341
Income from operations	-94	844
Financial result	60	113
Income before taxes	-34	957
Income taxes	-43	-465
Income after taxes	-78	492
Minority interests in profit/loss	-169	-96
Net income for the period	-247	396
Earnings per share		
Basic (euro/share)	-0,05	0,08
Diluted (euro/share)	-0,04	0,07

Consolidated Balance Sheet

Amounts stated in EUR k	30.06.2003	31.03.2003
Assets		
Non-current assets		
Software	740	313
Goodwill	11.043	10.950
Property, plant & equipment	2.293	2.792
Deferred taxes	227	203
	14.303	14.258
Current assets		
Trade receivables and other assets	4.881	5.014
Prepaid expenses	252	400
Cash and cash equivalents	12.812	13.961
	17.945	19.375
Total assets	32.248	33.633
Equity & Liabilities		
Equity		
Capital stock	5.295	5.295
Capital reserve	12.099	12.099
Legal reserves	30	30
Adjustment item from currency translation	-69	-67
Retained earnings	6.799	7.046
	24.155	24.403
Minority interests	288	558
Current liabilities		
Provisions for taxes	3	400
Trade payables	686	801
Other liabilities and accruals	7.116	7.471
	7.805	8.672
Total equity & liabilities	32.248	33.633

Statement of Changes in Equity

Amounts stated in EUR k	Capital stock	Capital reserve	Legal reserves	Currency translation	Retained earnings	Total
01.04.2002	5.212	12.099	30	8	7.434	24.783
Currency translation	0	0	0	-59	0	-59
Net income	0	0	0	0	396	396
30.06.2002	5.212	12.099	30	-51	7.830	25.120
01.07.2002	5.212	12.099	30	-51	7.830	25.120
Dividends paid	0	0	0	0	-2.189	-2.189
Capital increase	83	0	0	0	0	83
Currency translation	0	0	0	-16	0	-16
Net income	0	0	0	0	1.405	1.405
31.03.2003	5.295	12.099	30	-67	7.046	24.403
01.04.2003	5.295	12.099	30	-67	7.046	24.403
Currency translation	0	0	0	-2	0	-2
Net income	0	0	0	0	-247	-247
30.06.2003	5.295	12.099	30	-69	6.799	24.155

Consolidated Cash Flow Statement

1st Quarter of Fiscal Year 2003/2004

Amounts stated in EUR k	01.04. – 30.06.2003	01.04. – 30.06.2002
Cash Flow from operating activities		
Net income before taxes and minority interests	-204	861
Depreciation / amortization on non-current assets	658	655
Financial income	-71	-131
Interest expenses	11	18
Operating result before changes to net working capital	394	1.403
Increase/decrease in trade receivables and other receivables	140	180
Increase/decrease in deferred tax assets	-24	5
Increase/decrease in prepaid expenses	147	91
Increase/decrease in trade payables, other liabilities and accruals	-923	-944
Cash generated from operations	-266	735
Interest paid	-36	0
Income taxes paid	-463	-403
Net cash flow from operating activities	-765	332

Consolidated Cash Flow Statement

1st Quarter of Fiscal Year 2003/2004

Amounts stated in EUR k	01.04. – 30.06.2003	01.04. – 30.06.2002
Balance carried forward	-765	332
Cash flow from investing activities		
Purchase of intangible assets and property, plant and equipment	-297	-341
Disposals of non-current assets	56	128
Interest received	64	116
Net cash used for investing activities	-177	-97
Cash flow from financing activities		
Contribution to equity / netting of equity transaction costs	-1	-58
Minority interests	-206	-143
Net cash used for financing activities	-207	-201
Net increase/decrease in cash and cash equivalents	-1.149	34
Cash and cash equivalents at the beginning of fiscal year	13.961	18.755
Cash and cash equivalents at 30th of June	12.812	18.789

Segment reporting

1st Quarter of Fiscal Year 2003/2004

Amounts stated in EUR k	Temporary staffing/interim and project management/ permanent placement/ executive search	Training and education	Eliminations	Consoli- dated
01.04.–30.06.2003				
Sales				
External sales	10.581	1.885	0	12.466
Inter-segment sales	0	0	0	0
Total revenue	10.581	1.885	0	12.466
Segment result	714	363	0	1.077
Segment result before goodwill amortization	961	462	0	1.423
01.04.–30.06.2002				
Sales				
External sales	14.381	1.745	0	16.126
Inter-segment sales	13	0	-13	0
Total revenue	14.394	1.745	-13	16.126
Segment result	1.859	220	-12	2.067
Segment result before goodwill amortization	2.101	318	-12	2.407

Notes

Accounting according to International Financial Reporting Standards (IFRS)

As a public enterprise, the Amadeus Group has made use of the provision in Sec. 292a of the German commercial code (HGB). The present interim report was prepared in accordance with the IFRS published by the International Accounting Standards Board (IASB) and with their interpretations by the International Financial Reporting Interpretations Committee (IFRIC).

Basis of preparation

The interim report was prepared in accordance with IAS 34 (Interim Financial Reporting).

Accounting and valuation methods

In preparing the interim financial statements the same accounting and valuation methods as in the last end-of-year consolidated financial statements were applied. A detailed description of the methods applied is given in the notes to the companies annual report 2002/2003.

Consolidated companies

Since the end of last fiscal year 2002/2003 on March 31, 2003, no changes have occurred in the list of consolidated companies.

Changes in the group

The minority shareholders of Föhr Human Resources Personalberatung GmbH have exercised their put option on their 25 per cent interests in the company. The put option was fixed irrevocably in the investment contract of April 2, 2001. At June 27, 2003 Amadeus AG acquired the minority shares. Thus Föhr Human Resources Personalberatung GmbH is a 100 per cent daughter company of Amadeus AG. The cash out totals to EUR k 502 and took place after quarter end. The company was renamed to Greenwell Gleeson search & selection GmbH.

Segment reporting

The segment reporting shows segment results before consolidated administrative expenses, other operating income/expenses, interests, taxes and minority interests in profit/loss. Pursuant to IAS 14.35, segment reporting for geographical segments is not necessary.

Material events after closing

There have been no material events subsequent to the end of the interim period that have not been reflected in the financial statements.

Verantwortlich

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