

Semi Annual Report
2003/2004

An Overview

AMADEUS FIRE Group Financial Summary

Amounts in EUR k	01.04. – 30.09.2003	01.04. – 30.09.2002	Divergency in %
Sales revenues	25.170	32.863	-23,4
Gross profit on sales	10.148	12.897	-21,3
Gross profit margin in %	40,3	39,3	
EBITDA	1.932	4.127	-53,2
EBITDA-margin in %	7,7	12,6	
EBITA	1.284	3.482	-63,1
EBITA-margin in %	5,1	10,6	
EBIT	583	2.800	-79,2
EBIT-margin in %	2,3	8,5	
Profit before tax	683	3.017	-77,3
PBT margin in %	2,7	9,2	
Net earnings	-102	1.471	-107,0
Net earnings margin in %	-0,4	4,5	
Balance sheet total	30.589	37.174	-17,7
Stockholders' equity	22.066	24.124	-8,5
Cash and cash equivalents	11.607	16.013	-27,5
Net cash from operating activities	870	3.313	-73,7
Net cash from operating activities per share	0,16	0,63	-74,6
Earnings per share	-0,02	0,28	-106,9
Average number of shares undiluted	5.295.064	5.225.620	
Earnings per share diluted	-0,02	0,26	-107,0
Average number of shares diluted	5.541.811	5.560.011	
Average number of employees	837	1.122	-26,1

A close-up, slightly blurred image of a spiral-bound notebook with a red cover, showing the metal spiral binding and the edges of the pages.

Management's Discussion

Consolidated Financial Statements 1st Half Year of Fiscal Year 2003/2004 (01.04. – 30.09.2003)

After six months of the fiscal year the Group achieves consolidated sales revenues of EUR k 25.170 (prior year: EUR k 32.863), a decline of 23,4 per cent. Sales revenues for the first half year are slightly below the plan for fiscal year 2003/2004.

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

- Temporary staffing EUR k 15.441; a decrease of 31,9 per cent
- Interim and project management EUR k 3.853; a decrease of 10 per cent
- Permanent placement EUR k 1.559; a decrease of 8,0 per cent
- Executive search EUR k 489; a decrease of 39,7 per cent
- Training & education EUR k 3.829; an increase of 13 per cent

Following a very strong 1. half year of fiscal year 2002/2003 with a growth of 5 per cent in an already significantly declining German market, half year's temporary staffing sales dropped by almost 32 per cent. This decline is due to a late cyclical slump in demand especially in temporary staffing of finance and accounting positions.

A short term market recovery for specialized services is not foreseeable due to the continuous negative economic development as well as the restrictive employment policies of many companies.

A close-up, slightly blurred image of a spiral-bound notebook with a silver metal spiral binding, resting on a light-colored surface. The notebook is open, showing lined pages.

Management's Discussion

In an ongoing recessive market environment the services interim and project management and permanent placement could not maintain prior year levels but are within the plan.

The strong decline of executive search revenues reflects the weak economic environment.

Steuer-Fachschule Dr. Endriss continued to extend its leading market position in training and education in accounting and tax. Compared to prior year sales increased by 13 per cent.

After the first 6 months of the fiscal year AMADEUS FIRE AG achieves a gross profit of EUR k 10.148 (prior year: EUR k 12.897). The gross profit margin gained 100 basis points, improving from 39,3 per cent to 40,3 per cent. In the 2nd quarter of fiscal year 2003/2004 the gross profit margin was improved by 52 basis points.

As projected the utilization rate in temporary staffing improved further.

The selling and administrative expenses decreased by 5,9 per cent from EUR k 9.445 to currently EUR k 8.887. Cost cuttings in branch offices as well as in administration were executed. Partly these savings are compensated by investments.

A close-up, slightly blurred image of a spiral-bound notebook with a silver metal spiral binding, resting on a light-colored surface. The notebook is open, showing lined pages.

Management's Discussion

At September 30th, 2003 the EBITA totals to EUR k 1.284 (prior year: KEUR 3.482), a reduction by 63,1 per cent. The EBITA margin for the first half year was 5,1 per cent compared to 10,6 per cent of prior year.

In the 2nd quarter of fiscal year 2003/04 an EBITA margin of 8,1 per cent (prior year 13,7 per cent) was achieved.

The planned result for the first six months was met.

The AMADEUS FIRE Group states a negative net income of EUR k -102 for the first half year after achieving a net income of EUR k 1.471 in the prior year. The undiluted earnings per share including goodwill amortization amount to EUR -0,02 (prior year: EUR 0,28).

Financial Situation

Capital expenditure in the first half year amounts to EUR k 941, including purchases of minority interests, software and equipment. Disposals of fixed assets total to EUR k 171.

Following the annual shareholders meeting on August 6th, 2003 a dividend of EUR 0,42 per share was paid to the shareholders, resulting in a cash out of EUR k 2.224. For outstanding purchase price instalments of previous acquisitions EUR k 852 was paid to the former shareholders of Greenwell Gleeson Limited and Föhr Human Resources.

At 30.09.2003 the cash position of the AMADEUS FIRE Group totals to EUR k 11.607.



Management's Discussion

Prospects

The ongoing weak economic situation as well as the negative investment propensity continue to burden the German staffing industry. Currently, positive signs for an economic pick-up are not foreseeable.

Based on the executed cost cutting measures the management reinforces the EBITA projections of approx. EUR 2.6 Mio.

Frankfurt, October 21, 2003



Günter Spahn
CEO & Chairman
of the Board



Peter Haas
CFO &
Board Member



Christian Schreiter
Board Member

Consolidated Income Statement

1st Half Year of Fiscal Year 2003/2004

Amounts stated in EUR k	01.04. – 30.09.2003	01.04. – 30.09.2002
Sales revenues	25.170	32.863
Cost of rendered services	-15.023	-19.965
Gross profit	10.148	12.897
Selling expenses	-6.562	-7.179
Administrative expenses	-2.325	-2.266
Other operating income	38	28
Other operating expenses	-14	2
Income from operations before goodwill amortization	1.284	3.482
Goodwill amortization	-701	-682
Income from operations	583	2.800
Financial result	100	217
Income before taxes	683	3.017
Income taxes	-388	-1.337
Income after taxes	295	1.680
Minority interests in profit/loss	-397	-208
Net income for the period	-102	1.471
Earnings per share		
basic (euro/share)	-0,02	0,28
diluted (euro/share)	-0,02	0,26

Consolidated Income Statement

2nd Quarter of Fiscal Year 2003/2004

Amounts stated in EUR k	01.07. – 30.09.2003	01.07. – 30.09.2002
Sales revenues	12.704	16.737
Cost of rendered services	-7.381	-9.812
Gross profit	5.323	6.925
Selling expenses	-3.160	-3.614
Administrative expenses	-1.137	-1.041
Other operating income	16	23
Other operating expenses	-10	4
Income from operations before goodwill amortization	1.033	2.298
Goodwill amortization	-355	-341
Income from operations	677	1.956
Financial result	40	104
Income before taxes	717	2.060
Income taxes	-345	-872
Income after taxes	373	1.188
Minority interests in profit/loss	-228	-112
Net income for the period	144	1.076
Earnings per share		
basic (euro/share)	0,03	0,20
diluted (euro/share)	0,03	0,19

Consolidated Balance Sheet

Amounts stated in EUR k	30.09.2003	31.03.2003
Assets		
Non-current assets		
Software	719	313
Goodwill	10.689	10.950
Property, plant & equipment	2.004	2.792
Deferred taxes	209	203
	13.621	14.258
Current assets		
Trade receivables and other assets	4.655	5.014
Prepaid expenses	706	400
Cash and cash equivalents	11.607	13.961
	16.698	19.375
Total assets	30.589	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	-78	-67
Retained earnings	4.720	7.046
	22.066	24.403
Minority interests	516	558
Current liabilities		
Provisions for taxes	93	400
Trade payables	743	801
Other liabilities and accruals	7.171	7.471
	8.007	8.672
Total equity & liabilities	30.589	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
Dividends paid	0	0	0	0	-2.189	-2.189
Capital increase	83	0	0	0	0	83
Currency translation	0	0	0	-25	0	-25
Net income	0	0	0	0	1.471	1.471
30.09.2002	5.295	12.099	30	-17	6.716	24.124
01.10.2002	5.295	12.099	30	-17	6.716	24.124
Currency translation	0	0	0	-50	0	-50
Net income	0	0	0	0	329	329
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
Dividends paid	0	0	0	0	-2.224	-2.224
Currency translation	0	0	0	-11	0	-11
Net income	0	0	0	0	-102	-102
30.09.2003	5.295	12.099	30	-78	4.720	22.066

Consolidated Cash Flow Statement

1st Half Year of Fiscal Year 2003/2004

Amounts stated in EUR k	01.04. – 30.09.2003	01.04. – 30.09.2002
Cash Flow from operating activities		
Net income before taxes and minority interest	286	2.808
Depreciation/amortization on non-current assets	1.349	1.328
Financial income	-119	-249
Interest expenses	20	32
Operating result before changes to net working capital	1.536	3.919
Increase/decrease in trade receivables and other receivables	371	512
Increase/decrease in deferred tax assets	-6	41
Increase/decrease in prepaid expenses	-306	-95
Increase/decrease in trade payables, other liabilities and accruals	4	465
Cash generated from operations	1.599	4.842
Interest paid	-36	-11
Income taxes paid	-693	-1.518
Net cash flow from operating activities	870	3.313

Consolidated Cash Flow Statement

1st Half Year of Fiscal Year 2003/2004

Amounts stated in EUR k	01.04. – 30.09.2003	01.04. – 30.09.2002
Balance carried forward	870	3.313
Cash Flow from investing activities		
Acquisitions of minority interests	-504	0
Cash out of purchase price instalments	-348	-3.532
Purchase of intangible assets and property, plant and equipment	-437	-799
Disposals of non-current assets	171	208
Interest received	107	229
Net cash used for investing activities	-1.011	-3.894
Cash Flow from financing activities		
Contribution to equity / netting of equity transaction costs / CTA	-11	58
Minority interests	22	-30
Dividends paid	-2.224	-2.189
Net cash used for financing activities	-2.213	-2.161
Net increase/decrease in cash and cash equivalents	-2.354	-2.742
Cash and cash equivalents at the beginning of fiscal year	13.961	18.755
Cash and cash equivalents at 30th of September	11.607	16.013

Segment reporting

1st Half Year 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.–30.09.2003				
Sales				
External sales	21.334	3.829	0	25.163
Inter-segment sales	0	7	0	7
Total revenue	21.334	3.836	0	25.170
Segment result	1.996	889	0	2.885
Segment result before goodwill amortization	2.499	1.087	0	3.586
01.04.–30.09.2002				
Sales				
External Sales	29.475	3.388	0	32.863
Inter-segment sales	25	0	-25	0
Total revenue	29.500	3.388	-25	32.863
Segment result	4.618	443	-25	5.036
Segment result before goodwill amortization	5.104	640	-25	5.719

Accounting according to International Financial Reporting Standards (IFRS)

As a public enterprise, the AMADEUS FIRE 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. Following the approval of the annual shareholders meeting on August 6th 2003, FIRE AG was merged with AMADEUS AG. AMADEUS AG was renamed to AMADEUS FIRE AG.

Changes in the group

The minority shareholders of Föhr Human Resources Personalberatung GmbH exercised their put option on the remaining 25 per cent of their shares. 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 FIRE AG. The cash out totals to KEUR 502 and was paid in July. The company was renamed to Greenwell Gleeson search & selection GmbH.

Segment reporting

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.

Responsible

AMADEUS FIRE AG

Stresemannallee 30

60596 Frankfurt

Tel. +49 (0) 69/9 68 76-180

Fax +49 (0) 69/9 68 76-182

www.amadeus-fire.com

investor-relations@amadeus-fire.de