



AMADEUS FIRE



# Annual Report 2003/2004

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Temporary Staffing  
Permanent Placement  
Interim-Management  
Recruitment  
Training and Education



# FINANCIAL SUMMARY

## An Overview AMADEUS FIRE-Group Financial Summary

Amounts in EUR k	2003/2004	2002/2003	Divergency in per cent
<b>Sales Revenues</b>	<b>47.125</b>	<b>61.558</b>	<b>-23,5</b>
<b>Gross Profit on Sales</b>	<b>18.616</b>	<b>23.236</b>	<b>-19,9</b>
Gross profit margin in per cent	39,5	37,7	
<b>EBITDA</b>	<b>3.273</b>	<b>5.784</b>	<b>-43,4</b>
EBITDA margin in per cent	6,9	9,4	
<b>EBITA</b>	<b>1.957</b>	<b>4.517</b>	<b>-56,7</b>
EBITA margin in per cent	4,2	7,3	
<b>EBIT</b>	<b>562</b>	<b>3.153</b>	<b>-82,2</b>
EBIT margin in per cent	1,2	5,1	
<b>Profit before Tax</b>	<b>768</b>	<b>3.558</b>	<b>-78,4</b>
PBT margin in per cent	1,6	5,8	
<b>Net Earnings</b>	<b>-515</b>	<b>1.801</b>	<b>-128,6</b>
Net earnings margin in per cent	-1,1	2,9	
<b>Balance Sheet total</b>	<b>29.633</b>	<b>33.633</b>	<b>-11,9</b>
<b>Stockholders' Equity</b>	<b>21.696</b>	<b>24.403</b>	<b>-11,1</b>
<b>Cash</b>	<b>12.179</b>	<b>13.961</b>	<b>-12,8</b>
<b>Net Cash from Operating Activities</b>	<b>1.620</b>	<b>2.871</b>	<b>-43,6</b>
<b>Net Cash from Operating Activities per Share</b>	<b>0,31</b>	<b>0,55</b>	
<b>Earnings per Share</b>	<b>-0,10</b>	<b>0,34</b>	<b>-129,4</b>
Average number of shares undiluted	5.295.064	5.260.342	
<b>Earnings per Share diluted</b>	<b>-0,10</b>	<b>0,32</b>	<b>-131,3</b>
Average number of shares diluted	5.543.611	5.553.011	
<b>Dividend per Share</b>	<b>-</b>	<b>0,42</b>	
<b>Average Number of Employees</b>	<b>793</b>	<b>1.059</b>	<b>-25,1</b>

## Content

<b>Letter to Shareholders</b> .....	<b>3</b>
<b>Report of the Supervisory Board</b> .....	<b>6</b>
 <b>Management Report</b> .....	 <b>9</b>
General Economic Development .....	9
Markets .....	10
Strategy .....	12
Business Development .....	12
Services .....	14
Marketing and Image .....	16
Our Employees .....	18
Organizational Structure .....	19
Risk Report, Risk Management and Risk Controlling .....	20
AMADEUS FIRE Share .....	24
Corporate Governance .....	27
Outlook .....	28
 <b>Group Account in accordance with IFRS</b>	
Consolidated Income Statement .....	34
Consolidated Balance Sheet .....	35
Changes in Equity .....	37
Consolidated Cash Flow Statement .....	38
Information on the Business Segments .....	40
Notes to the Consolidated Financial Statements .....	42
 <b>Audit Opinion</b> .....	 <b>60</b>
<b>Locations of AMADEUS FIRE-Group</b> .....	<b>61</b>



## To the shareholders and friends of our company

*Dear ladies  
and gentlemen,*

2003 saw signs of global economic growth following the last two difficult years. The economic conditions in Germany and other continental European countries also improved in the second half of 2003. Nonetheless, it still cannot be assumed that the current economic conditions will offer lasting potential for growth.

The market for staffing services has shrunk again for the second year in a row and is still cyclical. Only the industrial sector, which reacts early to economic developments, recorded a slight recovery in the second half of 2003.

2003 saw significant changes in the Personnel Leasing Act (AÜG) for the staffing services industry. Major barriers (maximum period of temporary hire, ban on employment agencies leasing staff to a single company for the entire duration of their employment, ban on reemployment) were abolished. However, the most important change in the AÜG is the provision to pay employees in accordance with the equal pay/equal treatment principle as of January 1, 2004, unless the temporary staffing company pays its employees in accordance with a collective labour agreement. Nearly all companies in the industry have elected to apply a collective labour agreement. This should result in an average increase in personnel expenses of at least 10 per cent. The introduction of collective labour agreements and the abolition of major barriers in the AÜG will significantly improve the image and acceptance of temporary staffing in the medium term and thereby open up above-average market opportunities.

As you are no doubt already aware, fiscal year 2003/2004 was very difficult and extremely strenuous for AMADEUS FIRE.

The performance of our services varied widely in fiscal year 2003/2004. The finance and accounting and qualified office staff segments have proven to react extremely late to market trends. Rationalization and cost-cutting measures, postponed investments and low levels of corporate finance activities have impacted significantly on the demand for qualified specialists. In the core business (temporary staffing, interim management, permanent placement), we suffered revenue losses of some 30 per cent. On the positive side, we have maintained our market leadership in finance and accounting in Germany with a market share of 17 per cent.



**Günter Spahn,**  
CEO & Chairman of the Board

The performance of Steuer-Fachschule Dr. Endriss is very encouraging. It has expanded its market position and boosted revenue by almost 13 per cent. Our UK subsidiary Greenwell Gleeson has also performed very positively and increased its business volume by over 10 per cent.

Our total revenues dropped by 23,5 per cent in the fiscal year and amounted to EUR 47,1m.

The development of the gross profit margin was also encouraging, increasing by 180 basis points to an excellent 39,5 per cent due to improved performance and the contribution of Steuer-Fachschule Dr. Endriss.

The drop in the revenue volume resulted in a decrease in EBITA to some EUR 2m and to a consolidated accumulated loss for the first time in the last ten years of EUR 0,5m.

We hope you will understand that we do not want to distribute any dividends for the disappointing fiscal year 2003/2004 and plan to use our liquid funds for the expansion of operations.

Despite the setbacks of the last year, we will continue with our strategy and continue to focus on our core competence finance and accounting. This will no doubt mean that the late reaction of this area to market trends will be a negative effect in the coming fiscal year as well. In the long term, however, the market for tailored staffing solutions with specialized personnel will undergo strong growth, generate higher yields and thus offer better opportunities for the future.

As planned, we merged Amadeus AG and FiRe AG in the fiscal year and created the distinctive brand name AMADEUS FIRE. The subsidiaries Föhr Human Resources and Amadeus B.V. were renamed Greenwell Gleeson and have largely converted to the business model of the successful UK subsidiary. We have developed a new corporate design that will be used across the board.

In addition, we have pooled our sales resources, streamlined the organizational structure and created the basis for larger synergy potential.

We introduced our sales application "AmadeusMOTION!" in the fall of 2003. With state of the art information technology, our locations can handle day-to-day operations professionally, efficiently and transparently and ensure a high standard of quality.

With the launch of the new brand name and the reorganization of the subsidiary Greenwell Gleeson in Germany, the main structural investments have been concluded. In July of this year, we will move into new modern offices in Frankfurt. We are very pleased that for the first time Steuer-Fachschule Dr. Endriss will have its own permanent training rooms in the new office building in Frankfurt.

With these structural and organizational measures we have created an infrastructure that can achieve a higher business volume with almost no additional fixed costs and thereby created the basis for a successful future.

Our positioning, our leadership in the market for accounting and finance staffing services and our complementary services put us in an excellent position. We stand to reap more from an upturn in the economy than our competitors and will build on our market position. We will also benefit in the long term from our strategic focus on highly qualified services, as a shortage of qualified staff on the labor market is expected to result from the demographic changes in Germany.

We are determined to grow both organically as well as through acquisitions and investments. In the last few weeks we introduced the first exploratory measures. Our acquisition targets are companies with complementary services that would open up additional operating synergies and contribute above-average earnings.

Our targets in the medium and long term are a sustained increase in value, appropriate interest on capital and a unique positioning. The entire AMADEUS FIRE team will continue to channel all its energy on being able to present a significantly better result in the coming fiscal year and return to the high yields in the foreseeable future. This will also have a positive effect on our share price. The AMADEUS FIRE share recovered during the fiscal year. The price increased from EUR 3,60 at the beginning of the fiscal year to EUR 6,16 at year-end and recorded the same percentage increase as the SDAX. The current outlook for the economy is better than it was a year ago. Provided the global economy and financial markets do not hold any surprises in store, we are expecting a substantial price increase when we reach our profit targets in the medium term.

We wish to express our thanks to all our employees for their professional dedication and skills and their commitment to the Company. We also wish to thank our advisory boards for their constructive and positive work. To our clients and business associates, I wish to extend my warmest thanks for your support of and trust in AMADEUS FIRE AG.

Sincerely,



Günter Spahn  
CEO & Chairman of the Board



**Gerd B. von Below,  
Chairman of the  
Supervisory Board**

## Dear Shareholders,

The supervisory board of AMADEUS FIRE AG continually monitored and advised the management of the management board in fiscal year 2003/2004. The supervisory board held eight meetings. In addition, the management board kept the supervisory board well informed of all matters relevant to the Company concerning planning, business development, risks and risk management, the economic situation and business policy on a timely basis. The chairman of the supervisory board remained in close contact with the chairman of the management board who kept him abreast of major business transactions, plans and decisions of the management board.

### Meetings of the Supervisory Board

During its meetings, the supervisory board discussed the Group's strategic focus and opportunities for development in detail. In addition to discussing the overall business performance of the AMADEUS FIRE Group and its German and foreign subsidiaries, the supervisory board discussed the following significant individual transactions and approved them where required:

- Implementation of the new brand launch
- Change of the fiscal year
- Financial, investment and personnel planning, budget 2004/2005
- Restructuring of the permanent placement and consultation business

### Corporate Governance

Corporate governance for AMADEUS FIRE AG means responsible management and control focused on long-term added value. Corporate governance is practiced at all levels of group management and monitoring. Responsible and transparent corporate governance fosters the trust of investors, business partners, the public at large and last but not least group employees.

On October 27, 2003, the management board and supervisory board issued a declaration of compliance with the recommendations of the German Corporate Governance Code developed by the government commission in the version dated May 21, 2003 in accordance with Sec. 161 Stock Corporation Act (AktG) and made this permanently available to the shareholders on the Company's website.

### Committees

The following committees existed in fiscal year 2003/2004:

- Personnel committee
- Accounting and audit committee

The general and strategic committee currently has no members. Its tasks will be performed by the entire supervisory board until further notice.

The personnel committee held five meetings and the accounting and audit committee held two meetings.

### Financial Statements and Consolidated Financial Statements

Ernst & Young Revisions- und Treuhandgesellschaft mbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, appointed by the shareholders' meeting, audited the separate financial statements and management report of AMADEUS FIRE AG, prepared in accordance with German accounting regulations, and the consolidated financial statements and group management report for the period from April 1, 2003 to



March 31, 2004, prepared in accordance with International Financial Reporting Standards (IFRS), and rendered an unqualified audit opinion thereon.

The audit reports were made available to the members of the supervisory board within the required time. The auditors attended the meeting of the supervisory board and reported on the main findings of their audit of the financial statements, the management reports and the risk management system. The supervisory board took note of and approved the auditors' reports.

The supervisory board, having performed its own review, did not raise any objections and concurred with the auditors' findings. The financial statements of AMADEUS FIRE AG and the consolidated financial statements prepared by the management board as of March 31, 2004 were endorsed by the supervisory board in its meeting on June 23, 2004; the financial statements of AMADEUS FIRE AG have thus been approved. The supervisory board approved the proposal made by the management board on the appropriation of profits.

## **Changes to the Supervisory Board and Management Board**

On March 22, 2004, Mr. Christian Schreiter resigned as deputy member of the management board. Mr. Schreiter resigned from the company on May 31, 2004.

The supervisory board was re-elected by the shareholders at the ordinary general shareholders' meeting on August 6, 2003.

The employee representatives on the supervisory board were re-elected in accordance with the German Industrial Constitution Law (BetrVG) on August 1, 2003.

## **The members of the supervisory board during fiscal year 2003/2004 were:**

Gerd B. von Below, Bonn, chairman

Georg Blinn, Bruchmühlbach, deputy chairman

Hans H. Roolf, Oberursel

Hartmut van der Straeten, Wehrheim

Ulrike Bert, Aschaffenburg, employee representative

Axel Böke, Kriftel, employee representative

## **Thanks to our Employees and Management**

The supervisory board wishes to thank and acknowledge the performance of the management board and all employees of AMADEUS FIRE AG and its group companies.

In fiscal year 2003/2004, the entire AMADEUS FIRE team displayed outstanding dedication, great commitment, high motivation and strong customer orientation.

We wish to express special thanks to our customers and shareholders for the trust they have placed in us.

Frankfurt/Main, June 23, 2004

For the Supervisory Board



Gerd B. von Below  
Chairman of the Supervisory Board



AMADEUS FiRe



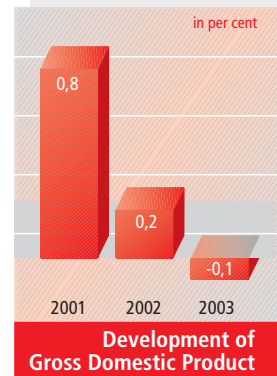
## General Economic Development

The fiscal year was shaped by persistent economic stagnation, which – apart from the odd cautious signs of recovery - has prevailed since mid-2000. German GDP decreased slightly year-on-year by 0,1 per cent in 2003, after 1993, the second drop in economic performance following reunification. This was caused by extremely weak private consumption and the drop in investments in equipment during 2003. However, both new contracts and revenues in this area have increased noticeably and investors became more willing to invest at the end of 2003. The recovery is being driven by exports to foreign economies. Despite the strong Euro, the positive economic trend in the US and Asia began to be felt in an increase in exports out of Germany from mid-year 2003. Private consumption continues to present a problem. Rising unemployment and consumer uncertainty are still responsible for the stagnating demand which is reflected by an increasing propensity to save. Overall, the economic prospects for 2004 are looking more positive. However, if the main impetus continues to come from abroad and the domestic economy further weakens, the economy will not significantly recover. GDP growth is thus set to amount to a mere one percent cyclically, or 1,5 per cent taking the effect of the high number of working days in 2004 into account.

Economic stagnation is shaping the labour market. The number of people in gainful employment was around 420.000 lower in 2003 than in the prior year. The annual average number of unemployed persons was 4,4m in 2003 or 10,3 per cent against 9,5 per cent in 2002. At the end of March 2004, unemployment was at 10,9 per cent.

The labour market is currently undergoing significant structural changes. Labour market policies (Hartz reform measures) are providing support for those who want to start up their own businesses (Ich-AG) and are encouraging the establishment of personnel services agencies (PSA). The new regulation on mini-jobs is making it more attractive to take on low-paid employment as a second job. The number of people with minijobs is increasing significantly while the number of people employed in jobs subject to compulsory insurance is on the decline. While some of these labour policies generate an increase in the number of those in employment, they only marginally reduce unemployment and result in a mere statistical adjustment in unemployment figures.

No lasting decrease is expected in employment for 2004 due to the moderate GDP growth which has been forecast.





## Markets

The staffing services industry (temporary staffing, permanent placement) suffered a further reduction in the market volume of 3 per cent in 2003 following a significant decrease in 2002 (some 15 per cent).

The Hartz reform resulted in major changes in the temporary employment industry.

In 2003, personnel services agencies were established by both temporary staffing companies and non-temporary staffing companies. The PSAs are provided with quotas of unemployed persons from the local labour office with the aim of reintegrating them into a working routine.

The following new regulations came into force on January 1, 2004:

- The ban on reemployment has been lifted. Temporary staffing agencies may now reemploy temporary staff at any time – even immediately following termination.
- The ban on staffing agencies leasing staff to a single company for the entire duration of their employment has also been revoked. This means that employees may be employed exclusively for a specific client contract.
- The restriction on the length of temporary hire of a maximum 24 months was also abolished. Temporary employees may now be leased to one client without a time restriction.

However, the most important change in the AÜG is the provision for temporary employment companies that obliges them, as of January 1, 2004, to pay their employees in accordance with the equal pay/equal treatment principle unless the temporary employment company pays its employees in accordance with a collective labour agreement.

Since it is barely feasible to apply the equal pay principle and since it would result in high administrative expenses as well as incalculable risks, almost all companies in the industry have elected to apply a collective labour agreement.

The application of a collective agreement will increase personnel expenses by at least 10 per cent for the industry. In a few cases, this increase in costs will be fully passed on to clients and will inevitably decrease the gross profit. Particularly companies that are mainly engaged in mainstream business will no longer be able to generate gross profit margins in excess of 20 per cent in the future.

The debate surrounding the introduction of a collective agreement or equal pay has led to a certain degree of uncertainty among the companies and is bringing about the need for additional consulting fees. However, the minimum requirements created by the collective labour agreements and the positive changes to the AÜG will lead to clear long-term improvements in the temporary staffing industry and thereby contribute to a positive overall development.

Nonetheless, this positive development of the market further depends on a sustainable economic recovery in 2004.

From the second half of 2003, there have been signs of a recovery in the industrial/technical sector, which reacts early to cyclical fluctuations, and further growth is expected in this area in 2004. The finance and accounting segment and the segment for qualified office staff which are relevant to the AMADEUS FIRE Group are proving to react extremely late to cyclical fluctuations. Rationalization and cost-cutting measures, postponed investments and low levels of corporate finance activities (IPO's, M&A activities) have impacted significantly on the demand for qualified specialists, particularly in finance and accounting. The German market in which AMADEUS FIRE AG operates has decreased by around 30 per cent in the finance and accounting segment.

Revenue losses of companies in permanent placement are at almost 40 per cent. The weak demand has resulted in further consolidation of the personnel consulting industry. The traditional market, executive search, is significantly declining while the market for innovative, success-based permanent placement has stabilized.

The market for training is differentiated and is shaped by the ongoing dynamization of the labour market and the increasing demand for qualified staff. Training measures promoted in the past have been hard hit by the reforms of the German Federal Employment Agency and the related restrictive treatment and are rapidly declining. Private educational institutions that substantially improve the career prospects of participants through tailored measures are showing a positive development.

The UK market for staffing services in finance and accounting shrunk by around 10 per cent in 2003 and only recovered slightly at the end of 2003. GDP growth of between 2,5 per cent to 3,0 per cent is forecast for 2004 and this will have a positive impact on the industry.

In Germany, the AMADEUS FIRE group as specialist for business professionals and executives and particularly due to its strong focus on finance and accounting in its core business (temporary work, interim management, job placement) is particularly affected by the late cycle of this area and has suffered revenue losses of around 30 per cent. In the fiscal year, the AMADEUS FIRE group held onto its market share of around 17 per cent in the finance and accounting segment.



## Strategy

The late-cyclic drop in demand for qualified staffing services in the last 18 months and the related falls in revenues and profits notwithstanding, the AMADEUS FIRE Group will continue to focus on its core competence, finance and accounting and supplement these areas with complementary services. The market for tailored personnel solutions with specialist staff is much more a growth and high-yield market than the competitively priced volumes business and thus offers better future prospects. With these brand names the Group is positioned as a provider of qualified staffing services with a focus on:

- temporary staffing of qualified specialists
  - permanent placements of specialists and managers
  - training and education
- both at departmental and management levels.

The Group has a clear focus on business, in particular finance and accounting.

The services complement each other and generate sales and recruiting synergies.

The AMADEUS FIRE Group will continue to strategically build on its services and will achieve above-average growth both organically as well as through targeted acquisitions and thereby expand its strong market position.

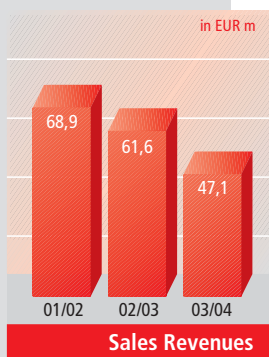
Its aim is to significantly boost profitability and persistently increase in the value of the Company.

## Business Development

The AMADEUS FIRE Group suffered a decline in revenues and income in fiscal year 2003/2004. In the past fiscal year, consolidated revenues came to EUR 47,1m (prior year: EUR 61,6m). This represents a decrease of 23,5 per cent and is mainly shaped by a significant drop in demand in the late-cycle specialized temporary staffing service.

Over the same period, the staffing services industry experienced a decrease of 3 per cent in revenues. This high drop in revenues compared to the market trend, particularly in finance and accounting, is attributable to the temporary employment area which is affected later by cyclical fluctuations and the change in the permanent placement market (particularly in the executive search segment).

The AMADEUS FIRE Group's gross profit in the fiscal year amounted to EUR 18,6m (prior year: EUR 23,2m). Gross profit has thus fallen by 19,9 per cent in comparison with the prior year. The gross profit margin of 39,5 per cent is above the prior-year figure of 37,7 per cent. The increase of 180 basis points is particularly attributable to higher revenues in the training area and the improved utilization rate in staffing services.



The development of the individual services in fiscal year 2003/2004 is presented in detail in the management report in the section on services.

The gross profit margin of 39,5 per cent, which is significantly higher than in the rest of the industry, is attributable to the AMADEUS FIRE Group's positioning as a specialist staffing services provider with a particular focus on finance and accounting. At best, average margins in the industry are not expected to exceed 25 per cent.

After closing branches in Nuremberg, Oberursel and Hanau and the closure of the subsidiary in Vienna, the Group has operations at 17 national locations and, including Birmingham and Amsterdam, at two international locations.

Selling and administration expenses were decreased by 11,5 per cent to EUR 16,7m through a number of cost-cutting measures while investments were made in operations.

EBITA (earnings before interest, tax and goodwill amortization) in the fiscal year came to EUR 2m (prior year: EUR 4,5m). This represented a fall of 56,7 per cent, which was mainly due to the decrease in gross profit in absolute terms.

Consolidated net loss net of minority interests amounts to EUR 0,5m (prior year: consolidated net income of EUR 1,8m).

Investments in the fiscal year amounted to EUR 1,3m (prior year: EUR 1,4m). Of this, EUR 0,7m was invested in IT systems. The new IT sales application "AmadeusMotion!" went into operation in 2003. The investments in the operational infrastructure are now largely complete.

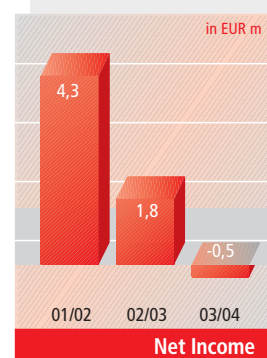
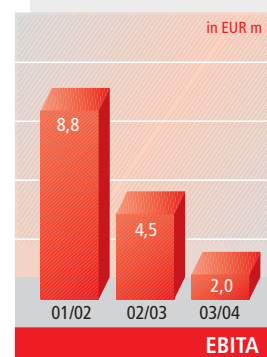
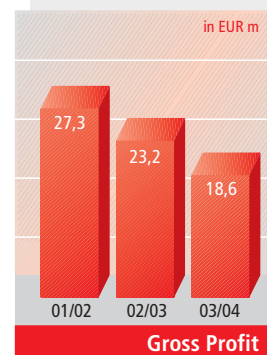
EUR 0,7m was paid in the fiscal year for outstanding purchase price installments for the acquisition of shares in Greenwell Gleeson Ltd. in 2001. A further purchase price installment of EUR 0,7m is outstanding as at March 31, 2004 and will fall due on April 30, 2004. EUR 0,5m was paid in the same period for the acquisition of minority interests in Föhr GmbH (now trading as Greenwell Gleeson search & selection GmbH).

The management board has elected not to make use of the authorization granted by the general shareholders' meeting of August 6, 2003 to acquire own shares.

After the distribution of dividends of EUR 2,2m in August 2003, cash and cash equivalents came to EUR 12,2m as at March 31, 2004 (prior year: EUR 14,0m).

Consolidated equity as of the balance sheet date is EUR 21,7m (prior year: EUR 24,4m). Given the balance sheet total of EUR 29,6m (prior year: EUR 33,6m), this represents an equity ratio of 73,2 per cent (prior year: 72,6 per cent).

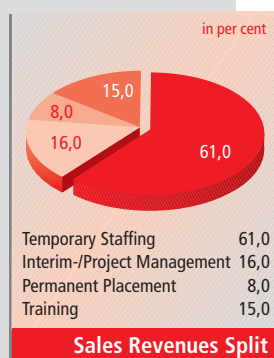
As at March 31, 2004, net working capital amounts to EUR -1,5m (prior year: EUR -1,9m). This development is shaped by the reduction in liabilities due to the declining number of group employees. The average term of trade receivables is 24 days (prior year: 25 days). Cash and cash equivalents totaled EUR 12,2m (prior year: EUR 14,0m) as at the balance sheet date, which is 41,1 per cent (prior year: 41,5 per cent) of the balance sheet total.





## Services

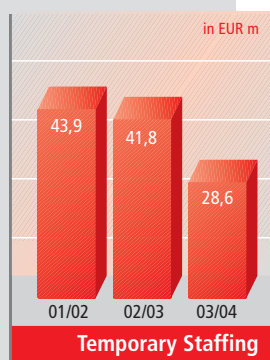
The AMADEUS FIRE Group offers its clients staffing solutions with a special focus on finance and accounting as well as office staff by providing the following range of services: temporary staffing services, interim and project management, permanent placement and training and education. It currently operates in Germany, the UK and the Netherlands. The long-term prospects for the market for specialists and qualified commercial employees are better than for the mainstream market. Lower qualified functions are increasingly being outsourced to low wage countries. The demand for specialists will increase at a higher rate than economic growth. The demand for finance and accounting specialists in particular will rise due to the increasingly high requirements of business accounting. The growing importance of international accounting standards (IFRS) is an example of this. Apart from a few exceptions, companies operating on the capital markets must apply IFRS accounting for fiscal years starting from January 1, 2005. Companies that do not fall under the area of application of the EU directive will practically be forced to convert their financial statements to IFRS – particularly as a result of the increasing pressure being asserted by banks and other moneylenders.



### Temporary Staffing Services

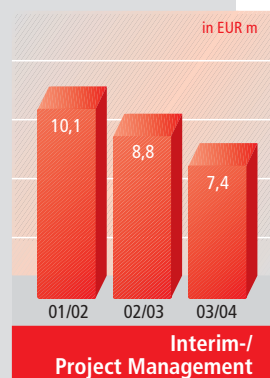
Revenues from temporary staffing services came to EUR 28,6m in the fiscal year (with the UK accounting for EUR 0,7m) compared with EUR 41,8m in the prior fiscal year. This represents a drop of 31,6 per cent. This decrease is attributable to the fact that the market for specialized temporary staff reacts late to cyclical fluctuations. Temporary staffing services accounted for some 60,7 per cent of total revenues (prior year 67,9 per cent).

The number of hours charged was down 27,6 per cent due to the drop in demand. The average purchase price decreased by 4,3 per cent to some EUR 32 and average salaries were adjusted accordingly. Utilization increased by 1,9 percentage points. The gross profit margin rose by 0,5 percentage points to 33 per cent.



### Interim-/Project Management

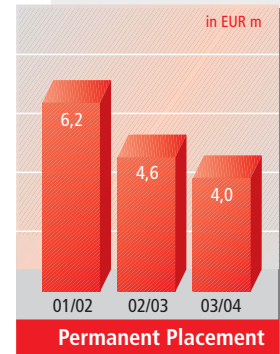
This service, which is primarily offered by the subsidiary AMADEUS FIRE Interim- und Projektmanagement GmbH and which places interim and project managers for managerial functions and special projects (both in Germany and abroad), generated revenues in the fiscal year of EUR 7,4m (EUR 0,8m of which in the UK) as opposed to EUR 8,8m in the prior year. This represents a decrease of 15,6 per cent. The fall is primarily due to the continued reluctance to investment by companies during the fiscal year, which led to a slump in demand in the project management segment. Due to the fall in more complex assignments, the average charge rates are down some 13 per cent. Interim-/project management contributed 15,7 per cent to total revenues (prior year: 14,3 per cent). The gross profit margin decreased by 1,5 per cent to 32,2 per cent.





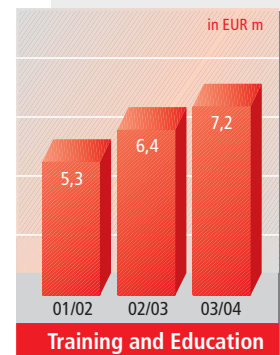
## Permanent Placement

Revenues amounted to EUR 4,0m (of which EUR 1,7m in England). In the prior year, revenues came to EUR 4,6m (of which EUR 1,2m in the UK). They have therefore fallen by 14,4 per cent. This high-yield service segment accounts for 8,4 per cent of revenues (prior year: 7,5 per cent). Revenues fell by around 34 per cent in Germany/Holland against the prior year. This is largely due to the traditional executive search segment. The Group has accounted for this trend and restructured the business segment. It has copied the successful concept of the UK subsidiary. The Greenwell Gleeson brand name stands for permanent placement and executive interim management services and focuses on international activities. Despite the fact that economy only began to improve towards the end of the year and contrary to the market trend, revenues in the UK were up almost 38 per cent.



## Training and Education

Revenues from finance and accounting training at Steuer-Fachschule Dr. Endriss GmbH & Co. KG amounted to EUR 7,2m (prior year: EUR 6,4m). This relates to an increase of 12,6 per cent, which can be particularly attributed to the further expansion of the accounting courses and the encouraging development of courses for tax consulting professions. EBITA (earnings before interest, tax and goodwill amortization) almost doubled in the fiscal year and came to EUR 1,8m (prior year: EUR 0,95m). This corresponds to growth of 93,9 per cent, but includes one-off costs savings of around EUR 0,3m. The improved result is mainly due to the higher course attendance. Endriss KG accounts for some 15,2 per cent of total sales for the fiscal year against 10,3 per cent in the prior year.





## Marketing and Image

The most significant project in the fiscal year was the new launch of the Group under a new brand name in the wake of the merger of FiRe AG into Amadeus AG. The creation of the distinctive brand name AMADEUS FIRE concluded the unification of operations of the two companies started in 2001. The subsidiaries were also included in the new brand name launch. The brand names AMADEUS FIRE, Greenwell Gleeson and Steuer-Fachschule Dr. Endriss present the strategic services optically on the market with their unmistakable corporate design.

The AMADEUS FIRE Group has pooled sales and marketing activities, streamlined its organizational structure and created greater potential for synergies.

The AMADEUS FIRE Group presented the new marketing concept and its image to its employees in a one-day workshop in August 2003. At the beginning of September 2003, AMADEUS FIRE sponsored the live television transmission of the F.A. Cup Rhein-Main Derby Kickers Offenbach against Eintracht Frankfurt and organized a large client event on the same occasion thereby introducing the brand name AMADEUS FIRE to a broad spectrum of the public.

The AMADEUS FIRE Group has invested strongly in brand name recognition in recent years. In particular, our sponsorship of the second division soccer team Mainz 05 brought us a permanent media presence (on television, in print media) which has greatly increased public recognition of AMADEUS FIRE.

In the future, sponsoring activities will take place in a limited scope at a local/regional level and will mainly serve client retention and acquisition.

In the coming fiscal year, marketing activities will focus more strongly on the expansion of direct IT-based communication with the relevant target groups. As part of database marketing, a permanent potential analysis will be performed for the various target groups and will form the basis for effective direct marketing measures. The sales software "AmadeusMotion!" forms the basis for database marketing.

The internet continues to be one of the most important media for presenting our image. Both the design as well as the content and structure of the companies' website has been revised as part of the new market launch. The pages have been clearly divided into client and applicant areas and the user-friendliness was enhanced, particularly in the client area. The quick contact function is one example of this.



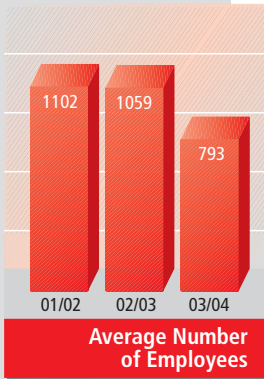
AMADEUS FIRE Homepage – [www.amadeus-fire.de](http://www.amadeus-fire.de)

Since the relaunch of the website in August 2003, the Group has attracted many more internet visitors – clients, candidates, investors and other persons interested in our services. The number of visitors reached a record high in August and September at 192,066 and 189,122, respectively, exceeding the previous record by 30 per cent. In 2003, the Group reached an average 147,753 page impressions (pages viewed) per month. This represents an increase of 43 per cent against the prior year.

The marketing department entered the search keywords relevant to the company website into some 80 search engines in 2003/2004. This has ensured that the site is well placed in large portals such as Google, Altavista, Web.de and Yahoo. The Company also entered into several cooperation agreements with other websites which have had a positive effect on the number of visitors to the AMADEUS FIRE site. We also started an advertising campaign for a one-month period with Google.



## Our Employees



Top employees who are highly qualified, motivated and dedicated continue to be a key factor of success in the staffing services market for specialized personnel. Although the AMADEUS FIRE Group cut the number of external productive employees in the fiscal year from 734 to 546 as at the balance sheet date of March 31, 2004 due to the drop in demand, the quality of the staff we recruit is a critical success factor.

Online jobs wanted listings and job advertisements became the most important recruiting measure for the AMADEUS FIRE Group in the fiscal year. 36 per cent of employees were recruited through these cost-efficient measures. The relaunch of the internet homepage has led to a further 20 per cent increase in visitors to the homepage with the number of visitors approaching 19.600 per month in the area of job advertisements. Candidates can select from an annual average of over 200 current job advertisements on the site. The online application program “click to apply” has been further developed and offer applicants added value. With “click to apply”, they can now prepare professional applications easily. AMADEUS FIRE has recognized the ever increasing importance of internet-based candidate communication and, using the measures described above, has positioned itself accordingly.

The employees of the AMADEUS FIRE Group are its second most important recruiting source. In the fiscal year, 26 per cent of employees were recruited through recommendations as well as through the staff referral program which also confirmed the value the employees attach to the Group as an employer. A further 14 per cent of the staff recruited had worked for the AMADEUS FIRE Group previously.



Courses at Steuer-Fachschule Dr. Endriss

In addition to the recruiting quality, employee training measures are a further crucial success factor. Depending on their professional focus, our employees are given the opportunity to add to their finance and accounting skills by attending courses at Steuer-Fachschule Dr. Endriss. Training in SAP R/3 and MS Office is also offered.

Due to the drop in demand, the internal headcount also had to be cut. However this did not affect operations. The personnel strategy in accordance with the corporate philosophy “entrepreneurs in the enterprise” was continued and further developed in the fiscal year. In order to be able to offer optimal consulting services, the personnel strategy focused

on staff who work in business operations – area managers, senior consultants and consultants. In addition to annual sales training, training focused particularly on acquiring more in-depth knowledge in finance and accounting, labour law and collective agreement law. The standardized practice period, a regular assessment and performance measurement system and the staff development program

that have already been developed are still performed. In order to further enhance the consultancy quality for clients and the recruiting quality of the AMADEUS FIRE Group, further training in finance and accounting, interim management as well as training interview skills is planned for the next fiscal year.

As at March 31, 2004, the AMADEUS FIRE Group employed ten apprentices in the head office in Frankfurt/Main. A special 18-months trainee program for university graduates was also developed and the first two trainees have started the program. They will spend time in all departments of the Group and their training will be focused on operating activities and finance and accounting. The aim is to employ trainees in the operating activities after completion of their training.

## Organizational Structure

Following the merger of FiRe AG into Amadeus AG as at April 1, 2003 based on the resolution of the general shareholders' meeting of August 6, 2003 and subsequent renaming of the Group, the parent company now operates on the market as AMADEUS FIRE AG. In connection with the image change, most of the subsidiaries were renamed (see also the section Marketing and Image and the notes p.42). The minority interests in Föhr GmbH were acquired by agreement dated June 27, 2003 with effect of April 1, 2003. The Company was renamed Greenwell Gleeson search & selection GmbH. These measures have further streamlined the organizational structure. The AMADEUS FIRE locations in Nuremberg, Hanau and Oberursel were closed in the fiscal year. The subsidiary in Vienna was shut down. 17 national locations are currently under the management of experienced area managers. The regional concept introduced in 2002 was abandoned. The responsibility for the core business of the AMADEUS FIRE Group in Germany was transferred back to the CEO in July 2003.

The locations are sales oriented and are supported by the sales software "AmadeusMotion!" which was introduced in the fall of 2003. The further drop in new contracts has led to greater sales activities. Acquisition activities in the branches are documented and evaluated on a weekly basis in sales reports.

The affiliates are headed by competent, motivated managing directors who act in accordance with the corporate philosophy as "entrepreneurs in the enterprise". The central services are customer oriented and efficient.

## Risk Report, Risk Management and Risk Controlling

### General Economic Risks

Economic growth forecasts for 2004 currently range between 1,3 per cent and 1,7 per cent. This growth forecast takes account of the additional number of working days this year. Estimates of the Deutsche Institut für Wirtschaftsforschung ("German Institute for Economic Research"; DIW) put economic growth at 0,2 per cent for the first quarter of 2004. The high value of the euro continues to weigh on exports, which have been the most important growth factor in recent years. If the wage increases are higher than expected, unemployment will increase and will in any case have a negative impact on current low consumption levels.

The economy is thus not expected to recover until late summer at the earliest. The results of fiscal year 2003/2004 have shown that the temporary staffing and permanent placement services react to trends very late in the cycle. A moderate upswing is therefore expected in both service lines of the AMADEUS FIRE Group in the fall of this year.

### Industry Risks

The German market for temporary staffing is dominated by the commercial sector and fragmented. The commercial sector accounts for around 80 per cent of business. The introduction of temporary employment contracts is expected to make temporary staffing in the commercial sector and particularly in the low-skilled commercial occupations much more expensive. This will result in tougher competition.

Since AMADEUS FIRE AG does not operate in this market segment, we are not affected by this development. Our position as a specialized service provider for commercial specialists and executives with a focus on finance and accounting is clearly defined. There is increased competitive pressure in the specialized segment due to the drop in demand as well as the appearance of new competitors. However, thanks to our increased competence, we have held on to our market leadership.

AMADEUS FIRE AG has joined the IGZ (Association of German Temporary Employment Agencies) collective labour agreement in the fiscal year and applies this agreement. The price of this service is not expected to rise since the qualified employees have always received remuneration in line with market conditions which is well over the minimum wage requirements of the collective labour agreements.

The new transparency of the collective labour agreements in connection with the recent drop in demand is, however, leading to price decreases which are offset by wage adjustments. We have created relevant explanatory aids for our sales staff and have taken account of this development in planning.

We continue to view the prospects for highly qualified employees as very good despite the recessionary market and are sticking to our specialist provider strategy. The external employees are regularly assessed and measured against the increased client requirements. This is enhanced by our training programs, particularly by the courses offered by Steuer-Fachschule Endriss.

The current economic situation has improved opportunities to acquire staff, but the recruiting of highly qualified employees remains crucial for our success. We will therefore continue our recruiting activities at a qualitatively high level. We are convinced that with this focus, we will be able to further expand our competitive advantage in the specialized segment.

## Legal Risks

There are currently no material legal disputes. Because the AMADEUS FIRE Group operates in a highly restrictive business environment, compliance with the relevant legal provisions, the application of the collective labour agreement and the internal guidelines are reviewed by the internal audit department. In order to reduce the legal risks, sales employees will continue to be trained in the relevant areas.

## IT Risks

AMADEUS FIRE AG has a central IT landscape which enables the branch offices and subsidiaries to use the same high-quality systems. These include an up-to-date security environment with a firewall, intrusion detection, virus scanning and multiply-secured remote access to identify and prevent any attempts at hacking. Due to the large number of incoming spam e-mails, an intelligent spam blocking system was created in the fiscal year. This has significantly improved work efficiency.

Centrally held data are automatically backed up on a regular basis, and copies are stored off-site.

Due to the redundancy and availability of local IT capacities, Steuer-Fachschule Dr. Endriss is equipped with additional local server systems.

The business locations are linked via a separate company network and encrypted data lines. The data lines are sufficiently dimensioned and are flexibly scalable at any time. All branches were equipped with an additional back-up ISDN connection during fiscal year 2003/2004. This allows data communication with the head office if the main connection fails.

The risk of dependency on a central IT department could arise from the centralization of the IT systems. To avoid system failure and to ensure the highest possible levels of availability, the following additional measures have been taken:

- Duplicate dimensioning of the relevant systems
- Uninterrupted power supply
- Alarm and danger signal equipment along with corresponding access systems
- Contingency plans to bring systems back into operation before the specified maximum system failure period per system is reached
- Conclusion of relevant service level agreements with external providers with agreements regulating on-call service and reaction times

We are planning to establish an emergency computer center in the Darmstadt branch as part of the relocation in July 2004. This will further reduce dependency on a central IT area.

During the fiscal year, average system availability for all systems in the specified operating periods was 99,2 per cent.

After the integrated sales application "AmadeusMotion!" was put into operation, Ernst & Young confirmed the orderly introduction including tests and documentation.

No IT risks are foreseeable at present.

## Financing Risks

As at March 31, 2004, the AMADEUS FIRE Group has cash and cash equivalents of EUR 12,2m. This forms the basis for a solid financing of operations, the outstanding purchase price payment for acquisitions performed, the option to make further acquisitions and for potential share redemptions.

No financing risks are apparent at present.

## Management Risks

Following the resignation of Mr. Schreiter in March 2004, the management board comprises two members who have been allocated responsibility for the various business areas by the supervisory board. Contracts with members of the management board have terms of two to three years.

The companies in the Group are headed by the appointed managing directors. The branches of the AMADEUS FIRE Group are managed by an area manager at the various locations. Each of the central service functions reports to a separate departmental head. The Group thus has a lean and adequate management structure.

No management risks are apparent at present.



## Other Risks

No other risks are apparent at present.

## Risk Controlling

The AMADEUS FIRE Group has an efficient, detailed risk management system which is used to report to the management board at regular intervals. The risk management system comprises the areas of sales, personnel, finance, investor relations, IT and auditing and was further expanded with the introduction of the integrated sales software “AmadeusMotion!”.

Using the risk management system, negative developments in a recessionary market environment were recognized in time, reported and appropriate countermeasures were introduced.

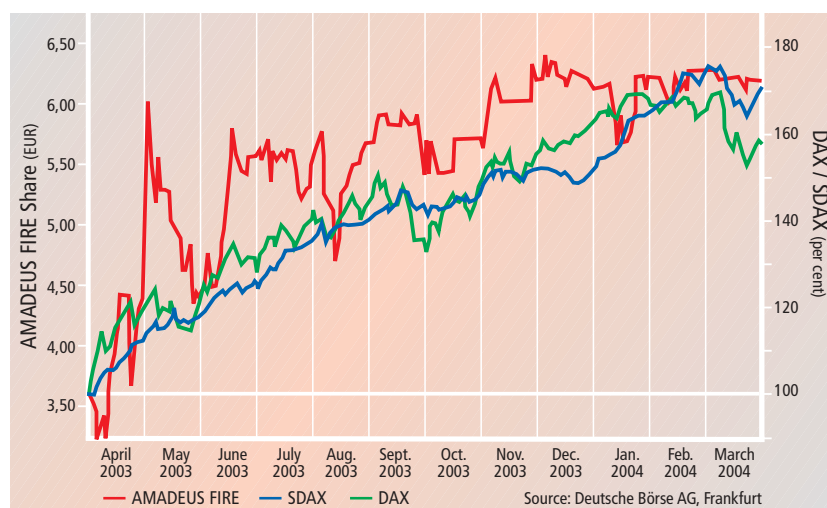
Based on the specific risks described, the existing risk management system and the current development of operating activities, the operations of the AMADEUS FIRE Group are not exposed to any risks which would pose a threat to its ability to continue as a going concern.



## AMADEUS FIRE Share

### Performance of the AMADEUS FIRE Share in Fiscal Year 2003/2004

Overall, the stock markets performed well in 2003. After the stock markets fell considerably at the beginning of 2003 due to the geopolitical situation, improved economic forecasts and the prospect of an imminent end to the conflict in Iraq resulted in a turnaround on the stock markets. After all indexes reached an annual low in March 2003, share prices clearly gathered momentum. Between April 2003 and March 2004, the DAX stock index, which comprises the 30 largest listed German companies, rose by 57 per cent. The SDAX index, on which the AMADEUS FIRE share was listed until the end of 2002, was even up 71 per cent in the period from April 2003 to March 2004.



The AMADEUS FIRE share began the fiscal year on April 1, 2003 at EUR 3,60 (Xetra) and was thus close to the annual low of EUR 3,25 of April 4, 2003. The price rose steadily in the course of the year. Agreement with the unions on the collective agreement in the temporary employment industry and the positive economic forecast increased interest in shares in the temporary employment industry towards year-end. The AMADEUS FIRE share achieved its highest trading volume in November. It reached a high for the year of EUR 6,36 on December 4, 2003. In the last quarter, the share price fluctuated between EUR 5,63 and EUR 6,25. It was listed at a closing price of EUR 6,16 on March 31, 2004.

In fiscal year 2003/2004, the price of the AMADEUS FIRE share rose between April 2003 and March 2004 by 71 per cent. The share thus followed the trend on the SDAX index, which also recorded a 71 per cent increase. The DAX Performance Index increased by 57 per cent in the same period.

As at the end of the fiscal year, the market capitalization of AMADEUS FIRE AG amounted to EUR 32,6m.

Since the reorganization of the German stock market, AMADEUS FIRE AG has been admitted to the Prime Standard and thereby fulfils the higher international transparency requirements of this segment. Some 76 per cent of AMADEUS FIRE AG shares are in free float (according to the German stock exchange definition). We expect our operating result to return to its earlier profitability in the medium term and thus aim to be listed on the SDAX again in order to better capture the attention of investors and analysts.

After the merger of Amadeus AG and FiRe AG in August 2004, the name of the share also changed to AMADEUS FIRE.

## Dividend

The management board and supervisory board will propose to the general shareholders meeting not to distribute dividend for fiscal year 2003/2004.

Due to the expected improvement in the result in the coming fiscal year, we plan to distribute a dividend again in the future.

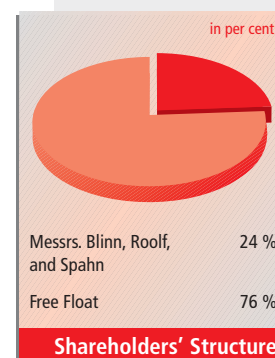
## Shareholder Structure of AMADEUS FIRE AG

According to the definition of Deutsche Börse AG, 76 per cent of the shares of AMADEUS FIRE AG are free float. The remaining 24 per cent are held by the company founders Günter Spahn, Georg Blinn and Hans H. Roolf. The free float is distributed as follows: around 16 per cent of total capital is held by family members of the company founders, less than 5 per cent by a company founder and a further 2 per cent is held by Endriss Beteiligungsgesellschaft mbH. Most of the remaining 58 per cent is held by institutional investors. The ratio of German institutional investors to foreign investors (especially from the UK) is approximately 30:70.

## Stock Option Plan of AMADEUS FIRE AG

AMADEUS FIRE AG's stock option plan gives management the opportunity to allow employees to participate in the Company's success. Shareholders' interests and the interests of AMADEUS FIRE group employees are thus meaningfully linked. Strict key performance indicators have been defined under this plan; these have to be met before options may be exercised.

No options were exercised in the fiscal year, since the targets for exercising such options were not reached during the exercise period. 15.000 new options were granted in the fiscal year. As at March 31, 2004, a total of 256.647 stock options had not been exercised. Note 23 in the notes to the consolidated financial statements contains detailed information on AMADEUS FIRE AG's stock option plan.



## Investor Relations

AMADEUS FIRE AG's transparent communication with its current and potential shareholders is based on a particularly efficient reporting system allowing the provision of reports and information as quickly, competently and comprehensively as possible. Apart from publishing annual and quarterly reports, the Company seeks and maintains contact with investors through special events, telephone conferences and personal meetings to inform investors about its current situation and expectations.

Investors were visited in Germany and England in the fiscal year. During the year, a large number of one-on-one discussions were held over the telephone and in person with investors, analysts and other interested parties.

AMADEUS FIRE AG also ensures that the investor relations section of the Company's homepage ([www.amadeus-fire.com](http://www.amadeus-fire.com)) is kept up-to-date with detailed information. This provides interested parties with an up-to-date and comprehensive picture of the AMADEUS FIRE Group and gives them the opportunity to contact the Company directly.

The investor relations pages also provide analysts' estimates for the Company. AMADEUS FIRE AG is currently actively covered by analysts in three institutions (WestLB, Berenberg Bank and Independent Research). Restructuring and cost-cutting in the area of stock research of some banks has already led to several institutes abandoning their coverage of AMADEUS FIRE AG in the prior fiscal year due to the low market capitalization. The Company aims to achieve as wide a coverage as possible, but can only exert limited influence in this direction given the current capital markets situation.

The AMADEUS FIRE Group will continue to seek open dialogue with all participants in the financial community. The share price in the fiscal year was disappointing for all involved. By continuing with its responsible, value-based strategy, management is putting every effort into increasing confidence in the AMADEUS FIRE Group and achieving sustained growth in corporate value.



## Corporate Governance

Corporate governance for AMADEUS FIRE AG means responsible management and control focused on long-term added value. Corporate governance is practiced at all levels of group management and monitoring. Responsible and transparent corporate governance fosters the trust of investors, business partners, the public at large and last but not least group employees.

The general shareholders' meeting approved the necessary adjustments to the articles of incorporation and bylaws on August 6, 2003. On October 27, 2003, the management board and supervisory board issued the following declaration of compliance with the recommendations of the German Corporate Governance Code developed by the government commission in the version dated May 21, 2003 in accordance with Sec. 161 of the German Stock Corporation Act (AktG).

AMADEUS FIRE AG complies with the 'German Corporate Governance Code' version May 21, 2003, recommended by the 'Government Commission on the German Corporate Governance Code' with the following exceptions:

- The AMADEUS FIRE AG has effected a D&O insurance for the Management Board and the Supervisory Board. The current contract does not include any deductible cover. In line with an extension of the contract the company will make arrangements for a suitable deductible cover as far as at this point of time benchmarks for the calculation of the appropriateness are available.
- The members of the Supervisory Board of AMADEUS FIRE AG receive a fixed compensation scaled according to their responsibilities (chairman, vice chairman, member). Chairmanship and membership in Supervisory Board Committees are compensated separately. After the 6th meeting of the Supervisory Board during the fiscal year every member of the Supervisory Board will receive an additional attendance fee. A performance-related compensation for members of the Supervisory Board is not intended.
- No information about the compensation structure of the Management Board as well as the concrete form of the stock options schemes will be given on the website of AMADEUS FIRE AG. The stock options schemes are explained in the annual report of AMADEUS FIRE AG and the hereof granted options to the Management Board are listed. The compensation details of the Management Board will be stated individualized but not further explained.

## Outlook

### Development of the Economy

After an improvement in the economic situation in the second half of 2003 and a current GDP growth forecast of 1,5 per cent, economic uncertainty is on the increase. The ifo business climate index was down in May 2004 for the second time running and the forecast for the next six months has worsened significantly. Thus, we do not expect any significant recovery on the staffing services market.

### Industry Development

The AMADEUS FIRE Group suffered a much higher fall in revenues in comparison to the industry as a whole for the first time in the fiscal year. This is particularly attributable to the fact that the market segment finance and accounting reacts very late to market trends. A recovery in specialized staffing services is not expected until the end of the year.

Conditions for temporary staffing in Germany have changed. Employment barriers have been removed and as at January 1, 2004, staffing services providers must pay their external employees in accordance with equal pay or apply one of the available collective labour agreements. AMADEUS FIRE converted its employment contracts in November/December 2003 and uses a collective labour agreement concluded with DGB. In contrast to most staffing services providers, this does not increase personnel expenses since highly qualified temporary staff at AMADEUS receive remuneration well above the collective rates. The new collective labour regulations have therefore not made it necessary for AMADEUS FIRE to change its price policies. The change in conditions, particularly the application of collective labour agreements, will improve acceptance and the image of temporary staffing in the medium term. Specialized niche providers such as AMADEUS FIRE will gain the most benefit from this in the long term.

## Revenue Situation

The revenue situation for staffing services in the finance and accounting segment in Germany continues to be shaped by its late reaction to market trends. The main reasons for this are the persistently reluctant investment behavior, the postponement of projects and the defensive personnel policies of companies in a weak economic environment. Steuer-Fachschule Dr. Endriss has not been affected by the current economic situation and has good registration numbers for its training programs, particularly for accountants and tax advisors.

The revenue situation in the Netherlands is satisfactory and, on account of its size, not so strongly affected by economic developments. The pleasing level of new contracts in England is mainly shaped by the economic upswing in the second half of 2003.

For Germany, we continue to expect a slight drop in business in the first six months of fiscal year 2004/2005. A recovery is forecast for the second half-year making revenue forecasts only slightly above the prior year at some EUR 48m.

Overall, revenues in the AMADEUS FIRE and Greenwell Gleeson business areas will remain at the prior-year level in fiscal year 2004/2005 and amount to some EUR 40m. For Steuer-Fachschule Dr. Endriss, we forecast a growth in revenue of around 6 per cent to around EUR 7,6m. The AMADEUS FIRE Group will therefore at least maintain its market share in the relevant markets in 2004.

Due to the high quality of the services offered, we also expect to maintain the high gross profit margin in comparison to the industry of 39,5 per cent achieved in the fiscal year.



## Corporate Structure and Strategic Alignment

As was anticipated in fiscal year 2003/2004, the AMADEUS FIRE Group created the distinctive brand name AMADEUS FIRE via the merger of Amadeus AG and FiRe AG. The subsidiaries were also included in the new brand name launch. The new brand names AMADEUS FIRE, Greenwell Gleeson and the subsidiary Steuer-Fachschule Dr. Endriss with its adjusted corporate design present the services offered to the market. In addition, the sales resources powers were pooled, the organizational structure streamlined and the basis for larger synergy potential created.

The AMADEUS FIRE Group remains clearly focused on the commercial sector with its strength in finance and accounting. The subsidiaries Greenwell Gleeson in Germany and the Netherlands were restructured in the fiscal year and have largely converted to the very successful business model of the UK subsidiary. Greenwell Gleeson focuses on recruitment services such as permanent placement for managers and highly qualified project specialists in the finance and accounting sector. As the market leader, Steuer-Fachschule Dr. Endriss focuses on the accountancy courses and training courses for consultancy professions, controllers and accountants.

The service portfolio of the AMADEUS FIRE Group is unique and offers tailor-made personnel solutions. With the high competence of the Group, particularly in finance and accounting, it can offer complementary services that create added value. With its presence in selected European countries, it can provide international companies with comprehensive services.





Due to its position, the AMADEUS FIRE Group will perform better than the individual markets through organic growth in the medium and long term. Acquisitions and investments are planned and the first exploratory measures have been introduced. Our acquisition targets are companies with above-average positive earnings that would complement the existing services of the Group and also open up operating synergies.

The "AmadeusMotion!" sales application was implemented in the fall of 2003 and enables the locations to handle day-to-day operations with state-of-the-art information technology in an even more professional, efficient and transparent manner and to maintain high quality standards. With the launch of the new brand name and the reorganization of the subsidiary Greenwell Gleeson in Germany, the main structural investments have been concluded. The Group has created an infrastructure that can achieve a high business volume with almost no additional fixed costs.

We propose not to distribute any dividend for fiscal year 2003/2004. Due to the positive net income forecast for 2004/2005, we plan to distribute a dividend again in the future.

Our target is to return to an EBITA margin of over 10 per cent by fiscal year 2005/2006.

Frankfurt/Main, April 26, 2004



**Günter Spahn**

CEO & Chairman of the Board



**Peter Haas**

CFO & Board Member

- 22.07.2004** **Quarter 1 Report** for fiscal year 2004/2005
- July 2004** **International Roadshow**
- 04.08.2004** **Shareholders' General Meeting**
- 21.10.2004** **Semi Annual Report** for fiscal year 2004/2005
- 20.01.2005\*** **Nine Months Report** for fiscal year 2004/2005
- January 2005\*** **International Roadshow**
- April 2005\*** **Ad hoc preliminary Sales and EBITA Figures** for fiscal year 2004/2005
- June 2005\*** **Press and DVFA-Conference** for fiscal year results 2004/2005
- August 2005\*** **Shareholders' General Meeting**

\* In case the Shareholders' General Meeting will adopt the proposal of the supervisory board and the management board to change the fiscal year, modified dates will be published on the homepage.

## Financial Calendar



AMADEUS FiRe



Temporary Staffing  
Permanent Placement  
Interim-Management  
Recruitment  
Training and Education

[www.AMADEUS-FiRe.com](http://www.AMADEUS-FiRe.com)

## Consolidated Financial Statements

<b>Consolidated Income Statement</b> . . . . .	<b>34</b>
<b>Consolidated Balance Sheet</b> . . . . .	<b>35</b>
<b>Changes in Equity</b> . . . . .	<b>37</b>
<b>Consolidated Cash Flow Statement</b> . . . . .	<b>38</b>
<b>Information on the Business Segments</b> . . . . .	<b>40</b>
<b>Notes to the Consolidated Financial Statements</b> . . . . .	<b>42</b>
General Information . . . . .	42
Abbreviations of Group Companies and Associated Companies . . . . .	42
Accounting Policies . . . . .	43
Stock Options . . . . .	45
Date of Disclosure . . . . .	45
Notes to the Consolidated Income Statement . . . . .	46
Notes to the Consolidated Balance Sheet . . . . .	49
Notes to the Consolidated Cash Flow Statement . . . . .	56
Notes to Segment Reporting . . . . .	57
Other Notes . . . . .	57

## Consolidated Income Statement for Fiscal Year 2003/2004 and 2002/2003

Amounts stated in EUR k	Notes	2003/2004	2002/2003
Revenues	1	47.125	61.558
Cost of rendered services	2	-28.509	-38.322
<b>Gross profit</b>		<b>18.616</b>	<b>23.236</b>
Selling expenses	3	-12.300	-14.230
Administrative expenses	4	-4.391	-4.624
Other operating income	6	87	143
Other operating expenses	7	-55	-8
<b>Income from operations before goodwill amortization</b>		<b>1.957</b>	<b>4.517</b>
Goodwill amortization	8	-1.395	-1.364
<b>Income from operations</b>		<b>562</b>	<b>3.153</b>
Financial result	9	206	405
<b>Income before taxes</b>		<b>768</b>	<b>3.558</b>
Income taxes	10	-541	-1.428
<b>Income after taxes</b>		<b>227</b>	<b>2.130</b>
Minority interest in profit/loss	11	-742	-329
<b>Net loss/income</b>		<b>-515</b>	<b>1.801</b>
Profit carryforward		4.822	5.245
Transfer from legal reserves		30	0
<b>Retained earnings</b>		<b>4.337</b>	<b>7.046</b>
Earnings per share:			
Basic (euro/share)	12	-0,10	0,34
Diluted (euro/share)	12	-0,10	0,32
Weighted average number of shares:			
Basic (number)	12	5.295.064	5.260.342
Diluted (number)	12	5.543.611	5.553.011

## Consolidated Balance Sheet as of March 31, 2004 and March 31, 2003

Amounts stated in EUR k	Notes	March 31, 2004	March 31, 2003
<b>ASSETS</b>			
<b>Non-current assets</b>			
Software	13, 15	714	313
Goodwill	13, 15	9.996	10.950
Property, plant and equipment	14, 15	1.661	2.339
Advance payments on property, plant and equipment	14, 15	10	453
Deferred taxes	16	142	203
		<b>12.523</b>	<b>14.258</b>
<b>Current assets</b>			
Trade receivables	17	3.610	4.352
Other assets	17	862	662
Prepaid expenses	18	459	400
Cash and cash equivalents	19	12.179	13.961
		<b>17.110</b>	<b>19.375</b>
<b>Total assets</b>		<b>29.633</b>	<b>33.633</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital stock	20	5.295	5.295
Capital reserve	24	12.099	12.099
Revenue reserves		0	30
Adjustment item from currency translation		-35	-67
Retained earnings	25	4.337	7.046
		<b>21.696</b>	<b>24.403</b>
<b>Minority interests</b>			
	26	860	558
<b>Current liabilities</b>			
Provisions for taxes	27	190	400
Trade payables	27	568	801
Other liabilities and accruals	27	6.319	7.471
		<b>7.077</b>	<b>8.672</b>
<b>Total equity and liabilities</b>		<b>29.633</b>	<b>33.633</b>



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## Statement of Changes in Equity as of March 31, 2004 and March 31, 2003

Amounts stated in EUR k	Capital stock	Capital reserve	Legal reserves	Currency translation	Retained earnings	Total
<b>April 1, 2002</b>	<b>5.212</b>	<b>12.099</b>	<b>30</b>	<b>8</b>	<b>7.434</b>	<b>24.783</b>
Dividends paid	0	0	0	0	-2.189	-2.189
Capital increase	83	0	0	0	0	83
Currency translation	0	0	0	-75	0	-75
Net income	0	0	0	0	1.801	1.801
<b>March 31, 2003</b>	<b>5.295</b>	<b>12.099</b>	<b>30</b>	<b>-67</b>	<b>7.046</b>	<b>24.403</b>
<b>April 1, 2003</b>	<b>5.295</b>	<b>12.099</b>	<b>30</b>	<b>-67</b>	<b>7.046</b>	<b>24.403</b>
Dividends paid	0	0	0	0	-2.224	-2.224
Currency translation	0	0	0	32	0	32
Net loss	0	0	0	0	-515	-515
Transfer from legal reserves	0	0	-30	0	30	0
<b>March 31, 2004</b>	<b>5.295</b>	<b>12.099</b>	<b>0</b>	<b>-35</b>	<b>4.337</b>	<b>21.696</b>

## Consolidated Cash Flow Statement for Fiscal Years 2003/2004 und 2002/2003

Amounts stated in EUR k	Notes	2003/2004	2002/2003
<b>Cash flow from operating activities</b>	28		
Net income before taxes and after minority interests		26	3.229
Adjustments for:			
Amortization/depreciation on non current assets		2.710	2.631
Financial income		-236	-463
Interest expense		30	58
<b>Operating result before changes of net working capital</b>		<b>2.530</b>	<b>5.455</b>
Increase/decrease in trade receivables and other receivables		619	1.205
Increase/decrease in deferred tax assets		-59	32
Increase/decrease in trade payables, other liabilities and accruals		-704	-308
<b>Cash generated from operations</b>		<b>2.386</b>	<b>6.384</b>
Interest paid		-50	-19
Income taxes paid		-716	-3.494
<b>Net cash flow from operating activities</b>		<b>1.620</b>	<b>2.871</b>
<b>Cash flow from investing activities</b>	29		
Acquisition of minority interests		-504	0
Purchase price installments paid		-696	-4.836
Purchase of intangible assets and property, plant and equipment		-813	-1.449
Disposals of non-current assets		219	292
Interest received		219	418
<b>Net cash used for investing activities</b>		<b>-1.575</b>	<b>-5.575</b>



# CONSOLIDATED CASH FLOW STATEMENT

Amounts stated in EUR k	Notes	2003/2004	2002/2003
<b>Cash flows from financing activities</b>	30		
Change in the adjustment item for currency translation		32	8
Change in minority interests		365	91
Dividends paid		-2.224	-2.189
<b>Net cash used for financing activities</b>		<b>-1.827</b>	<b>-2.090</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>-1.782</b>	<b>-4.794</b>
<b>Cash and cash equivalents at the beginning of the fiscal year</b>		<b>13.961</b>	<b>18.755</b>
<b>Cash and cash equivalents at the end of the fiscal year</b>		<b>12.179</b>	<b>13.961</b>
<b>Composition of cash and cash equivalents at the end of the fiscal year</b>			
Cash on hand and balances at banks (without drawing restrictions)		12.179	13.961
<b>Additional information:</b>			
Credit line (not utilized)		500	500

## Information on the Business Segments for Fiscal Year 2003/2004 and 2002/2003

Amounts stated in EUR k	Temporary staffing / interim and project management / permanent placement / executive search	
	2003/2004	2002/2003
<b>Sales</b>		
External sales	39.954	55.190
Inter-segment sales	0	1
<b>Total revenue</b>	<b>39.954</b>	<b>55.191</b>
<b>Result</b>		
<b>Segment result</b>	<b>3.277</b>	<b>6.908</b>
Segment result before goodwill amortization	4.288	7.877
<b>Administrative expenses</b>		
Other operating income and expenses		
<b>Income from operations</b>		
Interest expense		
Interest income		
Income taxes		
Minority interests in profit/loss		
<b>Income from ordinary activities</b>		
<b>Net income/loss</b>		
<b>Other information</b>		
Segment assets	21.656	26.548
Segment liabilities	3.965	6.973
Capital expenditure (including goodwill amortization)	1.011	1.358
Depreciation (including goodwill amortization)	2.243	2.183
Non-cash expenses/other than depreciation	-770	-2.603
Segment cash flows from operations	449	4.269
Number of employees per segment	782	1.043

# INFORMATION ON THE BUSINESS SEGMENTS

Training and Education		Eliminations		Consolidated	
2003/2004	2002/2003	2003/2004	2002/2003	2003/2004	2002/2003
7.171	6.368	0	0	47.125	61.558
7	0	-7	-1	0	0
7.178	6.368	-7	-1	47.125	61.558
1.650	734	-6	0	4.921	7.642
2.028	1.129				
				4.391	4.624
				32	135
				562	3.153
				30	58
				236	463
				541	1.428
				742	329
				-515	1.801
				-515	1.801
7.977	7.085	0	0	29.633	33.633
3.112	2.257	0	0	7.077	9.230
243	91	0	0	1.254	1.449
467	448	0	0	2.710	2.631
610	618	0	0	-160	-1.985
1.937	2.115	0	0	2.386	6.384
17	16	0	0	799	1.059

# Notes to the Consolidated Financial Statements as of March 31, 2004

## General Information

AMADEUS FIRE AG is a stock corporation under German law with its registered office in Frankfurt am Main, Stresemannallee 30, Germany. The Company is entered in the commercial register at the local court of Frankfurt, department B, under No. 45804.

AMADEUS FIRE AG was founded as Amadeus Gesellschaft für Zeitarbeit und Arbeitsvermittlung mbH on December 19, 1990 and transformed into Amadeus AG in 1998. Following the resolution adopted at the general shareholders' meeting on August 2, 2000, the Company was renamed Amadeus AG Personal-Dienstleister und Solution Provider (hereinafter also referred to as "Amadeus AG"). By resolution of the general shareholders' meeting, FiRe AG Personal-Dienstleistungen im Finanz- und Rechnungswesen was merged into Amadeus AG on August 6, 2003 effective as of April 1, 2003. By resolution on the same date, the Company was renamed AMADEUS FIRE AG.

AMADEUS FIRE AG has been listed for official trading on the Frankfurt Stock Exchange since March 4, 1999. The Company was listed in the SMAX quality segment from April 1999 to March 21, 2003; it was listed in SDAX from June 1999 until its reorganization by Deutsche Börse AG on March 24, 2003. AMADEUS FIRE AG was admitted to the Prime Standard on January 31, 2003.

The activities of the group companies comprise the provision of temporary personnel and temporary management services within the framework of the German Personnel Leasing Act (AÜG), personnel placement and consulting, interim and project management as well as the provision of training in the areas of tax, finance and accounting and financial control. Most of the subsidiaries were renamed as part of the reorganization and image change after the merger.

## Abbreviations of Group Companies and Associated Companies

AMADEUS FIRE AG	AMADEUS FIRE AG, Frankfurt am Main, Germany (until August 25, 2003: Amadeus AG Personal-Dienstleister und Solution Provider, Frankfurt am Main, Germany)
AMADEUS FIRE GmbH	AMADEUS FIRE Interim- und Projektmanagement GmbH, Frankfurt am Main, Germany (until August 8, 2003: FiRe GmbH Outsourcing und Externes Controlling im Finanz- und Rechnungswesen, Frankfurt am Main, Germany)
Amadeus Services GmbH	Amadeus Services GmbH, Frankfurt am Main, Germany
Endriss KG	Steuer-Fachschule Dr. Endriss GmbH & Co. KG, Cologne, Germany (until December 1, 2003: Steuer-Fachschule Dr. H. W. Endriss GmbH & Co. KG, Cologne, Germany)
Endriss GmbH	Dr. H. W. Endriss Verwaltungs-GmbH, Cologne, Germany
Greenwell Gleeson Germany	Greenwell Gleeson search & selection GmbH, Frankfurt am Main, Germany (until July 25, 2003: Föhr Human Resources Personalberatung GmbH, Frankfurt am Main, Germany)
Greenwell Gleeson B.V.	Greenwell Gleeson B.V., Amsterdam, Netherlands (until December 9, 2003: Amadeus Personeelsdiensten & Solution Provider B.V., Amsterdam, Netherlands)
Greenwell & Gleeson Ltd.	Greenwell & Gleeson Ltd., Birmingham, UK
Greenwell Gleeson Austria	Greenwell Gleeson Personalberatung GmbH, Vienna, Austria (not operating since January 1, 2004) (until December 23, 2003: Amadeus GmbH Personal-Dienstleister und Solution Provider, Vienna, Austria)
Amadeus Personalberatung GmbH	Amadeus GmbH Personalberatung und Personalvermittlung i.L., Vienna, Austria (liquidation registered on December 19, 2003)

## Accounting Policies

### Basis of the Consolidated Financial Statements

The consolidated financial statements of AMADEUS FIRE AG for the fiscal year ended March 31, 2004 were prepared in accordance with the International Financial Reporting Standards (IFRS) formulated by the International Accounting Standards Board (IASB). All International Financial Reporting Standards (IFRS) and interpretations of the Standing Interpretations Committee (SIC) that were mandatory for fiscal year 2003/2004 were considered. The financial statements of companies included in consolidation have all been prepared on the basis of uniform accounting policies. The separate financial statements of the group companies were prepared as at the balance sheet date of the consolidated financial statements.

As a publicly quoted company, the Company has made use of the provision in Sec. 292a of the German Commercial Code (HGB) and has prepared exempting consolidated financial statements in accordance with internationally accepted accounting standards as in the prior year. These consolidated financial statements have been drawn up in compliance with International Financial Reporting Standards (IFRS).

The consolidated financial statements comply with the 7<sup>th</sup> EC Directive based on Standard No. 1 (GAS 1) of the German Accounting Standards Board (GASB).

The main difference between financial statements prepared according to International Financial Reporting Standards and the provisions of the German Commercial Code (HGB) is the treatment of minority interests under IAS 27.

### Principles of Consolidation

The following subsidiaries in which the parent company directly holds the majority of voting rights have been included in the consolidated financial statements of AMADEUS FIRE AG.

The net results for AMADEUS FIRE GmbH and Amadeus Services GmbH are disclosed before profit and loss transfer to the parent in fiscal unity. The capital stock of the consolidated companies has been fully paid in. Voting shares are equal to capital shares.

Amounts stated in EUR k	Shares in	per cent	Equity		Net income/loss	
			March 31, 2004	March 31, 2003	2003/2004	2002/2003
Direct investments:						
Greenwell Gleeson B.V.	100		155	122	-67	-80
Amadeus Services GmbH	100		75	75	103	86
Endriss KG	60		271	271	1.853	939
Endriss GmbH	60		27	25	2	0
Greenwell Gleeson Germany	100		325	255	-380	-185
Greenwell Gleeson Ltd.	100		960	539	411	271
Amadeus Personalberatung GmbH	100		50	67	-16	-28
Greenwell Gleeson Austria	100		103	144	-41	-185
AMADEUS FIRE GmbH	100		30	30	1.942	2.600

Minority interests in equity and the net income/loss attributable to minority interests are presented separately in the balance sheet and the income statement.

The financial statements of the domestic and foreign subsidiaries included in consolidation have been prepared in accordance with uniform accounting policies pursuant to IAS 27. The Company applies the purchase method pursuant to IAS 27 to acquisitions of subsidiaries. A subsidiary is included in the consolidated financial statements for the first time as of the date AMADEUS FIRE AG takes control of the subsidiary. 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 net identifiable assets and liabilities of a subsidiary. Any remaining differen-

ce from capital consolidation is recognized as goodwill and amortized over its expected economic life according to the straight-line method. There were no changes to the consolidated group in fiscal year 2003/2004 other than the loss of FiRe AG Personal-Dienstleistungen im Finanz- und Rechnungswesen, Frankfurt am Main, which was merged into the parent company.

During consolidation, receivables and liabilities between consolidated companies are fully eliminated, as are 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 as well as advertising and other administrative services costs to a lesser extent.

## Currency Translation

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The reporting and measurement currency of the Company and all consolidated companies except for Greenwell Gleeson Ltd. is the euro. Pursuant to IAS 21 (The Effects of Changes in Foreign Exchange Rates), the financial statements of Greenwell Gleeson Ltd. have been translated from pounds sterling to euros as for a "foreign operation". Assets and

liabilities have been translated at the rate on the balance sheet date (EUR 1 = GBP 0,66590), expenses and income were translated at the average exchange rate for the year (EUR 1 = GBP 0,69448). The resulting currency translation differences were transferred to an adjustment item under equity.

## Income and Expense Recognition

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Revenues from permanent placements are recognized after the placement has been contractually agreed, however, in exceptional cases as the project progresses. Revenues from temporary staffing services and interim-/ project management are recognized when the service is rendered.

Revenues from training services that are performed over a longer period of time are recognized over time as the service is rendered. Operating expenses are charged against income when a service is used or when the costs are incurred.

## Financial Instruments

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Financial assets and financial liabilities carried on the balance sheet include cash and cash equivalents and trade and other receivables and liabilities and loans. The accounting policies on recognition and measurement for these items are disclosed in the relevant accounting policies found in these notes.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to financial instrument classified as a liability are reported as expense or income. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

## Disclosure of Financial Risk Management (IAS 32.43a; IAS 39.169a)

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### Credit Risk (IAS 32.66)

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.

### Interest Rate Risk (IAS 32.56)

Since the Group only has balances at banks, and no loan liabilities or other non-current liabilities were entered into, no notable interest rate risk exists.

### Liquidity Risk (IAS 32.42)

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

### Foreign Exchange Risk (IAS 21.47)

Despite the fact that the Group operates abroad, the foreign exchange risk is to be classified as low. The Group mainly operates in Germany and in Europe via its independent subsidiaries (UK, Netherlands and Austria). Only one major liability in foreign currency is contained in the financial statements. The Company has acquired the foreign exchange to settle this liability, thus eliminating the foreign exchange risk.

### Fair Value of Financial Assets and Liabilities

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Given their short maturities, the carrying amounts of the financial assets and liabilities are generally equal to their fair values. Provisions are

recognized for financial assets whose carrying amount is higher than the fair value (present value of future estimated cash flows).

### Accounting for Leases

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The lease agreements are operating leases and are thus not recognized by the lessee. The lease payments are recognized as an expense on a straight-line basis over the lease term.

## Stock Options

The workforce and management were granted options on the acquisition of the Company's capital stock. The stock option plan was not accounted for and thus has no effect on the income statement. When options

are exercised the amounts are recorded as an increase in capital. For information on the structure of the stock option plans, we refer to note 23 in these notes.

## Date of Disclosure

The consolidated financial statements as at March 31, 2003 were approved by the supervisory board on June 16, 2003 and published in the Federal Gazette No. 233 (Bundesanzeiger) on December 12, 2003.

## Notes to the Consolidated Income Statement

### 1. Revenues

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

Amounts stated in EUR k	2003/2004	2002/2003	Change from the prior year	
			in EUR k	in per cent
Temporary staffing	28.562	41.765	-13.203	-32
Permanent placement	3.974	4.643	-669	-14
Interim and project management	7.418	8.782	-1.364	-16
Training and education	7.171	6.368	803	13
	<b>47.125</b>	<b>61.558</b>	<b>-14.433</b>	<b>-23</b>

All revenues are generated by services, the majority of which were provided in Germany. Training accounted for around 15 per cent of total revenues and was mainly generated from private customers. 85 per cent of revenues were generated with around 1.500 commercial customers while revenues from the ten largest customers account for around 9 per

cent. The customer with the largest share of revenue achieved 1,5 per cent of total revenues.

We refer to segment reporting for the development of revenues by business segment.

### 2. Cost of Rendered Services

Personnel expenses for temporary employees and the cost of services purchased from external consultants, lecturer fees and the cost of permanent

placement and consulting employees are recognized as cost of rendered services. Assignment related travel expenses were also reported in this item.

### 3. Selling Expenses

Selling expenses include management expenses, personnel expenses for sales employees, the premises and vehicle expenses attributable to such staff, marketing costs and depreciation of fixed assets. In addition,

expenses for communication as well as training costs for the sales department are included on a proportionate basis.

### 4. 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 fixed assets. Ongoing IT

costs, legal and consulting fees, accounting costs as well as costs of general shareholders' meetings and the financial statements are also recognized in this item.

### 5. Average Number of Employees over the Year

An average of 793 persons were employed by the Company during fiscal year 2003/2004 (prior year: 1.059). In the fiscal year, personnel expenses amounted to EUR 28.519k (prior year: EUR 39.264k).

The employees comprise the following:

	2003/2004	2002/2003
Head office employees	27	33
Sales and marketing employees	123	143
Temporary employees	633	874
Apprentices	10	9
	<b>793</b>	<b>1.059</b>



## 6. Other Operating Income

Other operating income mainly includes exchange gains, discounts and proceeds from disposals of fixed assets above their carrying amount.

## 7. Other Operating Expenses

Other operating expenses include exchange losses, disposals of assets below their carrying amount and costs of disposal.

## 8. Amortization of Goodwill

Goodwill is systematically amortized over its expected useful life (see note 13). No impairment losses had to be accounted for.

## 9. Financial Result

The financial result includes interest income of EUR 236k. The financial result was down by EUR 199k. This was due to the drop in interest rates

for time deposits and the decrease in average funds available.

## 10. Income Taxes

The corporate income tax rate in the fiscal year amounts to 25 per cent of the tax base (prior year: 26,5 per cent). Solidarity surcharge, which remained constant at 5,5 per cent, is levied on the corporate income tax. The trade tax rate in Germany varies throughout Germany; for the Company it averages 18,7 per cent of the tax base. In the fiscal year deferred taxes for deductible loss carryforwards of EUR 34k were recognized for Greenwell Gleeson Germany, EUR 75k of deferred taxes was written down for Greenwell Gleeson B.V. from prior years and EUR 20k of deferred taxes for temporary differences was reversed in accordance with IAS 12.

Deferred taxes on the loss incurred by Greenwell Gleeson B.V. and Greenwell Gleeson Germany in the fiscal year were not recognized in accordance with IAS 12.34.

The payment of dividends in August 2003 for fiscal year 2002/2003 did not reduce income tax in fiscal year 2003/2004 due to the moratorium adopted by the legislator (Sec. 37 (2a) No. 1 German Corporate Income Tax (KStG).

As of the balance sheet dates, income taxes split up as follows:

Amounts stated in EUR k	2003/2004	2002/2003
Current tax expenses:		
Corporate income tax and solidarity surcharge	435	740
Trade tax on income	45	732
	480	1.472
Deferred taxes:		
from loss carryforwards	41	-95
from temporary differences	20	51
<b>Tax expense</b>	<b>541</b>	<b>1.428</b>

The Company has tax loss carryforwards amounting to EUR 1.037k for which no deferred tax assets were recognized pursuant to IAS 12.34.

**Reconciliation Pursuant to IAS 12.81 (c):**

The reconciliation of the theoretical amount that would have resulted had the group tax rate (40,1 per cent for the above income taxes, prior

year: 41,4 per cent) been applied to the pre-tax result to the total tax expense disclosed is as follows:

Amounts stated in EUR k	March 31, 2004	March 31, 2003
Theoretical tax expense based on the effective tax rate in Germany	308	1.472
Tax refund for distributed dividends	0	-385
Goodwill amortization non-deductible for tax purposes	479	475
Effects from the non-recognition of tax loss carryforwards	174	92
Reduction of the deferred tax assets from prior years	75	0
Tax rate differences abroad	-45	-20
Non-deductible expenses	28	45
Tax on minority interests	-196	-105
Trade tax exemption Endriss KG	-346	-175
Other	64	29
Tax expense actually disclosed	541	1.428
Effective tax rate in per cent	40,1	41,4

The effective tax rate in Germany decreased by approximately 1,3 per cent in the fiscal year. This decrease is due to the fall in the corporate

income tax rate, and was partly offset by the increase in the Company's average trade tax rate.

**11. Minority Interests in Profit/Loss**

The minority interests stated for the fiscal year break down as follows:

Amounts stated in EUR k	2003/2004	2002/2003
Minority interests in profit/loss		
Endriss KG	742	375
Greenwell Gleeson Germany (minority interest acquisition as at April 1, 2003)	0	-46
	742	329

**12. Earnings Per Share**

Earnings per share are calculated in accordance with IAS 33. The net profit after minority interests in profit is divided by the weighted average number of ordinary shares outstanding during the fiscal year; this amount is the basic earnings per share. To calculate diluted earnings per

share, the net profit after minority interests in profit is divided by the weighted average number of ordinary shares outstanding during the fiscal year plus the weighted average number of all the dilutive potential ordinary shares.

		2003/2004	2002/2003
Net income/loss after minority interests	EUR k	-515	1.801
Weighted average number of ordinary shares outstanding	Units	5.295.064	5.260.342
<b>Basic earnings per share</b>	<b>EUR</b>	<b>-0,10</b>	<b>0,34</b>
Weighted average number of ordinary shares outstanding plus weighted average number of stock options issued	Units	5.543.611	5.553.011
<b>Diluted earnings per share</b>	<b>EUR</b>	<b>-0,10*</b>	<b>0,32</b>

\* Under IAS 33.40, potential ordinary shares are disregarded in calculating diluted earnings per share as they would decrease the loss per share.

# Notes to the Consolidated Balance Sheet

## Non-Current Assets

### 13. Intangible Assets

Intangible assets are carried at cost less accumulated systematic amortization. Goodwill arising upon first-time consolidation is recognized in accordance with IAS 22 and amortized according to IAS 22.44 et seq. Amortization follows the straight-line method over the following useful lives:

Software	3 to 5 years
Goodwill	10 to 15 years

Systematic software amortization of EUR 373k is recognized under selling and administration expenses.

Impairment losses are recognized if an asset becomes impaired. Assets are tested for impairment at every balance sheet date in accordance with IAS 36.

We refer to note 8 on the income statement for goodwill amortization in fiscal year 2003/2004. There was no cause to recognize impairment losses.

There are no internally generated intangible assets.

Amounts stated in EUR k	March 31, 2004	March 31, 2003
Software	714	313
Goodwill	9.996	10.950
	<b>10.710</b>	<b>11.263</b>

At the balance sheet dates goodwill is made up of the following net carrying amounts. The useful life of the goodwill is also stated.

Amounts stated in EUR k	Planned useful life	Remaining useful life	March 31, 2004	March 31, 2003
Goodwill Greenwell Gleeson Ltd.	10 years	7 years	4.331	4.949
Goodwill Endriss KG	15 years	11 years, 9 months	3.853	4.232
Goodwill Greenwell Gleeson Deutschland	10 years	7 years	1.397	1.147
Goodwill FiRe AG	10 years	2 years	415	622
			<b>9.996</b>	<b>10.950</b>

### 14. Property, Plant and Equipment and Advance Payments

Property, plant and equipment are measured at cost less accumulated systematic depreciation and any accumulated impairment losses. No impairment losses had to be recognized or reversed.

Property, plant and equipment are depreciated on a straight-line basis over a useful life of three to five years. The useful lives and depreciation methods used are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Systematic depreciation of EUR 942k is recognized under cost of sales as well as under selling and administration expenses.

Amounts stated in EUR k	March 31, 2004	March 31, 2003
Property, plant and equipment	1.661	2.339
Advance payments on property, plant and equipment	10	453
	<b>1.671</b>	<b>2.792</b>

## 15. Changes in Consolidated Non-Current Assets

Amounts stated in EUR k	At Cost				
	April 1, 2003	Additions	Disposals	Reclassifications	March 31, 2004
<b>Intangible assets</b>					
Software	1.040	448	30	327	1.785
Goodwill	15.650	441	0	0	16.091
	<b>16.690</b>	<b>889</b>	<b>30</b>	<b>327</b>	<b>17.876</b>
<b>Property, plant and equipment</b>					
Other equipment, fixtures, fittings and plant	4.831	355	605	126	4.707
Advance payments	453	10	0	-453	10
	<b>5.284</b>	<b>365</b>	<b>605</b>	<b>-327</b>	<b>4.717</b>
	<b>21.974</b>	<b>1.254</b>	<b>635</b>	<b>0</b>	<b>22.593</b>

Amounts stated in EUR k	Accumulated Amortization/Depreciation				Adjustment Currency- translation	Net Book Value	
	April 1, 2003	Provisions	Reversals	March 31, 2004		March 31, 2004	March 31, 2003
<b>Intangible assets</b>							
Software	727	373	29	1.071	0	714	313
Goodwill	4.700	1.395	0	6.095	0	9.996	10.950
	<b>5.427</b>	<b>1.768</b>	<b>29</b>	<b>7.166</b>	<b>0</b>	<b>10.710</b>	<b>11.263</b>
<b>Property, plant and equipment</b>							
Other equipment, fixtures, fittings and plant	2.492	942	387	3.047	1	1.661	2.339
Advance payments	0	0	0	0	0	10	453
	<b>2.492</b>	<b>942</b>	<b>387</b>	<b>3.047</b>	<b>1</b>	<b>1.671</b>	<b>2.792</b>
	<b>7.919</b>	<b>2.710</b>	<b>416</b>	<b>10.213</b>	<b>1</b>	<b>12.381</b>	<b>14.055</b>

## 16. Deferred Taxes

In accordance with IAS 12, deferred tax assets are recognized for temporary differences in carrying amounts in the commercial and tax balance sheets of the consolidated companies and on tax loss carryforwards. The liability method of IAS 12.47 is applied. The recognition and measurement of deferred tax assets is reviewed regularly. Their value is adjusted if there are signs of impairment.

Amounts stated in EUR k	March 31, 2004	March 31, 2003
Deferred taxes on temporary differences	20	32
Deferred taxes on loss carryforwards	122	171
	<b>142</b>	<b>203</b>

In fiscal year 2003/2004, deferred taxes of EUR 34k from losses of Greenwell Gleeson Germany were recognized and deferred tax assets of EUR 75k were recognized for Greenwell Gleeson B.V. in prior years were released in accordance with IAS 12.34.

In the separate financial statements of Greenwell Gleeson Ltd. deferred tax assets on temporary differences in carrying amounts of EUR 20k were reversed.

## Current Assets

### 17. Trade Receivables and Other Assets

Receivables are stated at the fair value of the consideration given and are measured at cost after provision for impairment (IAS 39.73).

Trade receivables break down as follows:

Amounts stated in EUR k	March 31, 2004	March 31, 2003
Trade receivables	4.023	4.817
Bad debt allowances	-413	-465
	<b>3.610</b>	<b>4.352</b>

A strict check of creditworthiness and a stringent dunning system limits the risk of receivable losses. On March 31, 2004, the average term of trade receivables was 24 days (March 31, 2003: 25 days).

Other assets break down as follows:

Amounts stated in EUR k	March 31, 2004	March 31, 2003
Tax refund claims	803	527
Receivables from employees	26	57
Interest	17	45
Security desposits	10	15
Other	6	18
	<b>862</b>	<b>662</b>

### 18. Prepaid Expenses

Prepaid expenses totaling EUR 459k (prior year: EUR 400k) chiefly comprise prepaid expenses for marketing activities, prepaid insurance pre-

miums and payments under maintenance and support contracts.

### 19. Cash and Cash Equivalents

Cash and cash equivalents solely comprise cash on hand and balances with banks as well as short-term time deposits that mature in less than one month.

Amounts stated in EUR k	March 31, 2004	March 31, 2003
Cash	7	11
Bank balances	2.517	2.058
Time desposits	9.655	11.892
	<b>12.179</b>	<b>13.961</b>

## Equity

### 20. Capital Stock (Subscribed Capital)

The subscribed capital is the parent company's capital stock of EUR 5.295.064 and is divided up into 5.295.064 no-par value bearer shares held by numerous shareholders. No shareholders are known to hold more than 25 per cent of shares. The subscribed capital has been fully paid in.

By resolution of the general shareholders' meeting on August 6, 2003, the Company is authorized to acquire treasury shares of up to a total of 10 per cent of the capital stock existing at the time of the resolution. Treasury shares may not be acquired for trading purposes. The authorization may be exercised by the Company in full or in part, on one or several occasions, however, it may also be exercised by its group companies for their account or for their account by third parties. Authorization to acquire treasury shares is granted for 18 months after the date of the resolution. The purchase price for a share (excluding incidental acquisition costs) may not be more than 10 per cent above or below the average closing XETRA price for the Company's share on the Frankfurt Stock Exchange (or in a comparable subsequent system) in the last five trading days preceding the acquisition or the commitment to acquire shares. If shares are acquired on the basis of a public offering, the purchase price for a share (excluding incidental acquisition costs) may not be more than 20 per cent above or below the average closing XETRA price for the Company's share on the Frankfurt Stock Exchange (or in a comparable subsequent system) in the last five trading days prior to the public offering.

The management board is authorized to re-sell treasury shares on the stock exchange or by way of an offering to all shareholders without an additional resolution of the general shareholders' meeting. The shareholders' right to subscribe (Secs. 71 (1) No. 8 Sentence 5 in conjunction with Sec. 186 (3) German Stock Corporation Act (AktG) may be precluded with the approval of the supervisory board and the shares sold in

another way than on the stock exchange or by offering to all shareholders if

- the treasury shares are sold at a price that does not fall far below the stock market price of Company shares in the same category at the time of sale. The stock market price for the purposes of this arrangement is the average closing XETRA price for the Company's share on the Frankfurt Stock Exchange (or a comparable subsequent system) in the last five trading days preceding the sale.
- treasury shares are granted to third parties as counterperformance in the context of acquiring entities, parts of entities or equity investments or issued to third parties in the context of a corporate merger
- employees of the Company and affiliates are invited to acquire treasury shares (Sec. 71 (1) No. 2 AktG).

If the shareholders' right to subscribe is precluded, the number of shares sold in this way may not exceed one tenth of the shares existing at the time of the resolution and the exclusion of the subscription right pursuant to Sec. 186 (3) Sentence 4 AktG must be credited to this limit in the case of capital increases.

The management board is also authorized, with the approval of the supervisory board, to redeem acquired treasury shares without an additional resolution of the general shareholders' meeting.

The above authorizations on the sale of treasury shares in another way than on the stock exchange or by offering to all shareholders may be exercised in full or in part and on one or several occasions and relate to all of the Company's treasury shares which were acquired by the Company on the basis of an authorization granted by the general shareholders' meeting in accordance with Sec. 71 (1) No. 8 AktG.

The management board did not make use of the authorization to acquire treasury shares in the period under review.

### 21. Approved Capital

According to the articles of incorporation and bylaws, the approved capital was limited until June 1, 2003. The authorized capital has thus expi-

red and amounted to EUR 908k. The Company therefore no longer has any approved capital.

### 22. Conditional Capital

#### Conditional Capital I

The general shareholders' meeting on January 16, 1999 decided to conditionally increase the capital stock by up to EUR 400.000 by issuing a maximum of 400.000 ordinary bearer shares (Conditional Capital I). On August 8, 2001 the general shareholders' meeting decided to reduce Conditional Capital I to EUR 331.000. Stock options for 83.333 ordinary bearer shares were exercised on September 2, 2002. The remaining Conditional Capital I now totals EUR 247.667.

The management board's authorization, with the approval of the supervisory board, to grant options to employees and managers of the Company and its affiliates was rescinded by the resolution on August 8, 2001 insofar as the authorization had not been used by August 8, 2001.

### Conditional Capital II

The shareholders' meeting on August 8, 2001 decided to conditionally increase the capital stock by up to EUR 190.000 by issuing a maximum of 190.000 ordinary bearer shares (Conditional Capital II). The management board was authorized, with the approval of the supervisory board, to grant on one or more occasions up to August 1, 2006 subscription rights for a maximum total of 190.000 bearer shares in the Company to employees and managers of the Company and entities in which the Company directly or indirectly holds a majority interest. Should the Company's management board be the beneficiary, the supervisory board shall be authorized to grant subscription rights.

As at the balance sheet date, total conditional capital thus amounted to EUR 438k.

As at March 31, 2004, the following stock options from Conditional Capital I and II have been issued:

	Management board	Employees	Total
Conditional Capital I	166.667	25.500	192.167
Conditional Capital II	25.000	39.480	64.480
	<b>191.667</b>	<b>64.980</b>	<b>256.647</b>

## 23. Stock Option Plans

### Stock Options From Conditional Capital I

On January 16, 1999, the general shareholders' meeting agreed to the conditional increase in capital stock by up to EUR 400.000 by issuing up to 400.000 ordinary bearer shares (Conditional Capital I) and on August 8, 2001 to the reduction of Conditional Capital I to EUR 331.000. The management board's authorization, with the approval of the supervisory board, to grant options to employees and managers of the Company and its affiliates was rescinded by the resolution of August 8, 2001.

#### Strike Price, Vesting Period and Expiration

The strike price amounts to EUR 11,50 for eligible employees of the Company and EUR 1 for eligible members of management as all stock options were issued when the Company went public.

One third of the subscription rights may be exercised for the first time three years after the date of grant and another third may be exercised in each of the subsequent years. The agreements expire on June 30, 2006.

Overview:

	Options
<b>Conditional Capital I</b>	<b>331.000</b>
As at the balance sheet date:	
Granted on March 5, 1999	394.000
thereof to members of the management board	250.000
thereof to employees	144.000
Exercised	83.333
Revoked	0
Expired	118.500
<b>Outstanding on March 31, 2004</b>	<b>192.167</b>
Non-forfeitable	0

#### Exercise Hurdles

The main requirement for exercising the option is a rise in the share price of 5 per cent p.a. in relation to the strike price on the date of grant.

#### Subscription Price

The subscription price in the stock option plan from Conditional Capital I is the same as the strike price.

#### Exercise

No outstanding stock options can be exercised at present due to the share price.

### Stock Options From Conditional Capital II

By virtue of the resolution adopted by the general shareholders' meeting on August 8, 2001, the management board has to date granted 46.080 options to employees from Conditional Capital II. At the same time, on behalf of the management board, the supervisory board granted 25.000 options to the management board, of which 15.000 options were granted to employees in the fiscal year.

#### Strike Price, Vesting Period and Expiration:

The strike prices upon grant amount to:

Date of grant	07.09.01	01.02.02	12.08.02	29.01.04
Exercise price in EUR	13,38	16,98	10,34	6,18

Subscription rights may only be granted to those entitled to subscribe in two two-week periods per year. One-third of the subscription rights may be exercised for the first time after a vesting period of two years from the date of grant; another third may be exercised in both of the subsequent years.

Overview:

	Options
<b>Conditional Capital II</b>	<b>190.000</b>
As at the balance sheet date:	
Granted	71.080
thereof to members of the management board	25.000
thereof to employees	46.080
Exercised	0
Revoked	0
Expired	6.600
<b>Outstanding on March 31, 2004</b>	<b>64.480</b>
Non-forfeitable	0

#### Exercise Hurdles:

The options may only be exercised after the end of the respective vesting period, if, in the period between the options being granted and the start of the next exercise period after the end of the vesting period for the respective tranche, the AMADEUS FIRE share price has outperformed the SDAX of Deutsche Börse AG or another index for small and mid caps ("reference index") in the same period by at least 10 per cent ("performance target"). To calculate attainment of the performance target, the average closing price (XETRA) of the Company's ordinary stock in the last five trading days prior to the end of the respective subscription period in which the subscription rights are granted, and the last five trading days prior to the start of the exercise period in which the subscription rights can be exercised are compared with the reference index trend calculated in the same way. Should the performance target not be fulfilled on the day prior to the start of this exercise period, the vesting period for

the respective tranche is extended until the performance target is met on the day prior to the start of one of the following exercise periods. If, after the end of the respective vesting period, the performance target is met at the start of the exercise period and the subscription rights are not exercised in this period, they may be exercised in a later period even if the performance target is no longer met at the start of this subsequent exercise period.

#### Exercise Price:

When exercising the subscription rights, an exercise price has to be paid for each subscription right exercised. This price equals the average closing price (XETRA) for the Company's share in the last five trading days prior to the end of the subscription period in which the subscription rights were granted ("strike price") minus the outperformance mark-down. For each percentage point by which the price of the AMADEUS FIRE share outperforms the reference index in the period between the subscription rights being granted and the start of the respective exercise period, the strike price falls by 3 percent ("exercise price"). To calculate the outperformance of the AMADEUS FIRE shares compared to the reference index, the average closing price (XETRA) of the Company's ordinary stock in the last five trading days prior to the end of the respective subscription period in which the subscription rights were granted, and in the last five trading days prior to the start of the exercise period in which the subscription rights are exercised are compared with the reference index trend calculated in the same way. The subscription right agreements run for a period of eight years.

#### Exercise:

At present, the requirement for exercising options is not met for all the stock options issued for which the vesting period has expired. The presentation of the Company's stock option agreements complies with IAS 19 (revised 2000); it relates solely to the disclosures in the notes required by IAS 19.147 et seq.

## 24. Capital Reserve

The capital reserve mainly results from amounts generated above the nominal value (premium) from the issuance of shares.

## 25. Consolidated Retained Earnings

On August 6, 2003, the general shareholders' meeting resolved to distribute a dividend of EUR 2.224k.

Thus retained earnings as at March 31, 2004 are as follows:

Amounts stated in EUR k	
Retained earnings as at April 1, 2003	7.046
Payment of a dividend of EUR 0,42 per share	-2.224
Brought forward to new account	4.822
Net loss for the year	-515
Transfer from legal reserves	30
Retained earnings as at March 31, 2004	4.337



## 26. Minority Interests

The minority interests disclosed result from a 40 per cent equity investment in Endriss KG.

The change in minority interests is due to the share of profit and loss for the fiscal year (see note 11) and the assumption of the minority interests

under the equity investment agreement dated April 2, 2001 in Greenwell Gleeson Germany (formerly Föhr GmbH) effective April 1, 2003 pursuant to the agreement dated June 27, 2003.

## 27. Current Liabilities

Accruals are recognized when, and only when, the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be

required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

All current liabilities are due within one year.

## Tax Provisions

Provisions for taxes cover the amounts that the group companies owe in taxes for fiscal years 2001/2002, 2002/2003 and 2003/2004 less pre-payments.

The current provisions for taxes are comprised as follows:

Amounts stated in EUR k	March 31, 2004	March 31, 2003
Trade tax	16	318
Corporate income tax and solidarity surcharge	174	82
	<b>190</b>	<b>400</b>

## Trade Payables

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

## Other Liabilities

Other liabilities break down as follows:

Amounts stated in EUR k	March 31, 2004	March 31, 2003
Advance payments of course fees	1.551	1.138
Purchase price payable for the shares in Greenwell Gleeson Ltd.	721	1.420
Liabilities in connection with social security	629	862
VAT liabilities	530	486
Wage tax, church tax and solidarity surcharge	335	498
Other	154	179
	<b>3.920</b>	<b>4.583</b>

Following payment of a large portion of the purchase price for the shares in Greenwell Gleeson Ltd., a purchase price liability of GBP 480k remains. To hedge the exchange rate risk, AMADEUS FIRE AG has already acquired

the outstanding GBP 480k and invested it as a time deposit with a German bank.

## Accruals

Accruals break down as follows:

Amounts stated in EUR k	March 31, 2004	March 31, 2003
Accrued vacation	620	950
Outstanding invoices	558	512
Bonuses	485	350
Employers' liability insurance	254	439
Audit and tax consultancy costs	113	128
Personnel expenses	87	201
Legal and consulting fees	28	35
Other	254	273
	<b>2.399</b>	<b>2.888</b>

The other accruals relate to overtime, levies in lieu of employing the severely disabled, remuneration to the supervisory board and chamber of commerce and industry dues.

## Notes to the Consolidated Cash Flow Statement

The Company's cash flow statement complies with IAS 7. As such, cash flows are broken down into cash flows from operating activities, investing

activities and financing activities. Cash flows are presented according to the indirect method of IAS 7.18b.

### 28. Cash Flow from Operating Activities

The cash flow from operating activities was down 43,6 per cent to EUR 1.620k in fiscal year 2003/2004 (prior year: EUR 2.871k), a much better result than the net income before taxes (down 78,4 per cent). This is

largely due to the Company's stringent management of receivables and lower payments of income taxes.

### 29. Cash Flow from Investing Activities

The cash flow from investing activities decreased to EUR 1.575k (prior year: EUR 5.575k). This is mainly due to the lower outflows from purchase price payments for acquisitions made in prior periods. These outflows also in-

clude the acquisition of minority interests in Greenwell Gleeson Germany. Investments decreased by 43,8 per cent, as the branch network was not significantly developed during the fiscal year.

### 30. Cash Flow from Financing Activities

The cash outflow of EUR 1.827k, 12,6 per cent lower than in the prior year (EUR 2.090k), was affected by the increased dividend payments in the fiscal year and the higher minority interest in profit and loss.

As at the balance sheet date the Company has undrawn credit facilities of EUR 500k at its disposal.

## Notes to Segment Reporting

### 31. Segment Reporting

In accordance with IAS 14 (Segment Reporting), the Company's segment reporting is based on business segments, with similar services being grouped into reportable segments.

Pursuant to IAS 14 the segment reporting is based on distinguishable business segments (primary reporting format) classified according to risks and rewards and in accordance with the internal reporting structure.

The Group's business activities fall within the following two segments:

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

All inter-segment prices are arm's length prices.

Pursuant to IAS 14.35, segment reporting for geographical segments (secondary reporting format) is not necessary because the Company only operates substantially in Germany and hence in one geographical segment.

## Other Notes

### 32. Contingent Liabilities

The Company has issued rental payment guarantees of EUR 568k to lessors. No other contingent liabilities subject to compulsory disclosure exist.

### 33. Other Financial Commitments

Amounts stated in EUR k	March 31, 2004	March 31, 2003
2004/2005	1.507	1.163
2005/2006	1.154	625
2006/2007	701	174
2007/2008	585	74
2008/2009 and subsequent years	857	0
	<b>4.804</b>	<b>2.036</b>

The other long-term financial obligations consist mainly of rental obligations of the companies included in the consolidated financial statements.

### 34. Related Party Relationships

In the fiscal year, the Company made payments of EUR 4k to related parties (supervisory board member Mr. Blinn) for consulting services in accordance with IAS 24 in addition to the supervisory board remuneration stated below. The Company considers the conditions for all transactions with

related parties to be in line with market rates and thoroughly comparable with the conditions the Company would have agreed on an arm's length basis (method of price comparison according to IAS 24.13).

### 35. Total Remuneration of Management Board and Supervisory Board

#### Management Board Remuneration

The remuneration paid to the management board in the fiscal year came to EUR 801k (prior year: EUR 889k).

Amounts stated in EUR k	Fixed remuneration	Variable remuneration
Spahn	360	0
Haas	264	0
Schreiter (until March 22, 2004)	143	34

In addition, under the stock option plan Mr. Spahn was granted 250.000 options at a subscription price of EUR 1,00 each from Conditional Capital I. 83.333 of these options were exercised in the prior year. Under the stock option plan Mr. Haas was granted 25.000 options from Conditional Capital II. No options were issued to the management board in the period under review. For additional information, we refer to note 23.

#### Supervisory Board Remuneration

Pursuant to the resolution by the ordinary general shareholders' meeting on August 8, 2001, all members of the supervisory board receive remuneration of EUR 5.000 in addition to the reimbursement for expenses incurred in performing their official function. The chairman of the supervisory board receives three times this amount, his deputy double this amount. Pursuant to the resolution by the ordinary general shareholders' meeting on August 6, 2003, all members of the supervisory board receive a per-meeting fee of EUR 500 for each supervisory board meeting from the sixth meeting during one fiscal year. Additional remuneration is paid for chairing and sitting on supervisory committees. The chairman of a committee receives

EUR 8k, the chairman of the accounting and audit committee receives EUR 10k and the members of committees receive EUR 5k for each full year of membership and chairmanship.

Amounts stated in EUR k	SB remuneration	Committee remuneration
Gerd von Below	15.000	5.333
Georg Blinn	10.000	3.333
Hans H. Roolf	5.000	3.333
Hartmut van der Straeten	8.333*	6.667
Ulrike Bert	5.000	3.333
Axel Böke	5.000	0

\* including proportionate remuneration for the supervisory board of FiRe AG which was merged into AMADEUS FIRE AG

#### Shares and Stock Options Held by Board Members

Listed below are the shares and stock options held by those board members who hold more than 1 per cent of the shares issued by the Company. As at March 31, 2004, 5.295.064 shares of AMADEUS FIRE AG had been issued.

Board Member	Board	Number of shares	Number of stock options
Georg Blinn	Supervisory Board	355.725	-
Hans H. Roolf	Supervisory Board	392.583	-
Günter Spahn	Management Board	482.918	166.667

### 36. Management Board

During fiscal year 2003/2004, Mr. Günter Spahn (graduate of business administration), Babenhausen, (chairman of the management board) and Mr. Peter Haas (graduate of business administration), Rödermark, were members of the management board with sole rights of representation. They are entitled to conclude legal transactions with the Company as a representative of a third party (Sec. 181 German Civil Code (BGB)). Mr. Christian Schreiter (graduate of business administration), Glashütten, resigned as deputy chairman of the management board on March 22, 2004. Up until this time, Mr. Schreiter was entitled to represent the Company together with another member of the management board or with an authorized signatory.

Responsibilities are allocated to the members of the management board according to the distribution-of-business plan drawn up by the supervisory board; they are as follows:

Mr. Günter Spahn, CEO:  
corporate strategy, operations, acquisitions and investments, marketing and public relations

Mr. Peter Haas, CFO:  
finance, accounting and financial controlling, investor relations, personnel, IT, auditing, legal

### 37. Supervisory Board

The members of the supervisory board during fiscal year 2003/2004 were:

Mr. Gerd B. von Below, Bonn, chairman, business consultant  
Mr. Georg Blinn, Bruchmühlbach, deputy chairman, managing director  
Mr. Hans H. Roolf, Oberursel, business consultant  
Mr. Hartmut van der Straeten, Wehrheim, business consultant  
Ms. Ulrike Bert, Aschaffenburg, employee representative, businesswoman  
Mr. Axel Böke, Kriftel, employee representative, businessman

The supervisory board set up the following committees:

Audit Committee  
Chairman: Mr. Hartmut van der Straeten;  
other members: Mr. Hans H. Roolf, Ms. Ulrike Bert

Personnel Committee:  
Chairman: Mr. Gerd von Below;  
other member: Mr. Georg Blinn

### 38. Functions of Board Members on Supervisory or Advisory Boards

Gerd B. von Below	Vice chairman of the supervisory board of Teleplan International N.V., Nijmegen Chairman of the advisory board of New Radio Tower GmbH, Mühlheim/Ruhr
Georg Blinn	Member of the supervisory board of Teleplan International N.V., Nijmegen
Hartmut van der Straeten	Executive director of EGANA Jewellery & Pearls Ltd., Hong Kong
Günter Spahn	Chairman of the supervisory board of Fonds Direkt AG, Oberursel

### 39. Significant Events After the Balance Sheet Date

No significant events occurred after the balance sheet date.

### 40. 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; it was made permanently available to shareholders on the Company's website. On December 12, 2003, the declara-

tion of compliance of the prior fiscal year was disclosed in the Federal Gazette No. 233 (Bundesanzeiger). This was submitted to the commercial register on September 25, 2003.

### 41. Appropriation of Profits

The management board and supervisory board propose that the retained earnings be appropriated as follows:

Amounts stated in EUR	
Retained earnings	4.336.685,58
Brought forward to new account:	4.336.685,58

Frankfurt/Main, April 26, 2004



**Günter Spahn**  
CEO & Chairman of the Board



**Peter Haas**  
CFO & Board Member

## Audit Opinion

We have issued the following opinion on the consolidated financial statements and the group management report:

"We have audited the consolidated financial statements, comprising the balance sheet, income statement, cash flow statement and the statement of changes in consolidated equity as well as the notes to the financial statements, prepared by AMADEUS FIRE AG, Frankfurt am Main, for the fiscal year from April 1, 2003 to March 31, 2004. The preparation and the content of the consolidated financial statements are the responsibility of the Company's management board. Our responsibility is to express an opinion on whether the consolidated financial statements are in accordance with International Financial Reporting Standards (IFRS) based on our audit.

We conducted our audit of the consolidated financial statements in accordance with German auditing regulations and generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland (IDW). Those standards require that we plan and perform the audit such that it can be assessed with reasonable assurance whether the consolidated financial statements are free of material misstatements. Knowledge of the business activities and the economic and legal environment of the Group and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the amounts

and disclosures in the consolidated financial statements are examined on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the net assets, financial position, results of operations and cash flows of the Group for the fiscal year in accordance with International Financial Reporting Standards (IFRS).

Our audit, which also extends to the group management report prepared by the management board for the fiscal year from April 1, 2003 to March 31, 2004, has not led to any reservations. In our opinion, on the whole the group management report together with the other disclosures in the consolidated financial statements provides a suitable understanding of the Group's position and suitably presents the risks of future development. In addition, we confirm that the consolidated financial statements and the group management report for the fiscal year from April 1, 2003 to March 31, 2004 satisfy the conditions required for the Company's exemption from its obligation to prepare consolidated financial statements and a group management report in accordance with German law".

Eschborn/Frankfurt, April 27, 2004

Ernst & Young  
Revisions- und Treuhandgesellschaft mbH  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft



Frey  
Wirtschaftsprüfer



Mair  
Wirtschaftsprüfer

## Locations of AMADEUS FIRE-Group in Germany



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