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AMADEUS FIRE

6 months report AMADEUS FIRE AG

of shortened fiscal year 2004

www.AMADEUS-FIRE.com



Temporary Staffing
Interim-Management
Permanent Placement
Recruitment
Training and Education





AMADEUS FIRE Group Financial Summary

| Amounts stated in EUR k | 01.04. – 30.09. 2004 | 01.04. – 30.09. 2003 | Divergency in % |
|---|-------------------------|-------------------------|--------------------|
| Sales revenues | 21.805 | 25.170 | -13,4 |
| Gross profit on sales | 8.965 | 10.148 | -11,7 |
| Gross profit margin in % | 41,1 | 40,3 | |
| EBITDA | 1.396 | 1.932 | -27,7 |
| EBITDA margin in % | 6,4 | 7,7 | |
| EBITA | 713 | 1.284 | -44,4 |
| EBITA margin in % | 3,3 | 5,1 | |
| EBIT | 713* | 583 | 22,3 |
| EBIT margin in % | 3,3 | 2,3 | |
| Profit before tax | 813 | 683 | 18,9 |
| PBT margin in % | 3,7 | 2,7 | |
| Net earnings | 679 | 295 | 130,2 |
| Net earnings margin in % | 3,1 | 1,2 | |
| Balance sheet total | 28.801 | 30.589 | -5,8 |
| Stockholders' equity | 22.459 | 22.556 | -0,3 |
| Cash and cash equivalents | 12.039 | 11.607 | 3,7 |
| Net Cash from operating activities | 1.556 | 1.268 | 22,7 |
| Net Cash from operating activities per share | 0,29 | 0,24 | |
| Earnings per share | 0,06 | -0,02 | 421,6 |
| Average number of shares undiluted | 5.295.064 | 5.295.064 | |
| Earnings per share diluted | 0,06 | -0,02 | 407,2 |
| Average number of shares diluted | 5.542.811 | 5.550.911 | |
| Number of employees (productive) | 639 | 784 | -18,5 |

* without goodwill amortization
(see notes)



Management's Discussion

Consolidated Financial Statements 6 months of shortened Fiscal Year 2004

Based on a resolution passed at the Annual General Meeting at 4th August 2004 the fiscal year of AMADEUS FIRE AG is changed to the calendar year. Therefore the current fiscal year is shortened from 1st April to 31st December 2004.

In the first six months of the shortened fiscal year the Group has achieved consolidated sales revenues of EUR k 21.805 (prior year: EUR k 25.170), a decline of 13,4 per cent.

The consolidated financial statements are prepared in accordance with IFRS and show at 30th September 2004 the following revenues in the different services:

- Temporary staffing EUR k 11.772 (prior year EUR k 15.439),
a decrease of 23,8 per cent
- Interim and project management EUR k 3.447 (prior year EUR k 3.855),
a decrease of 10,6 per cent
- Permanent placement/recruitment EUR k 2.279 (prior year EUR k 2.047),
an increase of 11,3 per cent
- Training & education EUR k 4.307 (prior year EUR k 3.829),
an increase of 12,5 per cent

The demand for specialised temporary staffing services is still low. Postponed projects in the area of finance and accounting, an important field of assignments for specialists, still have a negative impact on the sales development. In the market a sustained price pressure is noticeable due to cost cuttings of many companies.

Thus plans for the reporting period in this area of service have not been achieved.



Management's Discussion

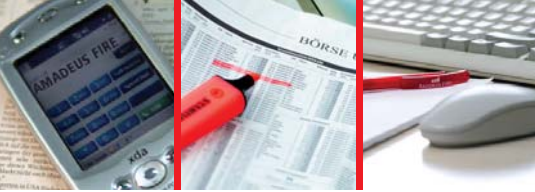
The development of the permanent placement/recruitment services is encouraging. The new positioning of the brand Greenwell Gleeson starts to be effective. Sales revenues are above plans for the reporting period. Sales growth accelerated during the second quarter. Sales growth of the training and education services provided by the Tax College Endriss continues and is slightly above plans for the reporting period.

After the six months of the shortened fiscal year AMADEUS FIRE achieves a gross profit of EUR k 8.965 (EUR k 10.148 in prior year). The gross profit margin gained 80 basis points, improving from 40,3 per cent to 41,1 per cent.

In the second quarter an improvement from 41,9 per cent to 42,4 per cent was achieved. The margin improvement is mainly caused by a larger part of training and education services as well as permanent placement/recruitment services of total sales.

In the first 6 months selling and administrative expenses decreased by 7,7 per cent from EUR k 8.887 of prior year to EUR k 8.204 including negative cost impacts for relocation expenses, early termination costs for an office lease and increased selling expenses due to expansion of the training and education services.

The operating profit totals EUR k 713 (prior year: EUR k 1.284), a reduction of 44,5 per cent. The EBITA margin for the six months was 3,3 per cent compared to 5,1 per cent in prior year's period. The result for the 6 months was slightly below plan.



Management's Discussion

For the shortened fiscal year IFRS 3 was adopted for the first time eliminating the amortization of goodwill (see notes).

The AMADEUS FIRE Group states a net income before minorities of EUR k 679 for the six months compared to EUR k 295 in the prior year (prior year including goodwill amortization). The undiluted earnings per share amounts EUR 0,06 (prior year: EUR -0,02).

Financial Situation

After 6 months the cash flow from operating activities amounts EUR k 1.556 (prior year EUR k 1.268). This is mainly caused by a lower cash out for income taxes and an improved working capital. Capital expenditure for equipment in the reporting period totals EUR k 319 (prior year: EUR k 437). Disposals were EUR k 42 (prior year EUR k 171).

In the reporting period the last outstanding purchase price instalment for acquisitions in former periods led to a cash out of EUR k 721 (prior year EUR k 348 plus purchase of minority interests of EUR k 504).

Dividends to minority shareholders of Steuer-Fachschule Endriss of EUR k 741 have been paid.

At 30th September 2004 the cash position totals to EUR k 12.039 (prior year EUR k 11.067).



Management's Discussion

Prospects

Contrary to the original expectations an increase in demand for specialised temporary staffing services in the area of finance and accounting is currently not foreseeable for the late autumn. The services permanent placement/recruitment and training and education develop positively and are expected to exceed original plans.

Despite lower sales an EBITA on the level of the comparable prior year's period is expected for the current shortened fiscal year, which would be in line with original expectations.

Frankfurt, October 21, 2004

Günter Spahn
CEO & Chairman of the Board

Peter Haas
CFO & Board Member

Consolidated Income Statement

6 months of shortened fiscal year 2004

| Amounts stated in EUR k | 01.04. – 30.09.2004 | 01.04. – 30.09.2003 |
|--|------------------------|------------------------|
| Sales revenues | 21.805 | 25.170 |
| Cost of rendered services | 12.840 | 15.023 |
| Gross profit | 8.965 | 10.148 |
| Selling expenses | 6.297 | 6.562 |
| Administrative expenses | 1.907 | 2.325 |
| Other operating income | 20 | 38 |
| Other operating expenses | -68 | -14 |
| Income from operations before goodwill amortization | 713 | 1.284 |
| Goodwill amortization | 0 | 701 |
| Income from operations | 713 | 583 |
| Financial result | 99 | 100 |
| Income before taxes | 813 | 683 |
| Income taxes | -134 | -388 |
| Profit for the period | 679 | 295 |
| allocated to shareholders | 341 | -102 |
| allocated to minorities | 338 | 397 |
| Earnings per share | | |
| basic (euro/share) | 0,06 | -0,02 |
| diluted (euro/share) | 0,06 | -0,02 |

Consolidated Income Statement

2nd quarter of shortened fiscal year 2004

| Amounts stated in EUR k | 01.07. – 30.09.2004 | 01.07. – 30.09.2003 |
|--|------------------------|------------------------|
| Sales revenues | 11.038 | 12.704 |
| Cost of rendered services | 6.362 | 7.381 |
| Gross profit | 4.676 | 5.323 |
| Selling expenses | 3.100 | 3.160 |
| Administrative expenses | 972 | 1.137 |
| Other operating income | 10 | 16 |
| Other operating expenses | -59 | -10 |
| Income from operations before goodwill amortization | 555 | 1.033 |
| Goodwill amortization | 0 | 355 |
| Income from operations | 555 | 677 |
| Financial result | 50 | 40 |
| Income before taxes | 605 | 717 |
| Income taxes | -149 | -345 |
| Profit for the period | 456 | 372 |
| allocated to shareholders | 312 | 144 |
| allocated to minorities | 144 | 228 |
| | | |
| Earnings per share | | |
| basic (euro/share) | 0,06 | 0,03 |
| diluted (euro/share) | 0,06 | -0,03 |

Consolidated Balance Sheet

| Amounts stated in EUR k | 30.09.2004 | 31.03.2004 |
|---|---------------|---------------|
| Assets | | |
| Non-current assets | | |
| Software | 666 | 714 |
| Goodwill | 9.996 | 9.996 |
| Property, plant & equipment | 1.312 | 1.671 |
| Deferred taxes | 172 | 142 |
| | 12.146 | 12.523 |
| Current assets | | |
| Trade receivables and other assets | 4.276 | 4.472 |
| Prepaid expenses | 340 | 459 |
| Cash and cash equivalents | 12.039 | 12.179 |
| | 16.655 | 17.110 |
| Total assets | 28.801 | 29.633 |
| | | |
| Equity & Liabilities | | |
| Equity | | |
| Capital stock | 5.295 | 5.295 |
| Capital reserve | 12.099 | 12.099 |
| Legal reserves | 0 | 0 |
| Adjustment item from currency translation | -70 | -35 |
| Retained earnings | 4.678 | 4.337 |
| Minority interests | 457 | 860 |
| | 22.459 | 22.556 |
| | | |
| Current liabilities | | |
| Provisions for taxes | 2 | 190 |
| Trade payables | 740 | 568 |
| Other liabilities and accruals | 5.600 | 6.319 |
| | 6.342 | 7.077 |
| Total equity & liabilities | 28.801 | 29.633 |

Statement of Changes in Equity

| Amounts stated in EUR k | Capital stock | Capital reserve | Legal reserves | Currency translation | Retained earnings | Minority interests | Total |
|---------------------------------------|------------------|--------------------|-------------------|-------------------------|----------------------|-----------------------|---------------|
| 01.04.2003 | 5.295 | 12.099 | 30 | -67 | 7.046 | 558 | 24.961 |
| Dividends paid | 0 | 0 | 0 | 0 | -2.224 | -376 | -2.600 |
| Acquisitions of minority interests | 0 | 0 | 0 | 0 | 0 | -63 | -63 |
| Currency translation | 0 | 0 | 0 | -11 | 0 | 0 | -11 |
| Net income | 0 | 0 | 0 | 0 | -102 | 397 | 295 |
| 30.09.2003 | 5.295 | 12.099 | 30 | -78 | 4.720 | 516 | 22.582 |
| 01.10.2003 | 5.295 | 12.099 | 30 | -78 | 4.720 | 516 | 22.582 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Currency translation | 0 | 0 | 0 | 43 | 0 | 0 | 43 |
| Net income | 0 | 0 | 0 | 0 | -413 | 344 | -69 |
| Transfer from legal reserves | 0 | 0 | -30 | 0 | 30 | 0 | 0 |
| 31.03.2004 | 5.295 | 12.099 | 0 | -35 | 4.337 | 860 | 22.556 |
| 01.04.2004 | 5.295 | 12.099 | 0 | -35 | 4.337 | 860 | 22.556 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 | -741 | -741 |
| Currency translation | 0 | 0 | 0 | -35 | 0 | 0 | -35 |
| Net income | 0 | 0 | 0 | 0 | 341 | 338 | 679 |
| 30.09.2004 | 5.295 | 12.099 | 0 | -70 | 4.678 | 457 | 22.459 |

Consolidated Cash Flow Statement

6 months of shortened fiscal year 2004

| Amounts stated in EUR k | 01.04. – 30.09.2004 | 01.04. – 30.09.2003 |
|---|------------------------|------------------------|
| Cash flow from operating activities | | |
| Profit for the period | 679 | 295 |
| Income and deferred taxes | 103 | 383 |
| Depreciation/amortization on non-current assets | 683 | 1.349 |
| Financial income | -101 | -119 |
| Interest expenses | 2 | 20 |
| Operating result before changes to net working capital | 1.366 | 1.928 |
| Increase/decrease in trade receivables and other receivables | 220 | 371 |
| Increase/decrease in prepaid expenses | 119 | -306 |
| Increase/decrease in trade payables, other liabilities and accruals | -69 | 4 |
| Cash generated from operations | 1.636 | 1.997 |
| Interest paid | -10 | -36 |
| Income taxes paid/received | -70 | -693 |
| Net cash flow from operating activities | 1.556 | 1.268 |

Consolidated Cash Flow Statement

6 months of shortened fiscal year 2004

| Amounts stated in EUR k | 01.04. – 30.09.2004 | 01.04. – 30.09.2003 |
|--|------------------------|------------------------|
| Balance carried forward | 1.556 | 1.268 |
| Cash Flow from investing activities | | |
| Acquisition of minority shares | 0 | -504 |
| Paid purchase price instalments | -721 | -348 |
| Purchase of intangible assets and property, plant and equipment | -319 | -437 |
| Disposals of non-current assets | 42 | 171 |
| Interest received | 78 | 107 |
| Net cash used for investing activities | -920 | -1.011 |
| Cash Flow from financing activities | | |
| Currency translation adjustment | -35 | -11 |
| Dividend of minority interests | -741 | -376 |
| Dividends paid | 0 | -2.224 |
| Net cash used for financing activities | -776 | -2.611 |
| Net increase/decrease in cash and cash equivalents | -140 | -2.354 |
| Cash and cash equivalents at the beginning of fiscal year | 12.179 | 13.961 |
| Cash and cash equivalents at 30th of September | 12.039 | 11.676 |

Segment Reporting

6 months of shortened fiscal year 2004

| Amounts stated in EUR k | Temporary staffing/ interim-management/ permanent placement/ recruitment | Training and education | Elimini- nation | Consoli- dated |
|--|---|---------------------------|--------------------|-------------------|
| 01.04.–30.09.2004 | | | | |
| Sales | | | | |
| External sales | 17.498 | 4.307 | 0 | 21.805 |
| Inter-segment sales | 0 | 0 | 0 | 0 |
| Total revenue | 17.498 | 4.307 | 0 | 21.805 |
| Segment result | 1.767 | 902 | 0 | 2.669 |
| Segment result before goodwill amortization | 1.767 | 902 | 0 | 2.669 |
| 01.04.–30.09.2003 | | | | |
| Sales | | | | |
| External sales | 21.334 | 3.829 | 0 | 25.163 |
| Inter-segment sales | 0 | 7 | 0 | 7 |
| Total revenue | 21.334 | 3.836 | 0 | 25.170 |
| Segment result | 1.996 | 889 | 0 | 2.885 |
| Segment result before goodwill amortization | 2.499 | 1.087 | 0 | 3.586 |

NOTES

Accounting according to International Financial Reporting Standards (IFRS)

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

Basis of preparation

The interim report was prepared in accordance with IAS 34 (Interim Financial Reporting). The company applies the relevant standards to the Group IAS 1 and 27 revised in the improvement project.

In accordance with IAS 27 (revised 2004) minority interests are shown as part of the shareholders' equity. In the profit and loss statement the minority interest of the net profit is shown as a distribution of profit. (The prior year figures of the balance sheet, profit and loss statement and cash flow are adjusted accordingly.)

Accounting and valuation methods

IFRS 3 in conjunction with IAS 36 (revised 2004) is adopted for the first time in the shortened fiscal year 2004. The required impairment tests have been made for 31st March 2004. The goodwill was allocated to the cash generating units. On this basis the impairment tests were carried out. Cash generating units are the operational units of the AMADEUS FIRE group.

The allocation of the goodwill to business segments at 1st April 2004 is shown in the segment reporting of the last annual report.

The impairment tests at the transitional point of time were conducted at net selling price less of the cash generating units. Therefore the DCF method was used.

The DCF method was based on the cash flow of the current business plans. These plans include previous experience as well as expectations. The terminal growth rate used does not exceed the long-term growth rate of the industry in which the cash generating units operate.

As key assumptions the terminal growth rate of 1% and the discount rate of 10,5% were used.

Due to the adoption of IFRS 3 the goodwill is no longer depreciated over the useful life.

All other accounting and valuation methods were applied as in the last end-of-year consolidated financial statements. A detailed description of the methods applied is given in the notes to the AMADEUS FIRE annual report 2003/2004.

Consolidated companies

Since the end of the last fiscal year 2003/2004 on 31st March 2004, no changes have occurred in the list of consolidated companies.

Segment reporting

Pursuant to IAS 14.35, segment reporting for geographical segments is not necessary.

Material events after closing

There have been no material events subsequent to the end of the six months of the shortened fiscal year 2004 that have not been reflected in the financial statements.

Responsible

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