

# **Amadeus Global Travel Distribution, S.A.**

Selected Consolidated Financial Information for  
the years ended December 31, 2004 and 2003  
Prepared in accordance with  
International Financial Reporting Standards

(UNAUDITED)

# AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.

## CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31 (EXPRESSED IN THOUSANDS OF EUROS - KEURs)

<b>ASSETS</b>	2004 (Unaudited)	2003
<b>Current assets</b>		
Cash and cash equivalents	104,669	42,101
Accounts receivable, net	245,228	182,429
Accounts receivable - affiliates, net	58,921	63,021
Loans receivable and advances - affiliates	1,190	88
Taxes receivable	41,611	42,023
Prepayments and other current assets	77,456	82,810
Total current assets	529,075	412,472
<b>Tangible assets</b>		
Land and buildings	130,142	129,213
Data processing hardware and software	465,097	425,707
Other	138,616	128,503
	733,855	683,423
Less accumulated depreciation	446,321	410,944
Net tangible assets	287,534	272,479
<b>Intangible assets</b>		
Patents, trademarks and licenses	79,903	88,673
Purchased technology	72,282	41,688
Software development projects	371,859	324,957
Purchased contracts	274,748	272,093
Goodwill	453,383	310,961
Other	9,137	5,486
	1,261,312	1,043,858
Less accumulated amortization	604,103	487,806
Net intangible assets	657,209	556,052
Deferred income taxes	108,779	126,115
Loans receivable - affiliates	1,015	1,725
Investments in associates	27,588	63,273
Other long-term investments, net	63,839	104,757
Total other non-current assets	201,221	295,870
Total non-current assets	1,145,964	1,124,401
<b>Total assets</b>	1,675,039	1,536,873

# AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.

## CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31 (EXPRESSED IN THOUSANDS OF EUROS - KEURs)

<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	2004	2003
	(Unaudited)	
<b>Current liabilities</b>		
Accounts payable, net	316,768	247,400
Accounts payable - affiliates, net	27,032	24,731
Dividends payable	34	-
Debt payable within one year	8,562	80,310
Current obligations under finance leases	9,996	9,643
Income taxes payable	32,651	35,181
Other current liabilities	127,863	100,739
Total current liabilities	<u>522,906</u>	<u>498,004</u>
<b>Long-term liabilities</b>		
Long-term debt	2,538	701
Obligations under finance leases	96,003	104,420
Deferred income taxes payable	74,528	102,228
Other long-term liabilities	37,303	72,778
Total long-term liabilities	<u>210,372</u>	<u>280,127</u>
<b>Minority Interests</b>	<u>10,037</u>	<u>1,029</u>
<b>Shareholders' equity</b>		
Share capital	23,044	27,898
Additional paid-in capital	360,341	379,358
Treasury shares and other similar equity instruments	(109,499)	(126,899)
Retained earnings	686,395	502,879
Cumulative translation adjustments	(28,557)	(25,523)
Total shareholders' equity	<u>931,724</u>	<u>757,713</u>
<b>Total liabilities and shareholders' equity</b>	<u>1,675,039</u>	<u>1,536,873</u>

## AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.

### CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED DECEMBER 31, (EXPRESSED IN THOUSANDS OF EUROS - KEURs)

	2004 <u>(Unaudited)</u>	2003 <u></u>
Revenue (Note 3)	2,056,680	1,929,009
Cost of sales	<u>1,620,379</u>	<u>1,528,358</u>
Gross profit	436,301	400,651
Selling, general and administrative expenses	<u>92,887</u>	<u>80,021</u>
Operating income	343,414	320,630
Other income (expense)		
Interest expense, net (Note 6)	(6,045)	(15,713)
Exchange gains (losses)	(4,109)	(1,931)
Other income (expense), net	<u>397</u>	<u>2,980</u>
Income before income taxes	333,657	305,966
Income tax	<u>129,018</u>	<u>122,182</u>
Income after taxes	204,639	183,784
Equity in income (losses) from associates	(8,279)	(23,645)
Minority Interests	<u>11,672</u>	<u>(25)</u>
Net income	<u>208,032</u>	<u>160,114</u>
Basic earnings per Class "A" share, in EURs (Note 7)	<u>0.36</u>	<u>0.28</u>
Basic earnings per Class "B" share, in EURs (Note 7)	<u>-</u>	<u>-</u>
Diluted earnings per Class "A" share, in EURs (Note 7)	<u>0.36</u>	<u>0.28</u>
Diluted earnings per Class "B" share, in EURs (Note 7)	<u>-</u>	<u>-</u>

**AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,  
(EXPRESSED IN THOUSANDS OF EUROS - KEURs)**

	2004	2003
	(Unaudited)	
<b>Cash flows from operating activities</b>		
Operating income	343,414	320,630
Adjustments for:		
Depreciation and amortization	205,991	211,905
Operating income before changes in working capital:	549,405	532,535
Accounts receivable	4,334	(4,067)
Taxes receivable	(5,810)	2,525
Other current assets	8,053	15,837
Accounts payable	(24,855)	(17,286)
Other current liabilities	(10,397)	1,815
Other long-term liabilities	(5,127)	2,099
Cash provided from operating activities	515,603	533,458
Taxes paid	(105,621)	(61,825)
Net cash provided from operating activities	409,982	471,633
<b>Cash flows from investing activities</b>		
Additions to tangible assets	(77,011)	(52,803)
Additions to intangible assets	(73,830)	(89,033)
Investment in subsidiaries and associates, net of cash acquired	(55,884)	(83,957)
Interest received	4,631	1,813
Sundry investments and deposits	(4,257)	(8,529)
Acquisition of Treasury shares	(63,086)	(96)
Disposal of Treasury shares	39,215	224
Loans to third parties	(4,367)	(55,652)
Loans to affiliates	(585)	(4,941)
Cash proceeds collected/(paid) - derivative agreements	3,889	12,225
Disposals of sundry investments	3,663	2,689
Dividends received	7,828	9,076
Proceeds obtained from disposal of fixed assets	3,598	5,112
Net cash used in investing activities	(216,196)	(263,872)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	32,864	300,598
Repayments of borrowings	(106,076)	(427,819)
Interest paid	(12,533)	(17,928)
Redemption of Class "B" shares	(485)	-
Dividends paid	(35,000)	(29,998)
Payments of finance lease liabilities	(10,419)	(9,756)
Net cash used in financing activities	(131,649)	(184,903)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	431	941
<b>Net increase in cash and cash equivalents</b>	62,568	23,799
<b>Cash and cash equivalents at beginning of period</b>	42,101	18,302
<b>Cash and cash equivalents at end of period</b>	104,669	42,101

**AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.**

**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(EXPRESSED IN THOUSANDS OF EUROS - KEURs)

	Share capital	Additional paid-in capital	Treasury shares and other similar equity instruments	Retained earnings	Cumulative translation adjustments	Total
Balance as of December 31, 2002	<u>27,898</u>	<u>373,195</u>	<u>(128,050)</u>	<u>367,026</u>	<u>(17,729)</u>	<u>622,340</u>
Equity instruments	-	(3,543)	-	-	-	(3,543)
Available for sale financial assets	-	-	-	4,092	-	4,092
Tax impact	-	-	-	(1,441)	-	(1,441)
Hedging instruments	-	-	-	22,076	11,875	33,951
Tax impact	-	-	-	(7,735)	(4,156)	(11,891)
Other gains (losses)	-	8,555	-	(10,104)	(15,513)	(17,062)
Gains (losses) not recognized in the statement of income	-	5,012	-	6,888	(7,794)	4,106
(Acquisitions) / disposals of Treasury shares, net	-	1,111	1,151	(1,151)	-	1,151
Dividends	-	-	-	(29,998)	-	(29,998)
Net income for the period	-	-	-	160,114	-	160,114
Balance as of December 31, 2003	<u>27,898</u>	<u>379,358</u>	<u>(126,899)</u>	<u>502,879</u>	<u>(25,523)</u>	<u>757,713</u>
Available for sale financial assets	-	-	-	(2,373)	-	(2,373)
Tax impact	-	-	-	828	-	828
Hedging instruments	-	-	-	(4,131)	2,155	(1,976)
Tax impact	-	-	-	1,444	(755)	689
Other gains (losses)	-	(8,038)	-	(632)	(4,434)	(13,104)
Gains (losses) not recognized in the statement of income	-	(8,038)	-	(4,864)	(3,034)	(15,936)
(Acquisitions) / disposals of Treasury shares, net	-	(10,979)	17,400	10,979	-	17,400
Dividends	-	-	-	(35,000)	-	(35,000)
Redemption of class "B" shares	(4,854)	-	-	4,369	-	(485)
Net income for the period	-	-	-	208,032	-	208,032
Balance as of December 31, 2004 (Unaudited)	<u>23,044</u>	<u>360,341</u>	<u>(109,499)</u>	<u>686,395</u>	<u>(28,557)</u>	<u>931,724</u>

## AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2004 (UNAUDITED) (EXPRESSED IN THOUSANDS OF EUROS - KEURs)

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#### 1. ACTIVITY

The consolidated financial statements include Amadeus Global Travel Distribution, S.A., domiciled in Spain ("the Company") and its consolidated subsidiaries ("the Group"). The Group is a leader in information technology, serving the marketing, sales and distribution needs of the global travel and tourism industry. Its worldwide data network and database of travel information are used by travel agencies and airline sales offices. Today, travel agencies and airline offices can make bookings with airlines, hotel chains, car rental companies, and newer groups of providers such as ferry, rail, cruise, insurance and tour operators. The Group provides the above-mentioned services through a computerized reservation system ("CRS") and through its e-commerce channel of distribution. Additionally, the Group provides information technology (IT) services and solutions to the airline industry which includes inventory management and passenger departure control.

#### 2. BASIS OF PRESENTATION

##### a) General information

These consolidated financial statements do not include all of the information and footnotes required by International Financial Reporting Standards (IFRS) for complete financial statements. In the opinion of management, these financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the financial position, results of operations and cash flows for the periods indicated.

Use of estimates and assumptions, as determined by management, is required in the preparation of consolidated financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates and assumptions. Certain amounts for prior periods have been reclassified to conform to the current presentation.

The Group's results typically show some fluctuations between quarters. Lower revenues are generally recorded in the peak European and North American holiday periods of July/August and December and, consequently, revenues tend to be slightly higher in the first two quarters of the year than in the last two.

AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2004 (UNAUDITED)  
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b) Spanish GAAP financial statements

In compliance with legal regulatory requirements, the Company's management also prepares as of December 31, 2004 selected consolidated financial information under Spanish GAAP. As a consequence of the difference in accounting principles, the consolidated net equity reflected under Spanish GAAP exceeds the net equity reflected under IFRS as of December 31, 2004 by approximately EURs 132.2 million and the net income reflected under Spanish GAAP is higher than the net income under IFRS for the year ended December 31, 2004 by approximately EURs 8.3 million. As of and for the year ended December 31, 2003 these differences were approximately EURs 145.4 million and EURs (10.0) million, respectively. The main differences as of and for the year ended December 31, 2004 and 2003 are due to the difference in accounting methods used in the acquisition in 1997 of Amadeus Data Processing and Co. KG ("Amadeus Operations KG"), the accounting for Treasury shares and other similar equity instruments, as well as the accounting for the equity related instruments (mainly the British Airways and Quantas warrants issued by the Group which have expired during this year).

**3. SEGMENT INFORMATION**

The Group operates in the travel industry, and accordingly events that significantly affect the industry could also affect the Group's operations and financial position. The following geographical distribution of revenue is based primarily on the country where the bookings were made and, with respect to bookings made through the Group's CRS directly with airlines, based upon the home country of the airline:

	Year ended December 31,	
	2004	2003
Europe	1,371,988	1,293,464
United States	169,717	182,544
Rest of the world	514,975	453,001
Total revenue	<u>2,056,680</u>	<u>1,929,009</u>

**AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2004 (UNAUDITED)**  
**(EXPRESSED IN THOUSANDS OF EUROS - KEURs)**

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The following geographical distribution of assets is based on the country where the assets are located or relate to. The split of assets as of December 31, 2004 is as follows:

	<u>Europe</u>	<u>US</u>	<u>Rest of the world</u>	<u>Assets used for general enterprise purposes</u>	<u>Total</u>
Tangible assets, net	266,220	6,929	14,385	-	287,534
Intangible assets, net	367,637	60,279	14,034	215,259	657,209
Investments in associates	16,382	2,664	8,542	-	27,588
Total	<u>650,239</u>	<u>69,872</u>	<u>36,961</u>	<u>215,259</u>	<u>972,331</u>

The split of assets as of December 31, 2003 is as follows:

	<u>Europe</u>	<u>US</u>	<u>Rest of the world</u>	<u>Assets used for general enterprise purposes</u>	<u>Total</u>
Tangible assets, net	249,330	12,177	10,972	-	272,479
Intangible assets, net	255,727	85,722	14,558	200,045	556,052
Investments in associates	45,040	6,579	11,654	-	63,273
Total	<u>550,097</u>	<u>104,478</u>	<u>37,184</u>	<u>200,045</u>	<u>891,804</u>

Because of the interrelationships between the Group's geographical activities, it is not meaningful to geographically segment global results for the purposes of IAS 14.

AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2004 (UNAUDITED)  
(EXPRESSED IN THOUSANDS OF EUROS - KEURs)

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4. TAXATION

The reconciliation between the statutory income tax rate in Spain and the effective income tax rate applicable to the Group as of December 31, is as follows:

	2004	2003
	%	%
Statutory tax rate in Spain	35.0	35.0
Effect of different tax rates in other countries	1.3	0.8
Permanent differences due to goodwill amortization	2.5	3.9
Other permanent differences	(2.2)	0.3
Losses with no tax benefit recognition	2.4	1.3
Other	(0.3)	(1.4)
Effective income tax rate	<u>38.7</u>	<u>39.9</u>

5. RELATED PARTY BALANCES AND TRANSACTIONS

Below is a summary of significant balances and transactions with affiliates. All transactions with affiliates are carried out on an arm's length basis.

a) Accounts receivables - affiliates

The receivables are primarily for revenues earned from worldwide bookings made through the Amadeus CRS for flights on shareholders airlines. Total revenues earned by the Group from affiliates for the years ended December 31, 2004 and 2003, were KEURs 498,452 and KEURs 505,291, respectively.

b) Loans receivable and advances - affiliates

Total interest earned by the Group from affiliates is KEURs 146 and KEURs 44 for the years ended December 31, 2004 and 2003, respectively. Interest rates for these loans denominated in United States Dollars (USD) and Euros (EUR) ranged from 3.29% to 6.15% for the year ended December 31, 2004. Interest rates for the loans denominated in Swedish Kroner (SEK), United States Dollars (USD) and Euros (EUR) ranged from 3.16% to 4.15% for the year ended December 31, 2003.

c) Accounts payable - affiliates

The payables arise primarily from distribution fees due for bookings made through the shareholder airlines. Total operating expenses incurred by the Group with its affiliates are KEURs 266,701 and KEURs 281,589 for the years ended December 31, 2004 and 2003, respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2004 (UNAUDITED)  
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6. ADDITIONAL INFORMATION

a) The Group's personnel expenses and number of employees were as follows:

	For the year ended December 31,	
	2004	2003
Gross personnel costs	402,111	387,863
Less amount capitalized	25,144	26,429
Net charge to income	376,967	361,434
Average number of employees	5,760	5,257

The amounts capitalized above represent the personnel cost component of internally generated assets (primarily software development projects).

Total costs capitalized for the years ended December 31, 2004 and 2003 were of KEURs 57,482 and KEURs 55,393, respectively.

For 2003 period the average headcount has been recalculated using the period from acquisition to year-end instead of averaging across the full year.

b) The Group's net interest expense was as follows:

	For the year ended December 31,	
	2004	2003
Interest expense	12,266	17,750
Less interest income	6,222	2,037
Net interest expense	6,044	15,713

c) Research and development

Research and development costs are expensed as incurred, except for significant software projects that have reached development stage and are capitalized. The amount of research and development costs which has been expensed was KEURs 97,646 and KEURs 90,320 for the years ended December 31, 2004 and 2003, respectively.

AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2004 (UNAUDITED)  
(EXPRESSED IN THOUSANDS OF EUROS - KEURs)

d) Allowances - accounts receivable

The Group has a total provision on its balance sheet for potentially uncollectible accounts receivable as of December 31, 2004 in the amount of KEURs 64,414, and as of December 31, 2003 in the amount of KEURs 48,637.

e) Stock Incentive Plans

Total expenses recognized relating to stock grants, stock options and employee stock purchase plans, including social costs, for the years ending December 31, 2004 and 2003 were of KEURs 499 and KEURs 97, respectively. During the year ended December 31, 2004 the Group delivered 17,067 shares to participants in the employee stock purchase plan. As of December 31, 2004 the number of shares required in order to meet the obligations under the stock grant and option plans was of 2,722 and 14,412,248, respectively.

f) Warrants

The warrants issued by the Group relating to its class "A" shares as of December 31, 2004 and 2003 can be summarized as follows:

Cash settlement option	Number of warrants	
	2004	2003
Yes	-	5,900,000
No	1,818,000	4,768,000
	<u>1,818,000</u>	<u>10,668,000</u>

8,850,000 warrants issued in the second half-year of 2000 as a result of certain commercial agreements in the IT services arena, have expired in the second half-year of 2004 without exercise.

g) Treasury shares and other similar equity instruments

The components of the Treasury shares and other similar equity instruments caption as of December 31, were as follows:

	KEURs		Number of shares	
	2004	2003	2004	2003
Treasury shares	109,499	98,519	19,105,670	15,502,843
Equity swaps	-	28,380	-	4,500,000
	<u>109,499</u>	<u>126,899</u>	<u>19,105,670</u>	<u>20,002,843</u>

**AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2004 (UNAUDITED)  
(EXPRESSED IN THOUSANDS OF EUROS - KEURs)**

h) Other statement of income information

A pre-tax year-to-date gain of KEURs 59 and KEURs 2,894 is included in the "Other income" caption as a result of the variation in the fair value of the warrants and equity swaps mentioned above which contain cash settlement options as of December 31, 2004 and 2003, respectively.

The sale of the ownership in the German Travel Service company has produced a profit in the third quarter of KEURs 857 included in the "Other income" caption.

During the second half-year of 2004 Amadeus has recognised an exceptional amortization of software development and licenses amounting to KEURs 7,648 mainly related to a development software in the leisure area, and KEURs 3,000 of additional goodwill amortization.

**7. EARNINGS PER SHARE**

The reconciliation of the weighted average number of shares and diluted weighted average number of shares outstanding as of December 31, 2004 and 2003 is as follows:

	Class "A" shares as of		Weighted average number of class "A" shares as of	
	2004	2003	2004	2003
Total shares issued	590,000,000	590,000,000	590,000,000	590,000,000
Treasury shares and other similar equity instruments (see note 6g)	(19,105,670)	(20,002,843)	(19,791,050)	(20,156,222)
Total shares outstanding	570,894,330	569,997,157	570,208,950	569,843,778
Dilutive effect of warrants, stock options and stock grants	2,902,973	722,393	2,470,576	853,736
Total number of diluted shares	573,797,303	570,719,550	572,679,526	570,697,514

  

	Class "B" shares as of		Weighted average number of class "B" shares as of	
	2004	2003	2004	2003
Total shares issued	219,983,100	219,983,100	219,983,100	219,983,100
Total shares outstanding	171,443,700	219,983,100	210,275,220	219,983,100
Total number of diluted shares	171,443,700	219,983,100	210,275,220	219,983,100

**AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2004 (UNAUDITED)  
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For the purposes of allocating earnings between the class "A" and class "B" shares, the assumption is made that the maximum economic rights attributable to the class "B" shares would be via the dividend calculation. Additionally, the assumption is made that 100% of the profits are paid out as dividends and the respective portion is allocated to the class "B" shares first and the remainder to the class "A" shares.

In the Annual General Shareholders' meeting that has taken place in June 2004, it has been approved the redemption of 48,539,400 Class "B" shares, following the sale of 78,000,000 Amadeus Class "A" shares by Lufthansa on February 12, 2004.

The calculation of basic earnings per share (rounded to two significant digits) for the years ended December 31, is as follows:

	2004	2003
Net income, in KEURs	208,032	160,114
Weighted average number of class "A" shares outstanding	570,208,950	569,843,778
Weighted average number of class "B" shares outstanding	210,275,220	219,983,100
Basic earnings per class "A" share, in EURs	0.36	0.28
Basic earnings per class "B" share, in EURs	-	-

The calculation of diluted earnings per share (rounded to two significant digits) for the years ended December 31, is as follows:

	2004	2003
Net income, in KEURs	208,032	160,114
Weighted average number of diluted class "A" shares outstanding	572,679,526	570,697,514
Weighted average number of diluted class "B" shares outstanding	210,275,220	219,983,100
Diluted earnings per class "A" share, in EURs	0.36	0.28
Diluted earnings per class "B" share, in EURs	-	-

**8. ADDITIONAL STATEMENT OF CASH FLOWS RELATED DISCLOSURE**

The components of cash and cash equivalents as of December 31 are as follows:

	2004	2003
Cash on hand and balances with banks	39,342	22,507
Short-term investments	65,327	19,594
	104,669	42,101

AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2004 (UNAUDITED)  
(EXPRESSED IN THOUSANDS OF EUROS - KEURs)

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9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

a) During the year ended December 31, 2004 the Group made the following investments in subsidiaries and associates:

i) Acquisitions:

- 42% interest in Amadeus Brasil Ltda. (total interest 76%).
- 50% interest in Travellink AB (total interest 85%).
- 20% interest in Comtec (Europe) Limited.
- 51% interest in Amadeus Bulgaria EOOD (total interest 100%).
- 55.36% interest in Opodo Limited (UK).
- 66.12% interest in Optims S.A. (total interest 96.12%).
- 66% interest in Amadeus France SNC (total interest 100%)

ii) Newly created companies:

- 100% interest in the NMC Amadeus Global Travel Distribution (Malta) Limited.
- 100% interest in the NMC Amadeus Saudi Arabia Limited.
- 50% Interest in Jordanian National Touristic Marketing Private Shareholding Company.

iii) Capital increases:

- Amadeus Hong Kong Ltd.
- Amadeus Marketing Ghana Ltd.
- Amadeus Marketing Austria, GmbH.
- Eviaggi.com SPA.
- Amadeus Marketing Phils Inc.
- Amadeus Central and West Africa S.A.
- Sistema de Reservasiones CRS de Venezuela C.A.

The main balance sheet impacts of these transactions are summarized below:

Net cash paid/(acquired) for current transactions	88,654
Conversion of debt to equity	2,772
Deferred consideration	42,652
Cash acquired as a result of current acquisition	42,409
Tax benefit on investments	(28,728)
Equity in net assets acquired	<u>(29,146)</u>
Excess purchase price	118,613
Allocation of fair value to net assets acquired	<u>(8,487)</u>
Goodwill	<u>110,126</u>

**AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2004 (UNAUDITED)  
(EXPRESSED IN THOUSANDS OF EUROS - KEURs)**

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Following the 55.36% acquisition of Opodo Limited (UK), the following fair values were identified with respect to the net assets acquired:

Purchased technology	21,900
Deferred income taxes payable	(6,570)
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Allocation of fair value to the net assets acquired	15,330
55.36% acquisition of Opodo Limited	8,487
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Purchased technology is the capability obtained by the practical application of knowledge, processes, methods, tools and systems to serve the market need more efficiently. In the case of Opodo, it relates to its capability to operate the on-line travel web site providing a wide range of travel agency services.

On July 1st, 2004 Amadeus has completed the acquisition of a 55.36% controlling stake in Opodo Ltd., the leading pan-European online travel portal, for EURs 62 million in cash. Opodo is managed under the Amadeus umbrella and operates as a separate entity with its own board. Opodo's nine pre-existing airline owners remain as shareholders in the portal.

Amadeus was already the technology provider of Opodo and had presence on its board since April 2003, by means of a Convertible Loan amounting to approximately to EURs 52 million. Upon completion, the conversion rights attached to the loan have terminated and it remains as a financial loan.

Amadeus has completed during the month of December 2004 the acquisition of Optims S.A. and Amadeus France SNC. The identification of the fair values with respect to net assets acquired is pending to be performed as of the closing date, 31<sup>st</sup> December 2004.

The reconciliation between the net cash paid for current acquisitions and the net cash invested in subsidiaries and associates is as follows:

Net cash paid/(acquired) for current acquisitions	88,654
Cash acquired related to the pre-existing ownership in Amadeus Brasil, Travellink, Bulgaria, Optims and Amadeus France	(5,579)
Cash acquired related to Minority Interests	(27,191)
	<hr/>
Net cash invested in subsidiaries and associates	55,884
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b) During the year ended December 31, 2003 the Group made the following investments in subsidiaries and associates:

i) Acquisitions:

- 66% interest in Amadeus Germany GmbH (former Start Amadeus GmbH; total interest 100%)
- 24.5% interest in Amadeus Polska Sp.zo.o (total interest 100%)
- 100% interest Airline Automation, Inc.
- 17.54% interest in Vivacances S.A. (total interest 67.54%)
- 35% interest in Amadeus Kuwait Company W.L.L.
- 30% interest in Optims S.A.

## AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2004 (UNAUDITED) (EXPRESSED IN THOUSANDS OF EUROS - KEURs)

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- 10% interest in Travellink AB (total interest 35%)
  - 100% interest in German Travel Services GmbH. The control over this company is intended to be temporary and therefore it has been excluded from consolidation.
- ii) Newly created companies:
- 100% interest in the NMCs Amadeus Global Travel Distribution Southern Africa Limited, Amadeus Marketing Romania S.R.L., Amadeus East Africa and Amadeus Hong Kong Ltd.
  - 50% interest in PT Amadeus Indonesia
  - 49% interest in Amadeus Gulf LLC
- iii) Capital increases:
- Amadeus Polska Sp.zo.o
  - Amadeus Hellas S.A.
  - Amadeus Global Travel Israel Limited
  - Amadeus GTD Australia Pty Ltd.
  - Eviaggi.com S.P.A.
  - Travellink AB

The main balance sheet impacts of these transactions are summarized below:

Net cash paid for current transactions	102,433
Conversion of debt to equity	2,000
Deferred consideration	13,863
Cash acquired as a result of current acquisition	35,233
Tax benefit on investments	(16,837)
Equity in net assets acquired	<u>(33,882)</u>
Excess purchase price	102,810
Allocation of fair value to net assets acquired	<u>(21,633)</u>
Goodwill	<u>81,177</u>

Following the 66% acquisition of Amadeus Germany GmbH (former Start Amadeus), the following fair values were identified with respect to net assets acquired:

Purchased technology	30,056
Purchased contracts	5,234
Deferred income taxes payable	<u>(13,657)</u>
Allocation of fair value to net assets acquired	<u>21,633</u>

Purchased technology is the capability obtained by the practical application of knowledge, processes, methods, tools and systems to serve the market need more efficiently. In the case mentioned above, it relates to the combination of the traditional Amadeus Global Distribution System (GDS) technology integrated with Amadeus Germany's local platform, granting Amadeus a unique platform unchallenged to date in the German market. This asset is being amortized applying the straight-line method, based on the expected service life, which in this case is 10 years.

**AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2004 (UNAUDITED)  
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Purchased technology related to the original 34% acquisition, amounting to KEURs 11,632 has been transferred to the Purchased technology caption in the Balance Sheet.

The reconciliation between the net cash paid for current acquisitions and the net cash invested in subsidiaries and associates is as follows:

Net cash paid for current acquisitions	102,433
Cash acquired related to the pre-existing ownership in Amadeus Germany and Vivacances	<u>(18,476)</u>
Net cash invested in subsidiaries and associates	<u>83,957</u>

## **10. SUBSEQUENT EVENTS**

On January 31 2005, Opodo Ltd., the pan-European online travel company in which Amadeus GTD S.A. holds a 55.36% interest, closed the acquisition of a 100% equity stake Karavel, S.A. and its wholly owned subsidiary Promovacances, S.A. The acquisition is subject to certain conditions such as approval from relevant antitrust regulatory authorities.

Karavel is a leading online travel company in France, whose core expertise is in the pre-packaged holiday market. Promovacances is a well-known and respected brand, established in the French market since 1997, offering great value to travellers to a wide range of destinations and product types.

Cost of the acquisition is USD 60 million in cash, plus the resulting amount of additional adjustments to the initial purchase price.