

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

*Información financiera consolidada  
para los periodos de seis meses  
terminados el 30 de junio de  
2003 y 2002 preparada de acuerdo con  
Normas Internacionales de Contabilidad*

(NO AUDITADO)

*“Traducción libre de determinada información extraída de unos estados financieros consolidados intermedios originalmente emitidos en inglés y preparados de acuerdo con Normas Internacionales de Contabilidad. En caso de discrepancia, prevalece la versión en inglés”.*

**AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A****BALANCES DE SITUACION CONSOLIDADOS**  
**(EXPRESADOS EN MILES DE EUROS)****ACTIVO**

	30 de junio de 2003 <i>(No auditado)</i>	31 de diciembre de 2002
<b>Activo circulante</b>		
Tesorería y otros productos equivalentes	14.743	18.302
Clientes por ventas y prestaciones de servicios	205.230	167.176
Empresas asociadas deudoras, neto	76.261	60.106
Créditos a empresas asociadas, neto	-	143
Administraciones Públicas Deudoras	48.396	55.362
Ajustes por periodificación y otros activos	81.777	66.486
Total activo circulante	426.407	367.575
<b>Inmovilizaciones materiales</b>		
Terrenos y edificios	129.390	129.355
Equipos de proceso de datos	427.924	410.471
Otros	127.557	116.019
	684.871	655.845
Menos amortización acumulada	406.635	378.987
Inmovilizaciones materiales netas	278.236	276.858
<b>Inmovilizaciones inmateriales</b>		
Patentes, marcas y licencias	83.638	82.797
Tecnología	41.688	-
Proyectos de desarrollo de aplicaciones informáticas	297.351	269.809
Derechos intangibles	273.963	260.480
Fondo de comercio	302.298	225.680
Otros	15.709	15.989
	1.014.647	854.755
Menos amortización acumulada	433.928	384.148
Inmovilizaciones inmateriales netas	580.719	470.607
Impuestos anticipados	212.299	200.805
Créditos a empresas asociadas	2.869	2.813
Inversiones en empresas asociadas	73.989	124.153
Inversiones a largo plazo, neto	94.612	38.278
Total otros activos fijos	383.769	366.049
Total activo fijo	1.242.724	1.113.514
<b>Total activo</b>	1.669.131	1.481.089

**AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A****BALANCES DE SITUACION CONSOLIDADOS**  
(EXPRESADOS EN MILES DE EUROS)**PASIVO Y FONDOS PROPIOS**

	30 de junio de 2003 <i>(No auditado)</i>	31 de diciembre de 2002
<b>Pasivos a corto plazo</b>		
Acreeedores comerciales	241.016	229.585
Deudas con empresas asociadas	40.702	31.128
Dividendos a pagar	30.000	-
Deudas con entidades de crédito a corto plazo	151.215	67.615
Deudas con entidades de crédito por arrendamiento financiero a corto plazo	9.596	8.085
Impuesto sobre Sociedades a pagar	52.266	11.147
Otros pasivos a corto plazo	83.164	77.598
Total pasivos a corto plazo	607.959	425.158
<b>Pasivos a largo plazo</b>		
Deudas con entidades de crédito a largo plazo	50.081	140.801
Deudas con entidades de crédito por arrendamiento financiero a largo plazo	109.297	109.960
Impuestos diferidos	138.497	110.262
Otros pasivos a largo plazo	75.313	71.541
Total pasivos a largo plazo	373.188	432.564
<b>Socios externos</b>	1.055	1.027
<b>Fondos propios</b>		
Capital suscrito	27.898	27.898
Prima de emisión	373.288	373.195
Acciones propias y otros instrumentos financieros relacionados con acciones propias	(127.957)	(128.050)
Resultados acumulados	432.785	367.026
Diferencias de conversión	(19.085)	(17.729)
Total fondos propios	686.929	622.340
<b>Total pasivo y fondos propios</b>	1.669.131	1.481.089

**AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.**
**CUENTAS DE PÉRDIDAS Y GANANCIAS CONSOLIDADAS**  
**(EXPRESADOS EN MILES DE EUROS)**

	Para el trimestre terminado el 30 de junio de		Para el semestre terminado el 30 de junio de	
	2003	2002	2003	2002
	(No auditado)		(No auditado)	
Importe neto de la cifra de negocios	469.653	474.554	972.320	955.599
Coste de ventas	373.717	369.505	760.354	742.099
Beneficio bruto	95.936	105.049	211.966	213.500
Gastos de ventas, generales y de administración	20.130	20.222	40.709	34.658
Beneficios de explotación	75.806	84.827	171.257	178.842
Otros ingresos (gastos)				
Gastos por intereses, neto	(4.265)	(3.926)	(7.932)	(8.487)
Diferencias positivas/(negativas) de cambio	(133)	(1.389)	374	(18)
Otros ingresos (gastos), neto	1.553	5.291	2.166	15.306
Beneficios antes de impuestos	72.961	84.803	165.865	185.643
Impuesto sobre Sociedades	29.084	32.632	67.175	71.455
Beneficios después de impuestos	43.877	52.171	98.690	114.188
Beneficios (pérdidas) de sociedades puestas en equivalencia	(5.103)	(5.969)	(8.675)	(10.056)
Beneficios (pérdidas) de sociedades puestas en equivalencia liquidadas	-	(1.145)	-	(2.420)
Resultados atribuidos a socios externos	(26)	-	(44)	-
Beneficios del ejercicio	38.748	45.057	89.971	101.712
Beneficio neto básico por acción de clase "A" en EURs	0,07	0,08	0,16	0,18
Beneficio neto básico por acción de clase "B" en EURs	-	-	-	-
Beneficio neto por acción diluida de clase "A" en EURs	0,07	0,08	0,16	0,17
Beneficio neto por acción diluida de clase "B" en EURs	-	-	-	-

**AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.****ESTADOS DE CAMBIOS EN LOS FLUJOS DE CAJA CONSOLIDADOS**  
**(EXPRESADOS EN MILES DE EUROS)**

	Para el semestre terminado el 30 de junio de	
	2003	2002
	<i>(No auditado)</i>	
<b>Tesorería procedente de las actividades operativas</b>		
Beneficios de explotación	171.257	178.842
Ajustes por:		
Amortizaciones	96.601	83.620
Beneficios de explotación antes de cambios en el capital circulante:	267.858	262.462
Cuentas a cobrar	(39.278)	(42.582)
Administraciones Públicas	(2.010)	(4.911)
Otros activos circulantes	3.891	(8.974)
Cuentas a pagar	(5.118)	3.761
Otros pasivos circulantes	(7.657)	(10.257)
Otros pasivos a largo plazo	(323)	10.472
Tesorería procedente de las actividades operativas	217.363	209.971
Impuesto sobre Sociedades pagado	(23.230)	(25.552)
Tesorería neta procedente de las actividades operativas	194.133	184.419
<b>Tesorería aplicada en las actividades de inversión</b>		
Adquisiciones de inmovilizado material	(15.723)	(33.898)
Adquisiciones de inmovilizado inmaterial	(45.676)	(48.126)
Inversiones en filiales y empresas asociadas, neto de caja adquirida	(73.165)	(2.372)
Intereses cobrados	172	1.945
Compra de otras inversiones financieras	(1.829)	(1.803)
Compra de acciones propias	(86)	(6.512)
Venta de acciones propias	-	740
Préstamos a terceros	(53.493)	(486)
Préstamos a empresas asociadas	(1.404)	(2.053)
Tesorería obtenida de/(aplicada en) contratos de derivados	5.210	2.766
Venta de otras inversiones financieras	1.971	645
Dividendos recibidos	2.114	4.260
Tesorería procedente de venta de inmovilizado	1.778	2.782
Tesorería neta aplicada en las actividades de inversión	(180.131)	(82.112)
<b>Tesorería aplicada en las actividades de financiación</b>		
Disposiciones de préstamos	257.284	51.244
Amortización de préstamos	(264.380)	(132.702)
Intereses pagados	(6.171)	(8.970)
Pagos por arrendamientos financieros	(4.667)	(5.667)
Tesorería neta procedente de / (aplicada en) las actividades de financiación	(17.934)	(96.095)
<b>Efecto de las diferencias de cambio sobre tesorería</b>	373	(1.141)
<b>Aumento / (disminución) neto en tesorería y otros productos equivalentes</b>	(3.559)	5.071
<b>Tesorería y otros productos equivalentes al principio del ejercicio</b>	18.302	18.611
<b>Tesorería y otros productos equivalentes al final del ejercicio</b>	14.743	23.682

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

**ESTADOS DE CAMBIOS EN LOS FONDOS PROPIOS CONSOLIDADOS**  
(EXPRESADOS EN MILES DE EUROS)

	Capital Suscrito	Prima de emisión	Acciones propias y otros instrumentos financieros relacionados con acciones propias	Resultados acumulados	Diferencias de conversión	Total
Saldo al 31 de diciembre de 2001	27.898	438.137	(51.592)	177.905	(512)	591.836
Reconocimiento neto de instrumentos financieros	-	1.504	-	10.125	9.340	20.969
Otras ganancias (pérdidas)	-	-	-	-	(23.889)	(23.889)
Ganancias (pérdidas) no reconocidas en la cuenta de pérdidas y ganancias	-	1.504	-	10.125	(14.549)	(2.920)
(Adquisición)/ disminución de acciones propias, neto	-	(5.651)	(5.651)	5.651	-	(5.651)
Transacciones "equity swap"	-	(56.986)	(56.986)	56.986	-	(56.986)
Dividendos	-	-	-	(38.000)	-	(38.000)
Beneficio del periodo	-	-	-	101.712	-	101.712
Saldo al 30 de junio de 2002 (No auditado)	27.898	377.004	(114.229)	314.379	(15.061)	589.991
	Capital Suscrito	Prima de emisión	Acciones propias y otros instrumentos financieros relacionados con acciones propias	Resultados acumulados	Diferencias de conversión	Total
Saldo al 31 de diciembre de 2002	27.898	373.195	(128.050)	367.026	(17.729)	622.340
Reconocimiento neto de instrumentos financieros	-	-	-	5.749	6.073	11.822
Otras ganancias (pérdidas)	-	-	-	132	(7.429)	(7.297)
Ganancias (pérdidas) no reconocidas en la cuenta de pérdidas y ganancias	-	-	-	5.881	(1.356)	4.525
(Adquisición)/ disminución de acciones propias, neto	-	93	93	(93)	-	93
Dividendos	-	-	-	(30.000)	-	(30.000)
Beneficio del periodo	-	-	-	89.971	-	89.971
Saldo al 30 de junio de 2003 (No auditado)	27.898	373.288	(127.957)	432.785	(19.085)	686.929

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

*Consolidated Interim Financial Statements as of  
June 30, 2003, prepared in accordance with  
International Accounting Standard 34  
and Review Report of Independent Accountants*

(UNAUDITED)

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of  
Amadeus Global Travel Distribution, S.A.

We have reviewed the accompanying consolidated balance sheet of Amadeus Global Travel Distribution, S.A. and its subsidiaries (the "Group") as of June 30, 2003 and the related consolidated statements of income for the six and the three month periods then ended and of cash flows and of changes in shareholders' equity for the six month period ended on the same date. These financial statements are the responsibility of the Group's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with International Standards on Auditing applicable to review engagements. These standards require that we plan and perform the review to obtain moderate assurance about whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Group's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements are not presented fairly, in all material respects, in accordance with International Accounting Standard 34.

DELOITTE & TOUCHE S.A.

Registered in the Spanish Official Auditor Register (R.O.A.C.) under nº S0665



F. Javier Peris Álvarez

July 24, 2003



# AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.

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

ASSETS	June 30, 2003 (Unaudited)	December 31, 2002
<b>Current assets</b>		
Cash and cash equivalents	14,743	18,302
Accounts receivable, net	205,230	167,176
Accounts receivable – affiliates, net	76,261	60,106
Loans receivable and advances – affiliates	-	143
Taxes receivable	48,396	55,362
Prepayments and other current assets	81,777	66,486
Total current assets	426,407	367,575
<b>Tangible assets</b>		
Land and buildings	129,390	129,355
Data processing hardware and software	427,924	410,471
Other	127,557	116,019
	684,871	655,845
Less accumulated depreciation	406,635	378,987
Net tangible assets	278,236	276,858
<b>Intangible assets</b>		
Patents, trademarks and licenses	83,638	82,797
Purchased technology	41,688	-
Software development projects	297,351	269,809
Purchased contracts	273,963	260,480
Goodwill	302,298	225,680
Other	15,709	15,989
	1,014,647	854,755
Less accumulated amortization	433,928	384,148
Net intangible assets	580,719	470,607
Deferred income taxes	212,299	200,805
Loans receivable - affiliates	2,869	2,813
Investments in associates	73,989	124,153
Other long-term investments, net	94,612	38,278
Total other non-current assets	383,769	366,049
Total non-current assets	1,242,724	1,113,514
<b>Total assets</b>	1,669,131	1,481,089

See the accompanying notes to the consolidated financial statements.

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

**CONSOLIDATED BALANCE SHEETS AS OF**  
(EXPRESSED IN THOUSANDS OF EUROS - KEURs)

	June 30, 2003 (Unaudited)	December 31, 2002
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable, net	241,016	229,585
Accounts payable – affiliates, net	40,702	31,128
Dividends Payable	30,000	-
Debt payable within one year	151,215	67,615
Current obligations under finance leases	9,596	8,085
Income taxes payable	52,266	11,147
Other current liabilities	83,164	77,598
Total current liabilities	607,959	425,158
<b>Long-term liabilities</b>		
Long-term debt	50,081	140,801
Obligations under finance leases	109,297	109,960
Deferred income taxes pay able	138,497	110,262
Other long-term liabilities	75,313	71,541
Total long-term liabilities	373,188	432,564
<b>Minority Interests</b>	1,055	1,027
<b>Shareholders' equity</b>		
Share capital	27,898	27,898
Additional paid-in capital	373,288	373,195
Treasury shares and other similar equity instruments	(127,957)	(128,050)
Retained earnings	432,785	367,026
Cumulative translation adjustments	(19,085)	(17,729)
Total shareholders' equity	686,929	622,340
<b>Total liabilities and shareholders' equity</b>	1,669,131	1,481,089

See the accompanying notes to the consolidated financial statements.

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

## **CONSOLIDATED STATEMENTS OF INCOME** (EXPRESSED IN THOUSANDS OF EUROS – KEURs)

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2003	2002	2003	2002
	(Unaudited)		(Unaudited)	
Revenue (Note 3)	469,653	474,554	972,320	955,599
Cost of sales	373,717	369,505	760,354	742,099
Gross profit	95,936	105,049	211,966	213,500
Selling, general and administrative expenses	20,130	20,222	40,709	34,658
Operating income	75,806	84,827	171,257	178,842
Other income (expense)				
Interest expense, net (Note 6)	(4,265)	(3,926)	(7,932)	(8,487)
Exchange gains (losses)	(133)	(1,389)	374	(18)
Other income (expense), net	1,553	5,291	2,166	15,306
Income before income tax	72,961	84,803	165,865	185,643
Income tax	29,084	32,632	67,175	71,455
Income after taxes	43,877	52,171	98,690	114,188
Equity in income (losses) from associates	(5,103)	(5,969)	(8,675)	(10,056)
Equity in income (losses) from discontinuing operations	-	(1,145)	-	(2,420)
Minority Interests	(26)	-	(44)	-
Net income	38,748	45,057	89,971	101,712
Basic earnings per Class "A" share, in EURs (Note 7)	0.07	0.08	0.16	0.18
Basic earnings per Class "B" share, in EURs (Note 7)	-	-	-	-
Diluted earnings per Class "A" share, in EURs (Note 7)	0.07	0.08	0.16	0.17
Diluted earnings per Class "B" share, in EURs (Note 7)	-	-	-	-

See the accompanying notes to the consolidated financial statements.

# AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(EXPRESSED IN THOUSANDS OF EUROS - KEURs)

	For the six-month period ended June 30,	
	2003	2002
	(Unaudited)	
<b>Cash flows from operating activities</b>		
Operating income	171,257	178,842
Adjustments for:		
Depreciation and amortization	96,601	83,620
Operating income before changes in working capital:	267,858	262,462
Accounts receivable	(39,278)	(42,582)
Taxes receivable	(2,010)	(4,911)
Other current assets	3,891	(8,974)
Accounts payable	(5,118)	3,761
Other current liabilities	(7,657)	(10,257)
Other long-term liabilities	(323)	10,472
Cash provided from operating activities	217,363	209,971
Income taxes paid	(23,230)	(25,552)
Net cash provided from operating activities	194,133	184,419
<b>Cash flows from investing activities</b>		
Additions to tangible assets	(15,723)	(33,898)
Additions to intangible assets	(45,676)	(48,126)
Investment in subsidiaries and associates, net of cash acquired	(73,165)	(2,372)
Interest received	172	1,945
Sundry investments and deposits	(1,829)	(1,803)
Acquisition of Treasury shares	(86)	(6,512)
Disposal of Treasury shares	-	740
Loans to third parties	(53,493)	(486)
Loans to affiliates	(1,404)	(2,053)
Cash proceeds collected/(paid) - derivative agreements	5,210	2,766
Disposals of sundry investments	1,971	645
Dividends received	2,114	4,260
Proceeds obtained from disposal of fixed assets	1,778	2,782
Net cash used in investing activities	(180,131)	(82,112)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	257,284	51,244
Repayments of borrowings	(264,380)	(132,702)
Interest paid	(6,171)	(8,970)
Payments of finance lease liabilities	(4,667)	(5,667)
Net cash provided by / (used in) financing activities	(17,934)	(96,095)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	373	(1,141)
<b>Net increase / (decrease) in cash and cash equivalents</b>	(3,559)	5,071
<b>Cash and cash equivalents at beginning of period</b>	18,302	18,611
<b>Cash and cash equivalents at end of period</b>	14,743	23,682

See the accompanying notes to the consolidated financial statements.

# **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, 2001	27,898	438,137	(51,592)	177,905	(512)	591,836
Accounting for financial instruments	-	1,504	-	10,125	9,340	20,969
Other gains (losses)	-	-	-	-	(23,889)	(23,889)
Gains (losses) not recognized in the statement of income	-	1,504	-	10,125	(14,549)	(2,920)
(Acquisitions) / disposals of Treasury shares, net	-	(5,651)	(5,651)	5,651	-	(5,651)
Equity swap transactions	-	(56,986)	(56,986)	56,986	-	(56,986)
Dividends	-	-	-	(38,000)	-	(38,000)
Net income for the period	-	-	-	101,712	-	101,712
Balance as of June 30, 2002 (Unaudited)	27,898	377,004	(114,229)	314,379	(15,061)	589,991
	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	27,898	373,195	(128,050)	367,026	(17,729)	622,340
Accounting for financial instruments	-	-	-	5,749	6,073	11,822
Other gains (losses)	-	-	-	132	(7,429)	(7,297)
Gains (losses) not recognized in the statement of income	-	-	-	5,881	(1,356)	4,525
(Acquisitions) / disposals of Treasury shares, net	-	93	93	(93)	-	93
Dividends	-	-	-	(30,000)	-	(30,000)
Net income for the period	-	-	-	89,971	-	89,971
Balance as of June 30, 2003 (Unaudited)	27,898	373,288	(127,957)	432,785	(19,085)	686,929

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

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2003 (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 world-wide 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"). Additionally, the Group provides services through its e-commerce channel of distribution and through 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**

The accompanying June 30, 2003 consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". The same accounting policies and methods of computation have been followed as compared with the consolidated financial statements as of December 31, 2002.

The interim consolidated financial statements do not include all of the information and footnotes required by IAS 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 with 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. However, during the first half of 2003, the effects of the Iraqi war and SARS may distort in some degree the historical tendency mentioned before.

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

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2003 (UNAUDITED)**

(EXPRESSED IN THOUSANDS OF EUROS – KEURs)

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#### **b) Spanish GAAP financial statements**

In compliance with legal regulatory requirements, the Company's management also prepares as of June 30, 2003 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 IAS as of June 30, 2003 by approximately EURs 159.3 million and the net income reflected under Spanish GAAP is lower than the net income under IAS for the six-months ended June 30, 2003 by approximately EURs 3.3 million. As of and for the six-month period ended June 30, 2002 these differences were approximately EURs 197.8 million and EURs 23.1 million, respectively. The main differences as of and for the six-month period ended June 30, 2003 and 2002 are due to the difference in accounting methods used in the acquisition in 1997 of Amadeus Data Processing and Co. KG ("Amadeus Operations KG"), as well as the accounting for Treasury shares and other similar equity instruments.

### **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:

	For the six-month period ended June 30,	
	2003	2002
Europe	663,934	588,971
United States	94,715	113,161
Rest of the world	213,671	253,467
Total revenue	972,320	955,599

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The following geographical distribution of assets is based on the country where the assets are located or they relate to. The split of assets as of June 30, 2003 is as follows:

	Europe	US	Rest of the world	Assets used for general enterprise purposes	Total
Tangible assets , net	250,138	16,595	11,503	-	278,236
Intangible assets , net	272,963	108,323	15,876	183,557	580,719
Investments in associates	49,643	9,300	15,046	-	73,989
Total	572,744	134,218	42,425	183,557	932,944

The split of assets as of December 31, 2002 is as follows:

	Europe	US	Rest of the world	Assets used for general enterprise purposes	Total
Tangible assets, net	243,576	22,316	10,966	-	276,858
Intangible assets, net	151,317	132,181	15,863	171,246	470,607
Investments in associates	94,473	11,953	17,727	-	124,153
Total	489,366	166,450	44,556	171,246	871,618

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



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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 June 30, is as follows:

	<u>2003</u>	<u>2002</u>
	<u>%</u>	<u>%</u>
Statutory tax rate in Spain	35.0	35.0
Effect of higher tax rates in other countries	0.6	0.6
Permanent differences due to goodwill amortization	3.0	1.4
Other permanent differences	1.7	1.6
Losses with no tax benefit recognition	0.2	0.3
Other	-	(0.4)
	<u>40.5</u>	<u>38.5</u>
Effective tax rate	40.5	38.5

The effective tax rate has been calculated considering the best estimate available of the full-year effective tax rate and the tax rates currently in force in the different countries that conform the Group structure at the date of these interim financial statements. Due to the impact on the effective tax rate of non-deductible expenses as a percentage of income before taxes, any significant difference between the estimate and the final income before taxes achieved for the full-year could affect the final full-year effective tax rate.

#### **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 the shareholders' airline. Total revenues earned by the Group from affiliates for the six-month periods ended June 30, 2003 and 2002, were KEURs 265,816 and KEURs 270,293, respectively.

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#### **b) Loans receivable and advances – affiliates**

Total interest earned by the Group from affiliates is KEURs 16 and KEURs 553 for the six-month periods ended June 30, 2003 and 2002, respectively. Interest rates for these loans denominated in Swedish Kronas (SEK) ranged from 4.86% to 5.16% for the six-month period ended June 30, 2003. Interest rates for the loans denominated in USD and EURs ranged from 3.35% to 6.75% for the six-month period ended June 30, 2002.

#### **c) Accounts payable – affiliates**

The payables arise primarily from distribution fees due for bookings made through the airline shareholders. Total operating expenses incurred by the Group with its affiliates are KEURs 147,991 and KEURs 173,668 for the six-month periods ended June 30, 2003 and 2002, respectively.

## **6. Additional information**

#### **a) The Group's personnel expense and number of employees were as follows:**

	For the six-month period ended June 30,	
	2003	2002
Gross personnel costs	188,103	156,547
Less amount capitalized	12,681	16,442
Net charge to income	175,422	140,105
Average number of employees	4,931	3,958

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

Total costs capitalized for the six-month period ending June 30, 2003 and 2002 were of KEURs 25,408 and KEURs 33,112, respectively.

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

	For the six-month period ended June 30,	
	2003	2002
Interest expense	8,868	10,707
Less interest income	936	2,220
Net interest expense	7,932	8,487

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 45,151 and KEURs 32,153 for the six-month periods ended June 30, 2003 and 2002, respectively.

d) Allowances – accounts receivable

The Group has a total provision on its balance sheet for potentially uncollectible accounts receivable as of June 30, 2003 in the amount of KEURs 48,422, and as of December 31, 2002 in the amount of KEURs 43,065.

e) Stock Incentive Plans

Total expense recognized relating to stock grants and employee stock purchase plans, including social costs, for the six-month periods ending June 30, 2003 and 2002 was of KEURs 51 and KEURs 1,186, respectively. During the six-month period ended June 30, 2003 the Group delivered 20,035 and 13,435 shares to participants in the stock grant and in the employee stock purchase plans, respectively. As of June 30, 2003 the number of shares required in order to meet the obligations under the stock grant and option plans was of 141,708 and 8,746,465, respectively.

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**f) Warrants**

The warrants issued by the Group relating to its class “A” shares as of December 31, 2002 and June 30, 2003 can be summarized as follows:

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

**g) Treasury shares and other similar equity instruments**

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

	<u>KEURs</u>		<u>Number of shares</u>	
	<u>As of June 30, 2003</u>	<u>As of December 31, 2002</u>	<u>As of June 30, 2003</u>	<u>As of December 31, 2002</u>
Treasury shares	99,577	99,670	15,696,898	15,711,730
Equity swaps	28,380	28,380	4,500,000	4,500,000
	<u>127,957</u>	<u>128,050</u>	<u>20,196,898</u>	<u>20,211,730</u>

A summary of all equity swap agreements as of December 31, 2002 and June 30, 2003 is as follows:

	<u>Number of shares</u>
Interim cash settlement	1,812,462
No interim cash settlement	4,500,000
	<u>6,312,462</u>

**h) Other income**

A pre-tax year-to-date gain of KEURs 1,980 and KEURs 12,190 is included in other income 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 June 30, 2003 and 2002, respectively.

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### **7. Earnings per share**

The reconciliation of the weighted average number of shares and diluted weighted average number of shares outstanding as of June 30, 2003 and 2002 is as follows:

	Class "A" shares as of		Weighted average number of class "A" shares as of	
	June 30, 2003	June 30, 2002	June 30, 2003	June 30, 2002
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)	(20,196,898)	(16,656,393)	(20,201,514)	(11,591,114)
Total shares outstanding	569,803,102	573,343,607	569,798,486	578,408,886
Dilutive effect of warrants, stock options and stock grants	575,244	1,680,773	589,254	1,717,473
Total number of diluted shares	570,378,346	575,024,380	570,387,740	580,126,359

	Class "B" shares as of		Weighted average number of class "B" shares as of	
	June 30, 2003	June 30, 2002	June 30, 2003	June 30, 2002
Total shares issued	219,983,100	219,983,100	219,983,100	219,983,100
Total shares outstanding	219,983,100	219,983,100	219,983,100	219,983,100
Total number of diluted shares	219,983,100	219,983,100	219,983,100	219,983,100

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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.

The calculation of basic earnings per share (rounded to two significant digits) for the periods ended June 30, is as follows:

	<u>2003</u>	<u>2002</u>
Net income, in KEURs	89,971	101,712
Weighted average number of class “A” shares outstanding	569,798,486	578,408,886
Weighted average number of class “B” shares outstanding	<u>219,983,100</u>	<u>219,983,100</u>
Basic earnings per class “A” share, in EURs	<u>0.16</u>	<u>0.18</u>
Basic earnings per class “B” share, in EURs	<u>-</u>	<u>-</u>

The calculation of diluted earnings per share (rounded to two significant digits) for the periods ended June 30, is as follows:

	<u>2003</u>	<u>2002</u>
Net income, in KEURs	89,971	101,712
Weighted average number of diluted class “A” shares outstanding	570,387,740	580,126,359
Weighted average number of diluted class “B” shares outstanding	<u>219,983,100</u>	<u>219,983,100</u>
Diluted earnings per class “A” share, in EURs	<u>0.16</u>	<u>0.17</u>
Diluted earnings per class “B” share, in EURs	<u>-</u>	<u>-</u>

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2003 (UNAUDITED)

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#### 8. Additional statement of cash flows related disclosure

The components of cash and cash equivalents as of June 30, are as follows:

	2003	2002
Cash on hand and balances with banks	13,952	17,113
Short-term investments	791	6,569
	<u>14,743</u>	<u>23,682</u>

#### 9. Investments in subsidiaries and associates

a) During the six-month period ended June 30, 2003 the Group made the following investments in subsidiaries and associates:

- i) Acquisitions:
  - 66% interest in START AMADEUS GmbH (total interest 100%).
- i) Newly created companies:
  - 100% interest in the NMCs Amadeus Global Travel Distribution Southern Africa Limited and Amadeus Marketing Romania S.R.L.

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

Net cash paid for current acquisition	90,504
Deferred consideration	3,881
Cash acquired as a result of current acquisition	33,658
Tax benefit on investments	(15,827)
Equity in net assets acquired	<u>(26,487)</u>
Excess purchase price	85,729
Allocation of fair value to net assets acquired	<u>(21,633)</u>
Goodwill	<u>64,096</u>

Following the 66% acquisition of 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>

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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 mentioned above, it relates to the combination of the traditional Amadeus Global Distribution System (GDS) technology integrated with Start Amadeus' 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.

Purchased technology related to the original 34% acquisition, amounting to KEURs 11,632 has been reclassified to the Purchase technology caption in the Balance Sheet.

The reconciliation between the net cash paid for the acquisition of the 66% interest and the net cash invested in subsidiaries and associates is as follows:

Net cash paid for current acquisitions	90,504
Cash acquired related to the pre-existing ownership in Start Amadeus	<u>(17,339)</u>
Net cash invested in subsidiaries and associates	<u>73,165</u>

b) During the six-month period ended June 30, 2002 the Group made the following investments in subsidiaries and associates:

- i) Acquisitions:
  - Increase of 11.4% interest in 1Travel.com Inc. (total interest 38.9%)
- i) Newly created companies:
  - 100% interest in Amadeus GDS LLP (Kazakhstan) and Amadeus Bolivia SRL
  - 40% interest in Amadeus Argelia S.A.R.L.

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

Net cash paid	2,372
Capitalization of debt	7,759
Equity in net assets acquired	<u>(7,268)</u>
Excess purchase price	<u>2,863</u>



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**10. Other significant investments**

During April 2003, the Group has invested 49 million euros, through a loan convertible into equity following regulatory approval, in Opodo, a pan-European online portal with Internet travel sites in Germany, UK and France. Following the conversion of this loan into equity, Amadeus expects to own 16.667% of this company. This investment, once converted into equity, will be treated for accounting purposes as an available-for-sale financial asset and the results of Opodo will not be consolidated in Amadeus' earnings, as Amadeus is not expected to have significant influence over Opodo's operations.