

Management Discussion and Analysis of financial conditions and results of operations for the quarter and six months ended 30 June 2004

Summary

- Total bookings up 9.8% versus Q2 2003
- Revenues up 10.2%, to EUR 517.4m
- Operating income increases 26.6% to EUR 96.0m
- 14.1% increase in EBITDA to EUR 144.3m
- Net income up 47.7% to EUR 57.3m

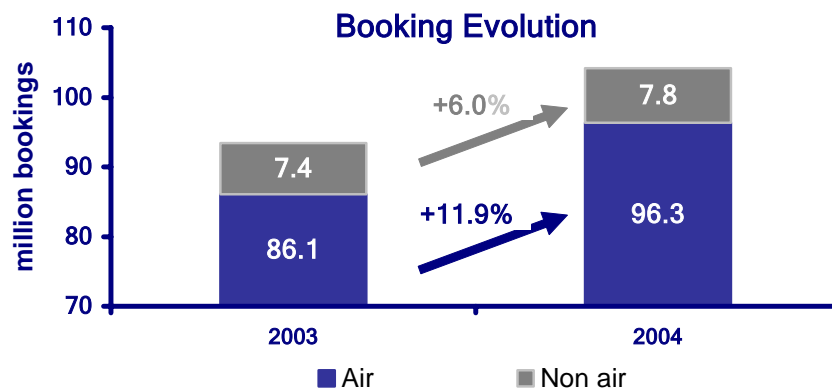
Second quarter highlights (for the three months ended 30 June 2004)

Total revenue for the quarter ended 30 June 2004, was EUR 517.4m, representing an increase of 10.2% or EUR 47.7m compared with the same period in 2003.

Total bookings for the quarter were 114.7m, representing an increase of 9.8% with respect to the same period of 2003.

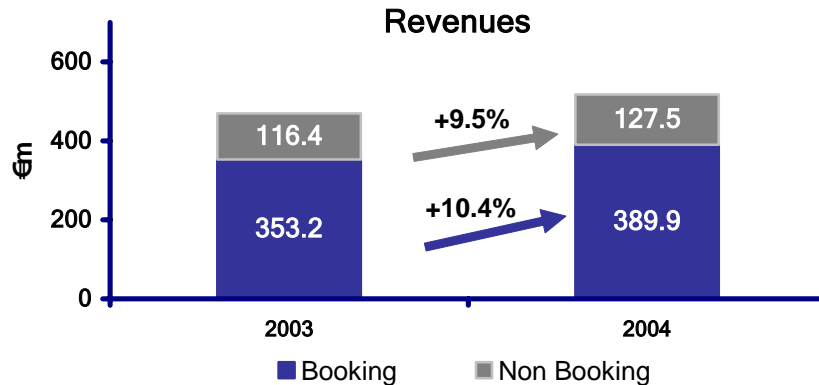
Amadeus Germany leisure bookings amounted to 10.5m, a 4.1% reduction compared to 11.0m last year.

Excluding leisure volumes from Amadeus Germany, bookings increased 11.5%. This increase was mainly driven by a 29.6% improvement outside of Europe and North America with the latter reporting increases of 6.6% and 4.5% respectively. By segment, air bookings grew 11.9%, compared to non-air which grew by 6%.



Booking revenue as a result increased 10.4% or EUR 36.7m to EUR 389.9m over the same period of last year.

Non booking fee revenue increased EUR 11.1m or 9.5% to EUR 127.5m.



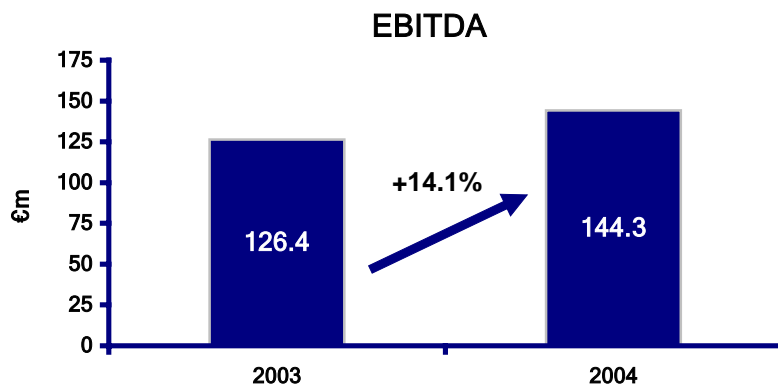
Operating expenses for the quarter were EUR 421.4m, representing an increase of 7.0% over the same period in 2003.

Cost of sales increased by 7.7% or EUR 28.7m to EUR 402.4m. This is mainly due to increases in variable costs of distribution related to higher booking levels as well as to new fully consolidated companies.

Selling, general and administrative expenses decreased EUR 1.1m or 5.5% over the prior year to EUR 19.0m. Excluding the movement in the provision for doubtful debts, SG&A decreased EUR 0.3m, representing 3.3% of revenues compared to 3.7% last year.

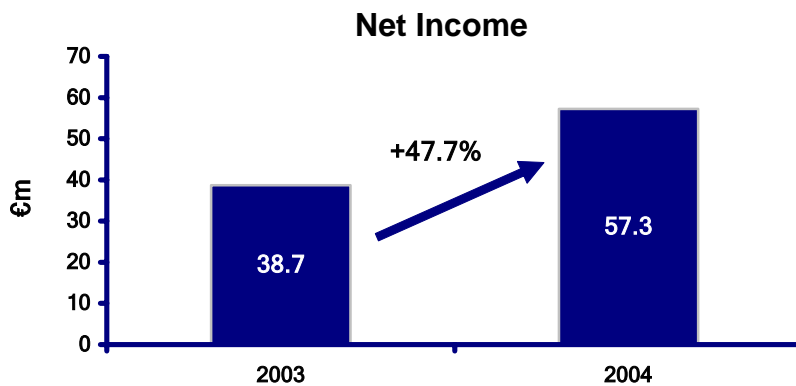
Operating income for the quarter was EUR 96.0m, up 26.6% compared with EUR 75.8m for the same period in 2003. Operating margin also improved by 2.4 p.p to 18.5%.

EBITDA for the quarter was EUR 144.3m, up 14.1% or EUR 17.9m. Margin improved 1 p.p. to 27.9%. During the quarter, we were able to protect EBITDA from the US dollar depreciation due to our hedging activity.



Results from associates for the quarter, before amortisation of goodwill of EUR 3.2m, were gains of EUR 2.6m compared with losses of EUR 1.5m for the same quarter in 2003.

Consequently, **net income** for the quarter was EUR 57.3m, an increase of 47.7% compared with EUR 38.7m last year.



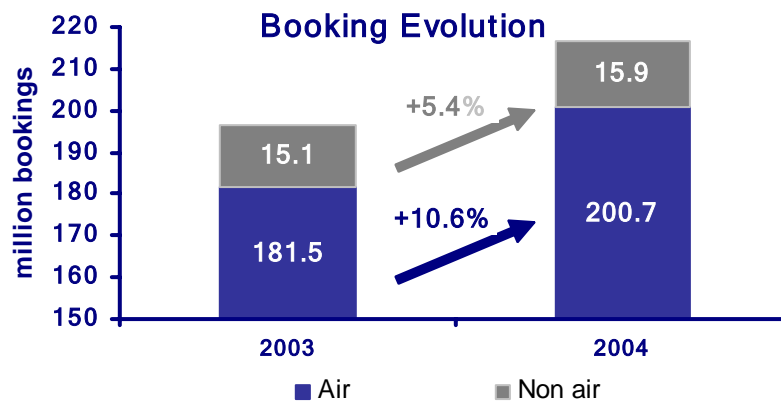
First half highlights (for the six months ended 30 June 2004)

Total revenue for the six months ended 30 June 2004 was EUR 1,055.4m, representing an increase of 8.5% or EUR 83.1m compared with the same period in 2003.

Comparable bookings were 216.6m, representing an increase of 10.2% with respect to last year.

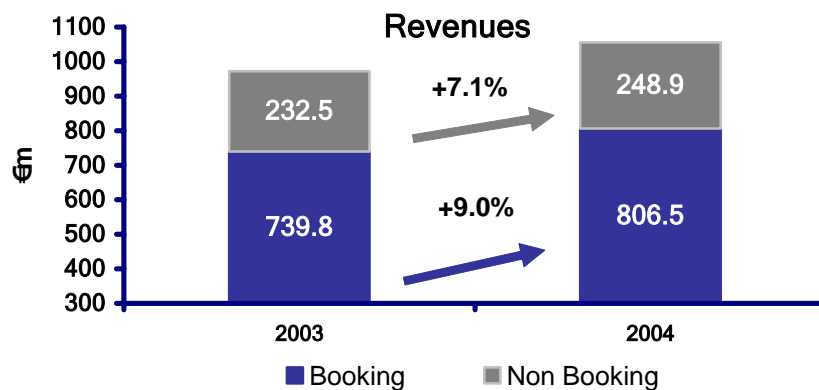
Amadeus Germany leisure bookings amounted to 22.0m, compared to 14.9m which last year represented four months only.

By region, bookings grew 22% outside Europe and North America most notably in Asia Pacific owing to the SARS crisis last year where the impact was most severe. In Europe and North America, bookings rose by 6.5% and 9.5% respectively. By segment, air bookings clearly outperformed non-air increasing by 10.6% versus 5.4% year on year.



Booking revenue increased by 9.0% or EUR 66.7m to EUR 806.5m over the same period of last year. This was principally due to the 10.2% increase in comparable booking volume, partially offset by adverse foreign exchange variances.

Non booking fee revenue increased EUR 16.4m or 7.1% to EUR 248.9m.



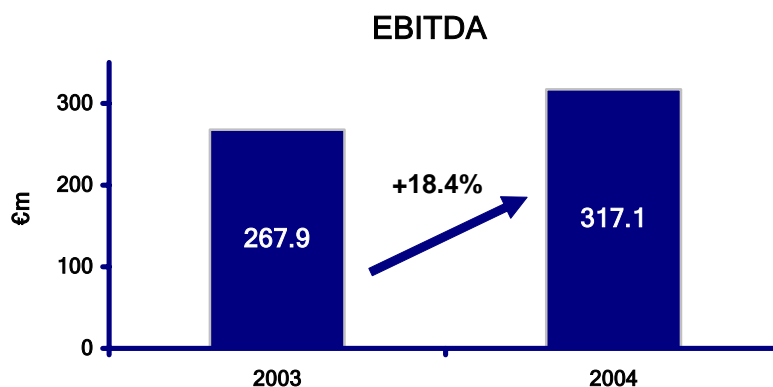
Operating expenses for the first half of the year were EUR 832.5, representing an increase of 3.9% over the same period in 2003.

Cost of sales increased by 4.5% or EUR 34.5m to EUR 794.8m. This has been mainly due to increases in variable costs of distribution resulting from the booking increase, together with the full-year impact of Amadeus Germany as well as some more recently fully consolidated companies.

Selling, general and administrative expenses decreased EUR 3.0m or 7.5% over the prior year to EUR 37.7m. Excluding the movement in the provision for doubtful debts, SG&A increased EUR 0.2m, representing 3.1% of revenues compared to 3.4% last year.

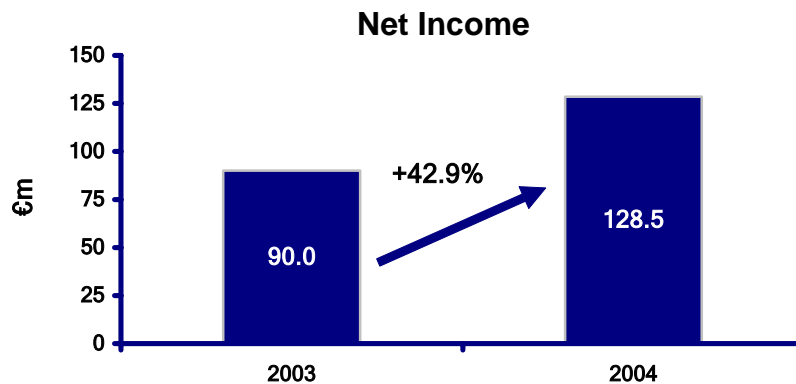
Operating income year to date was EUR 222.9m, up 30.1% compared with EUR 171.3m for the same period in 2003. Operating margin also improved 3.5 p.p to 21.1%.

EBITDA for the first half of the year was EUR 317.1m, up 18.4% or EUR 49.3m. Margin improved 2.6 p.p. to 30.1%. During the year, we have been able to protect EBITDA from the US dollar depreciation due to our hedging activity.



Results from associates before amortisation of goodwill of EUR 6.3m, were gains of EUR 1.0m compared with losses of EUR 0.8m last year.

Consequently, **net income** for the first half 2004 was EUR 128.5m, an increase of 42.9% compared with EUR 90.0m for the same period in 2003.



Outlook

With regard to year-end, we maintain the range given last quarter (Net Income between EUR 185 - 195m). However, results year-to-date, and taking into account the consolidation of Opodo in the second half of 2004, suggest that we are more likely to conclude the year towards the top-end of this range.

Operating highlights for the second quarter ended 30 June 2004 include:

Travel Distribution

- Amadeus consolidated its clear leadership in Europe's travel distribution through the acquisition of its National Marketing Company in Bulgaria from Balkan Bulgarian Airlines.
- Amadeus opened two offices in Muscat, Oman, and Amman, Jordan, thereby increasing its presence in the Middle East to 12 countries¹.
- SkyEurope Airlines, Central Europe's longest established low fare airline, selected Amadeus to grow distribution reach and establish brand recognition beyond its home markets.
- Qantas signed a new fare distribution agreement. All of Qantas' published fares are available to Amadeus customers without any surcharges or restrictions.

¹ Bahrain, Egypt, Iran, Jordan, Kuwait, Oman, Pakistan, Palestine, Qatar, Saudi Arabia, Syria & UAE.

- During the second quarter of this year Amadeus continued to increase the number of airlines showing real-time information in its system with eleven new airlines upgrading their level of connectivity in the Amadeus System.
- US travel agents using Amadeus can now book web fares on Continental Airlines, Northwest Airlines and US Airways for flights originating in the US. Additionally travel agents in Canada, Puerto Rico and Mexico can access and book web fares for Northwest Airlines for flights originating in their respective regions.
- Nine new German tour operators signed with Amadeus during this quarter. Packages from over 170 different tour operators are now available through Amadeus.
- With Net Trans Active Commission, Amadeus is the first GDS to offer an automated hotel commissions clearing service through the system, enabling travel agents working with Amadeus to protect their hotel commission revenues.
- The Amadeus Cruise booking tool was chosen by Cruise Planners, the largest US home-based cruise agency franchise, with over US\$ 50 million in sales.
- ebookers has moved its Travelbag brand, one of the leading long haul UK travel agencies, to the Amadeus reservation system, confirming Amadeus as the leading GDS technology provider for UK online travel agencies.
- Barceló Hotels & Resorts, the Spanish hotel chain, with over 125 properties in 16 countries is now available through Amadeus.

IT Services

- Six airlines, including Malev Airlines the Hungarian flag-carrier, have signed for Amadeus' community-based sales and reservations platform Altéa Sell.
- During the quarter, Amadeus extended its e-ticketing reach in Switzerland and now provides e-ticketing for 66 airlines in 85 markets, maintaining its leadership position in the provision of these services.

Amadeus e-Travel

- e-Travel bookings grew **85%** in Q2 2004 compared with the same period in 2003.
- **Amadeus e-Travel® Planitgo** airline bookings experienced record growth of **110%** for Q2 2004 compared with the same period last year.
- Amadeus e-Travel launched a new online faring solution, **Planitgo Flex Pricer Calendar**, in June. It offers passengers the maximum number of fares— across different fare classes, times and dates— on a single screen and in turn allows airlines to market their fares more effectively online. Qantas, Iberia, Finnair and bmi have reported significant online booking increases since implementing Flex Pricer.
- Air Canada signed a five-year agreement with e-Travel to provide online booking technology and services to Air Canada's travel booking websites

- for consumers and travel agencies. Air Canada's websites will be powered by Planitgo, including Planitgo Flex Pricer Calendar.
- In Asia, e-Travel launched the first Chinese-language internet booking engine for Eva Air (Taiwan).
 - Bookings through **e-Travel® Aergo V6**, e-Travel's global corporate booking solution more than doubled in Q2 2004 worldwide.
 - The latest version of Aergo, V6.1 was released in June, integrating local market requirements, such as local language versions of Aergo, German railways, and LH Senator Status.
 - In May, e-Travel signed a major agreement with TQ3 Travel Solutions Singapore. As part of a multi-year agreement, TQ3, one of the world's largest providers of travel management services, delivers Aergo to its corporate customer base.
 - More travellers than ever are logging on to get real-time Web access to their travel itineraries using **e-Travel® Checkmytrip**, with visitors up 40% in the second quarter of this year compared to Q2 last year. Travellers can either log on to **www.checkmytrip.com** directly or log in via an agency's Web site to access their trip details.
 - Searches on **www.amadeus.net** -the only free unbiased airline schedule and availability information on the Web today- were up **49%** in Q2 2004 over Q2 2003.

Opodo

- In June, Amadeus strengthened its leisure portfolio through the acquisition of a 55% controlling stake in the leading online European travel portal Opodo. This is managed as a separate business entity under the Amadeus umbrella.

Note:

This document contains certain forward-looking statements and information that are based on the current expectations of the Company's management as well as assumptions based on information available to the Company. Such statements reflect the current views of the Company, or its management, with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements of the Company that may be expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these statements. The Company does not intend, and does not assume any obligation, to update or revise forward-looking statements set forth in this document, whether on the basis of new information, future events or otherwise.

Selected financial information and operating statistics
For the three month period ended 30 June, 2004

(Expressed in thousands of EUROS unless indicated)

	For the three month period ended 30 June		
	2004 (Unaudited)	2003 (Unaudited)	% change
Revenue	517,353	469,653	10.2%
Cost of sales	402,379	373,717	7.7%
Selling, general and admin. expenses	19,021	20,130	(5.5%)
Total operating expenses	421,400	393,847	7.0%
Operating income	95,953	75,806	26.6%
Other income (expense)			
Interest expense, net	(2,028)	(4,265)	(52.5%)
Exchange gains (losses)	386	(133)	n/a
Other	(95)	1,553	n/a
Income before income taxes	94,216	72,961	29.1%
Income taxes	36,744	29,084	26.3%
Income after taxes	57,472	43,877	31.0%
Equity in earnings (losses) from associates	(582)	(5,103)	(88.6%)
Equity in earnings (losses) from discontinued Operations of associates	0	0	n/a
Minority interests	360	(26)	n/a
Net income	57,250	38,748	47.7%
Other information			
Operating margin	18.5%	16.1%	2.4 pp
EBITDA (1)	144,298	126,416	14.1%
EBITDA margin	27.9%	26.9%	1.0 pp
Goodwill amortisation in Operating Expenses	7,071	6,523	8.4%
Goodwill amortisation in Associates	3,185	3,613	(11.8%)
Total Goodwill Amortisation	10,256	10,136	1.2%
Booking information by Category (2)			
Air bookings	96,340	86,082	11.9%
Non air bookings	7,815	7,371	6.0%
Amadeus Germany Leisure bookings	10,543	10,991	(4.1%)
Total non air bookings	18,358	18,362	(0.0%)
Total Bookings	114,698	104,444	9.8%
Total Bookings excluding Amadeus Germany Leisure bookings	104,155	93,453	11.5%
Booking information by Region (2)			
North America (3)	10,260	9,818	4.5%
Europe	67,163	63,001	6.6%
Amadeus Germany Leisure bookings	10,543	10,991	(4.1%)
Total Europe	77,706	73,992	5.0%
Rest of the world (ROW)	26,732	20,634	29.6%
Total Bookings	114,698	104,444	9.8%

(1) EBITDA calculated as follows: operating income + operating depreciation and amortisation.

(2) These number of bookings are net of cancellations made as of the end of the applicable period and before any estimate of future cancellations of bookings outstanding (such as for bookings not yet used or cancelled). In thousands of bookings.

(3) North America includes: USA, Canada & Pacific Islands.

Selected financial information and operating statistics

For the six month period ended 30 June, 2004

(Expressed in thousands of EUROS unless indicated)

	For the six month period ended 30 June		
	2004 (Unaudited)	2003 (Unaudited)	% change
Revenue	1,055,379	972,320	8.5%
Cost of sales	794,841	760,354	4.5%
Selling, general and admin. expenses	37,665	40,709	(7.5%)
Total operating expenses	832,506	801,063	3.9%
Operating income	222,873	171,257	30.1%
Other income (expense)			
Interest expense, net	(4,400)	(7,932)	(44.5%)
Exchange gains (losses)	(87)	374	n/a
Other	(127)	2,166	n/a
Income before income taxes	218,259	165,865	31.6%
Income taxes	85,121	67,175	26.7%
Income after taxes	133,138	98,690	34.9%
Equity in earnings (losses) from associates	(5,278)	(8,675)	(39.2%)
Equity in earnings (losses) from discontinued Operations of associates	0	0	n/a
Minority interests	686	(44)	n/a
Net income	128,546	89,971	42.9%
Other information			
Operating margin	21.1%	17.6%	3.5 pp
EBITDA (1)	317,145	267,858	18.4%
EBITDA margin	30.1%	27.5%	2.6 pp
Goodwill amortisation in Operating Expenses	13,626	12,011	13.4%
Goodwill amortisation in Associates	6,267	7,829	(19.9%)
Total Goodwill Amortisation	19,893	19,840	0.3%
Booking information by Category (2)			
Air bookings	200,733	181,522	10.6%
Non air bookings	15,876	15,067	5.4%
Amadeus Germany Leisure bookings	22,043	14,910	47.8%
Total non air bookings	37,919	29,977	26.5%
Total Bookings	238,652	211,499	12.8%
Total Bookings excluding Amadeus Germany Leisure bookings	216,609	196,589	10.2%
Booking information by Region (2)			
North America (3)	21,084	19,261	9.5%
Europe	143,135	134,384	6.5%
Amadeus Germany Leisure bookings	22,043	14,910	47.8%
Total Europe	165,178	149,294	10.6%
Rest of the world (ROW)	52,390	42,944	22.0%
Total Bookings	238,652	211,499	12.8%

(1) EBITDA calculated as follows: operating income + operating depreciation and amortisation.

(2) These number of bookings are net of cancellations made as of the end of the applicable period and before any estimate of future cancellations of bookings outstanding (such as for bookings not yet used or cancelled). In thousands of bookings.

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