

AMADEUS GLOBAL TRAVEL DISTRIBUTION, S.A.

Management discussion and analysis of financial conditions and results of operations for the quarter and full year ended 31 December 2003.

Summary

- Revenues up 5.4% in the quarter versus Q4 2002, to EUR 475.6m
- 10.8% increase in EBITDA to EUR 123.3m
- Net income up 34.3% to EUR 27.8m over Q4 2002

Fourth quarter highlights (for the three months ended 31 December 2003)

Total revenue for the quarter ended 31 December 2003, was EUR 475.6m, representing an increase of 5.4% or EUR 24.2m compared with the same period in 2002.

Comparable **bookings** for the quarter were 93.5m, representing a decrease of 0.1% with respect to the same period of 2002.

Due to the acquisition of Amadeus Germany (formerly Start), we are including an additional 10.2m leisure bookings in the quarter, mainly in rail and tour, which brings our total number of bookings to 103.7m, or 10.8% above the fourth quarter of last year.

Excluding the aforementioned leisure bookings, Europe saw a decline of 0.8% or 0.5m bookings. In North America, bookings remained level with prior year, with the Rest of the World (ROW) reporting an increase of 1.9% or 0.4m. Total air bookings increased by 0.1% or 0.1m to a total of 85.8m. Non-air bookings fell 3.0% or 0.2m to 7.7m.

Booking revenue increased by 2.9% or EUR 10.0m to EUR 351.5m over the same period of last year. In spite of marginally negative booking growth, this increase was mainly driven by a more favourable booking mix and the annual price increase.

Non booking fee revenue grew by 13.0% or EUR 14.3m principally due to increases in travel agency fees coming from our recently acquired NMC, Amadeus Germany.

Operating expenses for the quarter were EUR 408.1m, representing an increase of 2.7% over the same period in 2002.

Cost of sales increased by 4.1% or EUR 15.3m to EUR 388.2m. Excluding the impact of recent acquisitions (ICSA T and Amadeus Germany), cost of sales would have decreased by 2.0%.

Selling, general and administrative expenses decreased EUR 4.6m over the prior year to EUR 19.9m. Excluding the movement in the provision for doubtful debts, SG&A fell EUR 2.9m, representing 4.2% of revenues compared to 5.0% over the same period of the prior year.

Operating income for the quarter was EUR 67.5m, up 25.2% compared with EUR 54.0m for the same period in 2002.

EBITDA for the quarter was EUR 123.3m, up 10.8% or EUR 12.0m, compared with EUR 111.3m for the same period in 2002.

Net income excluding special items for the quarter ended 31 December 2003 was EUR 27.8m, up 4.1% compared with EUR 26.7m for the same period in 2002.

Special items for the quarter had no significant impact on Amadeus' results compared with after-tax losses of EUR 6.0m in the same quarter of 2002.

Results from associates for the quarter, before amortisation of goodwill of EUR 5.5m, were losses of EUR 5.6m compared with losses of EUR 5.5m for the same quarter in 2002. This quarter's results were impacted by EUR 5.4m due to asset impairments carried out by some of our associates at local level. The most significant of these was a EUR 3.4m charge in the Brazilian market related to the full acquisition of this NMC. We have also accelerated the amortisation of EUR 2.6m of goodwill in some of our e-commerce joint ventures at a central level. Following this, there remains approximately EUR 1m of goodwill outstanding in our balance sheet related to our start-up e-commerce joint ventures.

Consequently, **net income** for the quarter was EUR 27.8m, an increase of 34.3% compared with EUR 20.7m for the same period in 2002.

Year to date highlights (for the full year ended 31 December 2003)

Total revenue for the full year ended 31 December 2003, was EUR 1,929.0m, representing an increase of 3.9% or EUR 72.7m compared with the same period in 2002.

Comparable **Bookings** for the full year were 385.5m, representing a decrease of 2.6% with respect to the same period of 2002.

Due to the acquisition of Amadeus Germany, we include an additional 36.3m leisure bookings, mainly in rail and tour, which brings our total number to 421.8m, or 6.6% above last year.

Excluding those, and compared with full year 2002, bookings in Europe decreased by 0.6% or 1.5m. In North America and the Rest of the World (ROW) bookings decreased by 3.7% or 1.4m and 7.4% or 7.2m, respectively. Total air bookings fell by 2.3% or 8.3m to a total of 356.4m. Non-air bookings fell 6.0% or 1.8m to 29.1m.

Booking revenue decreased by 0.3% or EUR 3.9m to EUR 1,455.4m over the same period of last year, mainly as a result of the drop air bookings and adverse foreign exchange movements. This was however partly compensated for by a favourable booking mix and the price increase.

Non booking fee revenue increased by 19.3% or EUR 76.5m principally due to increases in travel agency fees coming from our recently acquired NMCs, Amadeus Scandinavia and Amadeus Germany and increases in BA / Qantas related business.

Operating expenses for the full year were EUR 1,608.4m, representing an increase of 3.8% over the same period in 2002.

Cost of sales increased by 3.9% or EUR 57.5m to EUR 1,528.4m. Excluding the impact of recent acquisitions (ICSA T, Amadeus Scandinavia & Germany), cost of sales would have decreased by 2.7%.

Selling, general and administrative expenses increased 2.6% or EUR 2.0m over the prior year to EUR 80.0m, principally due to higher provisions for doubtful debts from travel providers in 2003, which amounted to EUR 9.8m versus EUR 7.4m for the same period in the prior year.

Operating income for the full year 2003 was EUR 320.6m, up 4.3%, compared with the same period in 2002.

EBITDA for the full year was EUR 532.5m, up 8.4%, compared with EUR 491.4m for the same period in 2002. In spite of continued depreciation of the US dollar during the year, Amadeus managed to limit its impact in EBITDA to approximately EUR -3m due to hedging programs in place at rates close to last year.

Net income excluding special items for the full year amounted to EUR 158.4m, up 6.6% compared with EUR 148.6m for the same period in 2002.

Special items for the full year amounted to after-tax gains of EUR 1.7m compared with net losses of EUR 1.5m in the full year ended December 2002. Included in last year's special items was a write down of certain software development projects related to the leisure industry amounting to EUR 5.1m after-tax.

Results from associates, before amortisation of goodwill for the full year of EUR 17.0m, amounted to losses of EUR 6.6m compared with losses of EUR 20.1m for the same period 2002.

Consequently, **net income** for the full year was EUR 160.1m, an increase of 8.9% compared with EUR 147.1m for the same period in 2002.

Provision for Taxes

The effective tax rate as of 31 December 2003 was 39.9%, down 0.6 p.p. from the previous quarter.

Outlook

Amadeus management assumes that 2004 booking volumes could grow between 3% and 4% vs 2003. In spite of January bookings level with prior year, positive growth is anticipated in the coming months thanks to a weak base in 2003 (due to the Iraq war and SARS). In this context of weakness of the USD, our November guidance on revenues (from flat to 5% growth) remains valid.

The company continues to work on its cost restructuring plan initiated in 2003 that will allow us to save money in order to invest in areas of growth such as leisure or IT. We would also like to note that the current weakness of the USD may have some impact on our P&L as the rate at which we are able to protect our profits in USD worsens with respect to that of prior years. Taking all these elements into consideration as well as the challenging competitive environment, Amadeus management believes that net income could range from EUR 165m to EUR 175m in 2004.

Business Highlights

During the fourth quarter, Amadeus announced its 2004 value-based pricing for distribution services offered to airlines. Effective 1 January 2004, the company introduced a new pricing scheme which recognises airlines' diverse commercial strategies and the different benefits that the GDS channel brings to airlines today.

Travel Distribution (to travel agents and airline sales offices)

- The Hertz Corporation joined Amadeus Complete Access Plus, Amadeus' highest level of connectivity for car rental bookings; giving travel agents direct access to Hertz's reservation system for real-time availability and full pricing transparency. So far, 11 car rental companies have signed up for distribution via Complete Access Plus, which means that by the end of the first quarter 2004, 99 per cent of all car rental bookings made through Amadeus will be made through Complete Access Plus.
- The 4th quarter of 2003 has shown a significant 18% growth in cruise bookings, specifically from US and UK travel agencies. In addition the Amadeus Cruise API has been implemented with Onetravel.com with the objective of reselling Amadeus Cruise content to US online agencies
- Bookings through Amadeus Hotels saw an 11% increase in the year 2003. This is largely due to the highly successful acceptance of Dynamic Access, the highest level of connection for hotel providers, giving true rate and availability transparency to the travel agent.
- Amadeus signed an agreement with Leonardo, the world's leading provider of rich media travel content management for the travel industry, in order to provide hotel multimedia content and images for the Amadeus browser-based front office (Vista) as well as for online travel sites.

E-Commerce (e-Travel)

- Bookings through e-Travel grew by 75% in the fourth quarter 2003. Aergo, e-Travel's corporate self-booking tool, registered a bookings growth rate of 31% in the US and 104% in the rest of the world.

- In October, Qantas expanded the outsourcing of its travel website to e-Travel for five years, including all leisure, managed, and unmanaged online travel booking solutions.
- Also in October, e-Travel announced that bmi, the United Kingdom's second-largest full-service scheduled airline, had launched its new Web site, powered by Planitgo, e-Travel's internet booking engine.
- In Asia Pacific, Pacific Air, EVA Air of Taiwan and Hong Kong's Dragonair have also adopted e-Travel Planitgo to power their Internet booking Web sites.

Airline IT Services

Amadeus continued to expand its technology solutions portfolio for the airline industry and acquired 100% Airline Automation Inc. (AAI), a leading provider of Revenue Integrity Services for the airline industry and currently servicing more than 55% of US domestic reservations, including American Airlines, Delta Air Lines and Continental Airlines.

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 quarter ended 31 December, 2003

(Expressed in thousands of EUROS unless indicated)

	For the quarter ended 31 December Excluding Special Items			For the quarter ended 31 December Including Special Items		
	2003 (Unaudited)	2002 (Unaudited)	% change	2003 (Unaudited)	2002 (Unaudited)	% change
Revenue	475,625	451,386	5.4%	475,625	451,386	5.4%
Cost of sales	388,201	365,038	6.3%	388,201	372,949	4.1%
Selling, general and admin. expenses	19,884	24,472	(18.7%)	19,884	24,472	(18.7%)
Total operating expenses	408,085	389,510	4.8%	408,085	397,421	2.7%
Operating income	67,540	61,876	9.2%	67,540	53,965	25.2%
Other income (expense)						
Interest expense, net	(3,641)	(4,157)	(12.4%)	(3,876)	(5,634)	(31.2%)
Exchange gains (losses)	(1,533)	413	n/a	(1,533)	413	n/a
Other	186	1,080	(82.8%)	415	1,129	(63.2%)
Income before income taxes	62,552	59,212	5.6%	62,546	49,873	25.4%
Income taxes	23,599	22,451	5.1%	23,597	19,121	23.4%
Income after taxes	38,953	36,761	6.0%	38,949	30,752	26.7%
Equity in earnings (losses) from associates	(11,168)	(5,968)	87.1%	(11,168)	(5,968)	87.1%
Equity in earnings (losses) from discontinued Operations of associates	0	(4,131)	(100.0%)	0	(4,131)	(100.0%)
Minority interests	25	47	(46.8%)	25	47	(46.8%)
Net income	27,810	26,709	4.1%	27,806	20,700	34.3%
Other information						
Operating margin	14.2%	13.7%	0.5 pp	14.2%	12.0%	2.2 pp
EBITDA (1)	123,305	111,317	10.8%	123,305	111,317	10.8%
EBITDA margin	25.9%	24.7%	1.2 pp	25.9%	24.7%	1.2 pp
Goodwill amortisation in Operating Expenses	10,929	4,877	124.1%	10,929	4,877	124.1%
Goodwill amortisation in Associates	5,542	4,522	22.5%	5,542	4,522	22.5%
Total Goodwill Amortisation	16,471	9,399	75.2%	16,471	9,399	75.2%
Booking information by Category (2)						
Air bookings	85,766	85,641	0.1%	85,766	85,641	0.1%
Non air bookings	7,733	7,971	(3.0%)	7,733	7,971	(3.0%)
Amadeus Germany Leisure bookings	10,217	0	n/a	10,217	0	n/a
Total non air bookings	17,950	7,971	125.2%	17,950	7,971	125.2%
Total Bookings	103,716	93,612	10.8%	103,716	93,612	10.8%
Total Bookings excluding Leisure bookings	93,499	93,612	(0.1%)	93,499	93,612	(0.1%)
Booking information by Region (2)						
North America (3)	8,238	8,235	0.0%	8,238	8,235	0.0%
Europe	62,466	63,001	(0.8%)	62,466	63,001	(0.8%)
Amadeus Germany Leisure bookings	10,217	0	n/a	10,217	0	n/a
Total Europe	72,683	63,001	15.4%	72,683	63,001	15.4%
Rest of the world (ROW)	22,795	22,376	1.9%	22,795	22,376	1.9%
Total Bookings	103,716	93,612	10.8%	103,716	93,612	10.8%

(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 twelve month period ended 31 December, 2003

(Expressed in thousands of EUROS unless indicated)

	For the twelve month period ended 31 December Excluding Special Items			For the twelve month period ended 31 December Including Special Items		
	2003 (Unaudited)	2002 (Unaudited)	% change	2003 (Unaudited)	2002 (Unaudited)	% change
Revenue	1,929,009	1,856,320	3.9%	1,929,009	1,856,320	3.9%
Cost of sales	1,528,358	1,462,943	4.5%	1,528,358	1,470,854	3.9%
Selling, general and admin. expenses	80,021	78,020	2.6%	80,021	78,020	2.6%
Total operating expenses	1,608,379	1,540,963	4.4%	1,608,379	1,548,874	3.8%
Operating income	320,630	315,357	1.7%	320,630	307,446	4.3%
Other income (expense)						
Interest expense, net	(15,235)	(14,862)	2.5%	(15,713)	(19,370)	(18.9%)
Exchange gains (losses)	(1,931)	(174)	1009.8%	(1,931)	(174)	1009.8%
Other	(192)	3,092	n/a	2,980	13,137	(77.3%)
Income before income taxes	303,272	303,413	(0.0%)	305,966	301,039	1.6%
Income taxes	121,239	116,699	3.9%	122,182	115,820	5.5%
Income after taxes	182,033	186,714	(2.5%)	183,784	185,219	(0.8%)
Equity in earnings (losses) from associates	(23,645)	(22,671)	4.3%	(23,645)	(22,671)	4.3%
Equity in earnings (losses) from discontinued Operations of associates	0	(15,468)	(100.0%)	0	(15,468)	(100.0%)
Minority interests	(25)	7	n/a	(25)	7	n/a
Net income	158,363	148,582	6.6%	160,114	147,087	8.9%
Other information						
Operating margin	16.6%	17.0%	(0.4 pp)	16.6%	16.6%	0.0 pp
EBITDA (1)	532,535	491,361	8.4%	532,535	491,361	8.4%
EBITDA margin	27.6%	26.5%	1.1 pp	27.6%	26.5%	1.1 pp
Goodwill amortisation in Operating Expenses	39,795	14,919	166.7%	39,795	14,919	166.7%
Goodwill amortisation in Associates	17,025	18,069	(5.8%)	17,025	18,069	(5.8%)
Total Goodwill Amortisation	56,820	32,988	72.2%	56,820	32,988	72.2%
Booking information by Category (2)						
Air bookings	356,393	364,647	(2.3%)	356,393	364,647	(2.3%)
Non air bookings	29,078	30,919	(6.0%)	29,078	30,919	(6.0%)
Amadeus Germany Leisure bookings	36,338	0	n/a	36,338	0	n/a
Total non air bookings	65,416	30,919	111.6%	65,416	30,919	111.6%
Total Bookings	421,809	395,566	6.6%	421,809	395,566	6.6%
Total Bookings excluding Leisure bookings	385,471	395,566	(2.6%)	385,471	395,566	(2.6%)
Booking information by Region (2)						
North America (3)	36,948	38,362	(3.7%)	36,948	38,362	(3.7%)
Europe	257,733	259,186	(0.6%)	257,733	259,186	(0.6%)
Amadeus Germany Leisure bookings	36,338	0	n/a	36,338	0	n/a
Total Europe	294,071	259,186	13.5%	294,071	259,186	13.5%
Rest of the world (ROW)	90,790	98,018	(7.4%)	90,790	98,018	(7.4%)
Total Bookings	421,809	395,566	6.6%	421,809	395,566	6.6%

(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.