AMADEUS FIRE

ACCOUNTING · OFFICE · BANKING · IT-SERVICES

Annual Report 2005

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An Overview
Amadeus FiRe-Group Financial Summary

Amounts stated in EUR k	Fiscal Year 2005 Jan.-Dec.	Comparable Period 2004 Jan.-Dec.	Divergency in per cent	Shortened Fiscal Year 2004 Apr.-Dec.
Sales Revenues	**51.981**	**43.736**	**18,9%**	**32.882**
Gross Profit on Sales	**20.393**	**17.725**	**15,1%**	**13.413**
in per cent	39,2%	40,5%		40,8%
EBITDA	**4.458**	**3.240**	**37,6%**	**2.456**
in per cent	8,6%	7,4%		7,5%
EBITA	**3.464**	**1.908**	**81,6%**	**1.463**
in per cent	6,7%	4,4%		4,4%
EBIT	**3.464**	**1.570**	**120,6%**	**1.463**
in per cent	6,7%	3,6%		4,4%
Profit before Tax	**3.717**	**1.784**	**108,4%**	**1.624**
in per cent	7,2%	4,1%		4,9%
Profit for the Period	**1.980**	**561**	**252,9%**	**761**
in per cent	3,8%	1,3%		2,3%
- allocated to Minorities	1	-1		-1
- allocated to Shareholders	1.981	560	253,8%	760
Balance Sheet Total	**34.414**	**29.930**	**15,0%**	**29.930**
Stockholders' Equity	**23.846**	**22.399**	**6,5%**	**22.399**
Cash	**12.842**	**12.926**	**-0,6%**	**12.926**
Net Cash from Operating Activities	**3.803**	**3.171**	**19,9%**	**2.540**
Net Cash from Operating Activities per Share	**0,72**	**0,60**	**20,0%**	**0,48**
Earnings per Share	**0,37**	**0,11**	**254,0%**	**0,14**
Average number of shares undiluted	5.291.164	5.295.064		5.295.064
Earnings per Share diluted	**0,37**	**0,11**	**254,0%**	**0,14**
Average number of shares diluted*	5.291.164	5.295.064		5.295.064
Number of Employees (active)	**844**	**707**	**20,3%**	**700**

* No dilution is disclosed as the stock options are not in the money.

Content

Dear Ladies and Gentlemen,

Günter Spahn,
CEO & Chairman
of the board

2005 was an important and successful year for Amadeus FiRe AG. Once again we experienced above-average growth in the market and expanded our market position. In our public relations, we now bring across our specialization in a more transparent way and we have been able to build on our competency and market leadership in finance and accounting through the equity investment of our subsidiary, Steuer-Fachschule Dr. Endriss, in the Academy for International Accounting.

Our clients see us as a competent partner providing professional staffing solutions which help them face today's constant economic change. Our good results and customer satisfaction, which is at its highest level yet, are evidence of this trust. In fiscal year 2005, our revenues increased to EUR 52m, which corresponds to growth of nearly 19 per cent. Gross profit increased by EUR 2.7m to approx. EUR 20.4m, corresponding to a gross profit margin of 39.2 per cent. We are especially pleased with our EBITA of EUR 3.5m, which was an increase of 82 per cent over the prior year. Net income for the year more than tripled compared with the prior year and came to EUR 2.0m.

Needless to say, we want our shareholders to profit from these positive business developments and will propose at the general shareholders' meeting that a dividend of EUR 0.19 be distributed, which corresponds to half of consolidated profit. Due to the positive development of business in 2005 and our excellent cash flows, we shall also propose paying a bonus of EUR 0.10 to the shareholders. This would result in a total dividend of EUR 0.29 per share.

Our strong performance last year is also an indication of the successful structural changes to our core business. While we still focus on business professionals and executives, we have now created new business fields achieving greater transparency and making us more market friendly. The key business field is accounting, which will further expand our market leadership position in finance and accounting. We also occupy a leading position in the office and banking business fields. We are treading new territory with the IT services business field and offering our clients qualified IT employees, of the high quality our clients are accustomed to.

I was very pleased that we were able to acquire the Academy for International Accounting Prof. Dr. Liebfried in fiscal year 2005. Since September 1, 2005, the Academy, a subsidiary of Steuer-Fachschule Dr. Endriss, has made a significant contribution to group result. The Academy's courses focus on international accounting standards. This underpins our competencies in finance and accounting and significantly supplements our services portfolio in the area of training.

Our investments in the structure and organization of the Group are almost complete and are already fruitful. Most notable is the new face on the management board. Dr. Axel Endriss has been a member of the Amadeus FiRe AG management board since January 1, 2006 and is responsible for training activities and the IT services business field.

According to all forecasts, the economic barometer will rise more noticeably in 2006 than in the prior year, offering a major opportunity for the increased demand for personnel services. Quality demands will also continue to increase: not only will staffing bottlenecks have to be overcome quickly, but holistic solutions will have to be developed in cooperation with customers.

We stand to benefit more than others from this promise of economic recovery. In the long term, there will be a shortage of qualified employees due to a demographic shift. This is precisely the area in which we have specialized. Due to this shift, we expect further growth in our temporary employment, personnel placement, interim and project management, and training service areas.

The first few weeks of the fiscal year have been very positive. Assuming that the economy does not take an unexpected dive, we anticipate an increase in revenue of approx. 15 per cent in 2005 to some EUR 60m and a further increase in results.

All employees, management board, and supervisory board members of Amadeus FiRe AG were pleased with the positive developments in 2005. This is something we can build on, drawing on our strategic focus and the personal dedication and professional skills of each employee. We would like to thank all of our employees for their professionalism and commitment to the Company. We also wish to thank our advisory boards for their constructive and positive work. To our customers, business associates, and shareholders, I wish to extend my warmest thanks for your support of and trust in Amadeus FiRe AG. I look forward to a successful future together.

Sincerely,

Günter Spahn

Günter Spahn, CEO & Chairman of the Board

Dear Shareholders,

Gerd B. von Below,
Chairman of the
Supervisory Board

During the fiscal year, the supervisory board performed its tasks in accordance with the law, the articles of incorporation, and the corporate governance principles. The supervisory board gave advice to the management board in the management of the company and monitored the management on an ongoing basis.

Meetings of the Supervisory Board and Committees

During fiscal year 2005, the management board provided the supervisory board with both oral and written information on a regular basis and in a timely manner on the economic and financial development of the Company, the risk situation and risk management, and significant projects and plans. All matters requiring approval by the supervisory board were presented to the board. In addition, the members of the management board remained in close contact with the chairman of the supervisory board in order to discuss the current business situation and major transactions. In this manner, the supervisory board carefully monitors the management of the Company's business. We were involved in the process of making important decisions at an early stage.

During the fiscal year, the supervisory board held six regular meetings. In addition to discussing the development of business and the measures arising thereof, the focus was on the issue of the medium-term strategic focus of the Company and acquisition options.

The audit committee met three times during the fiscal year. In particular, risk management and the audit priorities for the separate and consolidated financial statements were discussed and determined with the Company's auditors. The committee dealt in depth with the identification and monitoring of risks in the Company and the reports on legal and regulatory risks.

The personnel committee held four meetings during the reporting period. During these meetings, the focus was on management board staff and filling key positions in the Group. (The main discussion focused on filling positions on the supervisory boards, the appointment of a new management board member, and filling the general manager position at Greenwell Gleeson Ltd.)

The general and strategic committee currently has no members. Its tasks will be performed by the entire supervisory board until further notice.

The plenum receives detailed information on the work performed by the supervisory board committees.

Corporate Governance

The supervisory board regularly deals with the application and further development of the Company's corporate governance code principles. In the fiscal year, the supervisory board discussed the revision of the German Corporate Governance Code dated June 2, 2005. Corporate governance for Amadeus FiRe AG means responsible management and control focused on long-term added value. Corporate governance is practiced at all levels of group management and monitoring. Responsible and transparent corporate governance fosters the trust of investors, business partners, the public at large and last but not least group employees.

On November 1, 2005, the management board and supervisory board issued a declaration of compliance with the recommendations of the German Corporate Governance Code developed by the government commission in the version dated June 2, 2005 and made this permanently available to the shareholders on the Company's website.

The supervisory board checks the efficiency of its activities on an ongoing basis and believes that it works efficiently.
In addition, the supervisory board is convinced that Amadeus FiRe AG complied with the recommendations of the German Corporate Governance Code in accordance with its declaration of compliance in the fiscal year.

Separate Financial Statements and Consolidated Financial Statements

The separate financial statements and the consolidated financial statements of Amadeus FiRe AG as of December 31, 2005, and the combined management report of Amadeus FiRe AG and the Amadeus FiRe Group were audited by Ernst & Young AG, Frankfurt am Main, Germany. Ernst & Young AG issued an unqualified audit opinion on the aforementioned documents. In addition, the auditor found that the management board has taken the steps required under Sec. 91 (2) AktG ["Aktiengesetz": German Stock Corporation Act]. In particular, the latter established an informational and monitoring system which was suitable and met the requirements of the Company, and is designed to and appears capable of identifying, at an early stage, developments posing a risk to the Company's ability to continue as a going concern.

The aforementioned documents and the reports by Ernst & Young AG on the audit of the separate financial statements and the consolidated financial statements as well as the management board's proposal for the appropriation of profits were distributed to all members of the audit committee and the supervisory board in advance in due time. At the supervisory board meeting, the auditor reported on the major findings. The supervisory board's audit committee and the supervisory board have also checked the financial statements and the management report themselves. The audit committee and the supervisory board did not have any objections and agreed with the results of the audit. The supervisory board approved the separate financial statements prepared by the management board and the consolidated financial statements on March 28, 2006. These are hereby established. The supervisory board approved the proposal made by the management board on the appropriation of profits.

Management Board and Supervisory Board Members

There were significant changes in personnel during the fiscal year.

Effective April 1, 2006, Mr. Georg Blinn and Mr. Hans Roolf tendered their resignations from the supervisory board. The supervisory board would like to thank these two gentlemen for their many years of service for the good of the Company.

As of October 6, 2005, Mr. Michael Wisser was appointed to the supervisory board by the local court in Frankfurt am Main, Germany, for an unlimited term and as of November 30, 2005, Mr. Arno Frings was appointed for a term limited until the end of the next general shareholders' meeting. Both members of the supervisory board will be recommended for proper election at the general shareholders' meeting on May 9, 2006.

Mr. van der Straeten was appointed as deputy chairman of the supervisory board at the supervisory board meeting on October 31, 2005. Mr. Wisser was appointed member of the audit committee at the supervisory board meeting on October 31, 2005 and Dr. Frings was appointed as a member of the personnel committee at the supervisory board meeting on December 19, 2005.

The members of the supervisory board during fiscal year 2005 were:
Mr. Gerd B. von Below, Bonn, Germany, chairman
Mr. Georg Blinn, Bruchmühlbach, Germany, deputy chairman, until April 1, 2005
Dr. Arno Frings, Düsseldorf, Germany, since November 30, 2005
Mr. Hans H. Roolf, Oberursel, Germany, until April 1, 2005
Mr. Hartmut van der Straeten, Wehrheim, Germany, deputy chairman, since October 31, 2005
Mr. Michael C. Wisser, Neu Isenburg, Germany, since October 6, 2005
Ms. Ulrike Bert, Aschaffenburg, Germany, employee representative
Mr. Axel Böke, Kriftel, Germany, employee representative

Dr. Axel Endriss was appointed member of the management board effective January 1, 2006; until that date, he was the general manager of the subsidiary Steuer-Fachschule Dr. Endriss GmbH & Co. KG.

Thanks to our Employees and Management

The supervisory board wishes to thank and acknowledge the dedication and performance of the management board and all employees of the Group in the fiscal year.
We wish to express special thanks to our customers and shareholders for the trust they have placed in us.

Frankfurt am Main, Germany, March 28, 2006

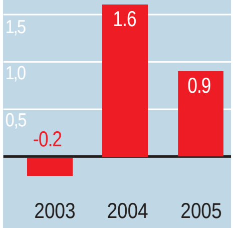
For the Supervisory Board

Gerd B. von Below
Chairman of the Supervisory Board

Economic Situation

Overall Economic Development

Development of
Gross Domestic product
in per cent (in real terms)



The German economy continued to ail in 2005. A significant upswing failed to materialize. The GDP increased by an annual average of merely 0.9 per cent in real terms following growth of 1.6 per cent in the prior year. The large-scale expansion of export activities was again responsible for the increase in the GDP with domestic demand, stagnant for more than a year, failing to pick up pace.

In light of the precarious situation on the labor market, private consumption was sluggish. In addition to weak developments in employment and income, higher energy prices put a damper on consumption. Gross wages and salaries were subject to slight decreases, caused by the lack of improvement on the job market with an increase in marginal part-time employment, the moderate growth of collective wage rates and the abolishment of pay elements not covered by collective agreements. The third tier of the tax reform 2000 went into effect with a lower entry tax rate and the 3 per cent reduction of the highest tax rate for income tax resulting in financial relief for private households. These developments, however, were offset by higher social security contributions. Against the backdrop of an unpredictable economy and low revenue prospects, there was only a moderate increase in investments. Rationalization investments, particularly replacement requirements, were the highest priority for all industries. Many companies also used part of their profits to pay off debts and were financing fewer new investments. Weak domestic demand again contrasted with significant export growth. However, with an increase of 6.2 per cent, expansion was slower than in the prior year.

The situation on the German job market continued to be problematic in 2005. Employment figures increased by 0.1 per cent, mainly due to the larger number of workers in marginal part-time employment, the state-funding of self-employment and the creation of “supplementary jobs”. The further decrease of 400,000 to some 26.17 million in the number of employed subject to social insurance is distressing. The development of registered unemployment in 2005 was no surprise given the introduction of the new reduced unemployment benefit for the long-term unemployed. The number of registered unemployed rose by some 508,000 persons against the prior year to 4.89 million. However, this increase is largely attributable to the fact that social welfare recipients capable of working who were previously not registered as unemployed were recorded for the first time. Unemployment rose significantly in comparison to 2004 by 1.3 percentage points to 11.8 per cent.

Development of the Industry

There are clear signs that the temporary staffing industry is once more set to grow. Following negative growth in the market in 2002 and 2003, there was significant growth in 2004 and 2005. While market growth in 2004 was buoyed by growth in the commercial sector, the area of specialized services increased significantly in 2005. The number of temporary workers continued to rise. The German Federal Employment Agency registered an average of some 385,000 temporary workers in 2004. This is a 17 per cent increase on the prior year. A similar increase is expected for 2005 leading to another slight rise in the number of temporary employees as a percentage of people in dependent employment. At the end of 2004, 1.4 per cent of all employed subject to social insurance were engaged in temporary work. Ten years previously, this figure was only 0.6 per cent.

This positive development is also substantiated by the results of a survey by the DIHK ["Deutsche Industrie- und Handelskammer": Association of German Chambers of Industry and Commerce] as part of its service report in fall 2005. The temporary staffing industry was the leading group in the assessment of the services industries. The market for temporary employment Germany is still highly fragmented. At the end of 2004, there were 4,526 registered temporary employment companies. Of these, the top 15 companies hold less than 40 per cent of the total market. The remaining 60 per cent is held by 4,500 medium-sized and smaller companies, which often operate in specific regions and sectors.

Companies are responding positively to the ongoing liberalization of the personnel placement business. For example, since 2004, employment contracts for personnel placement may have multiple terms and the maximum length of placement has been increased. The introduction of collective labour agreements for the industry has also significantly improved the image of temporary staffing. A further reason for the increase in temporary employment is the fact that companies are increasingly being compelled to be flexible in order to compete internationally. An ongoing unstable domestic economy paired with restrictive German labor law make companies unwilling to expand their regular workforce and lead them to elect temporary staff.

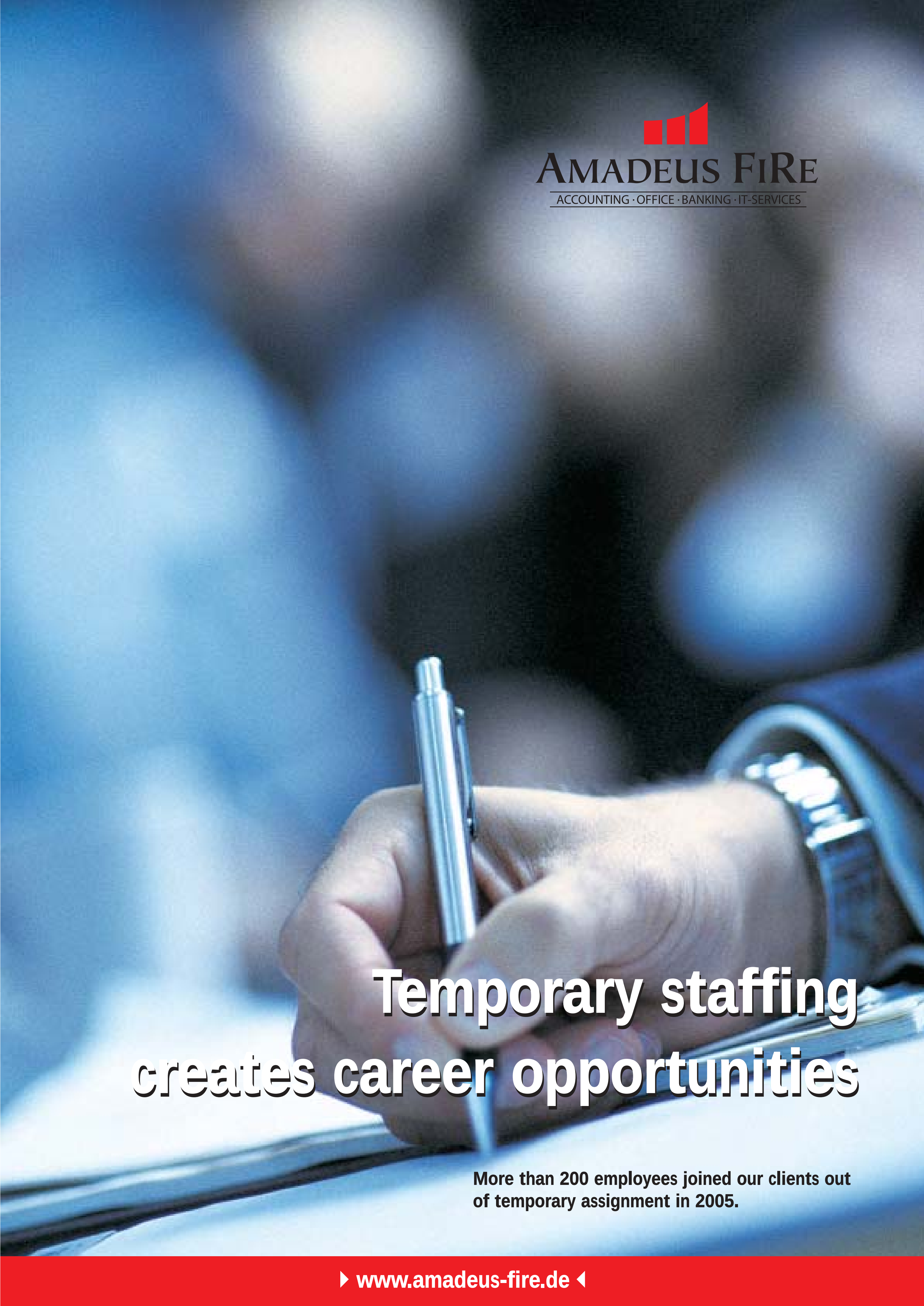
The finance and accounting segment, which is of particular relevance to the Amadeus FiRe Group, recorded a significant recovery in 2005, highlighting the later-cycle character of this market niche.

Due to extremely high revenues in the second half of the year, it is safe to assume that the Amadeus FiRe Group has extended it market leadership in the area of finance and accounting. According to our estimates, it has a market share of around 16 per cent.

According to a study by Bundesverband Deutscher Unternehmensberater BDU e.V. (Federal Association of German Management Consultants), rising revenues with double-digit growth rates are expected in the area of personnel consulting/recruitment. With the recruitment and selection of specialists and executives comprising the core business of personnel consultants, revenues of some EUR 750m were generated in the industry in 2004. The unwillingness of candidates to change jobs due to the strained job market and widespread immobility continue to plague the industry. From the customer perspective, job profiles are becoming increasingly exacting. Companies now create very specific candidate profiles and quality expectations are high. As to remuneration, fixed fees are mainly agreed to, based on the stage of project development.

As in 2004, the training market is expected to decline in 2005. This is attributable to the reforms resolved by the German Federal Employment Agency as part of the Hartz IV legislation, which have now largely been enacted and which have resulted in an extremely restrictive and bureaucratic treatment of training funding. However, Steuer-Fachschule Dr. Endriss and the Academy for International Accounting are not heavily dependent on government funding.

Moreover, the market continues to be shaped by the reluctance of many companies to spend on training. Finally, the demographic changes in the population structure which are slowly starting to impact in the training market are contributing to an overall decline in the market. Like other sectors, the specialized market “training in finance and accounting”, at least in respect of large companies, is influenced by the relocation of standard (accounting) activities to countries with low wage levels, which in turn impacts on wage levels in Germany.
Not least for this reason, employees in this area are increasingly sensing the need or the opportunity to secure or further their personal careers by building on their individual expertise and skills. However, a large number of those interested in training are also becoming increasingly price-conscious.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Temporary staffing
creates career opportunities
More than 200 employees joined our clients out
of temporary assignment in 2005.
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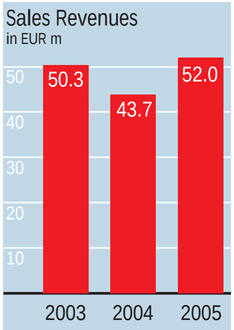
Business Development of the Amadeus FiRe Group

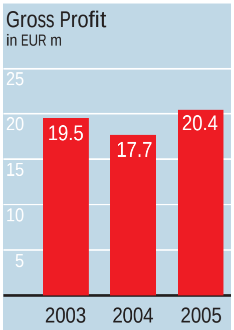


After an abbreviated fiscal year from April 1 to December 31, 2004, fiscal year 2005 was again a calendar year. For the sake of comparability, all comparative information provided below is based on the same twelve months of the prior year.

The Amadeus FiRe Group increased its revenues significantly in fiscal year 2005. Consolidated revenues came to EUR 52.0m (prior-year period: EUR 43.7m). This represents an increase of 18.9 per cent. Organic growth, not including the Academy for International Accounting consolidated since September 2005, was 15.4 per cent. This development was spurred by growth in specialized temporary staffing services and interim and project management. The other service areas training and personnel placement also generated significantly higher revenues.

Thus, development in the area of temporary employment was above the moderate growth forecast in the prior year, since the demand for the specialized services offered was stronger demand than anticipated. The other services developed as forecast.

The cost of the services provided amounted to EUR 31.6m, which was EUR 5.6m higher than the comparable prior-year period. The cost mainly comprises personnel expenses and varies depending on the number of employees active on customer assignments and consultants working in personnel consulting.



The Amadeus FiRe Group generated a gross profit of EUR 20.4m in 2005 (prior-year period: EUR 17.7m). Gross profit was thus up 15.0 per cent on the prior-year period. The gross profit margin decreased 130 basis points to 39.2 per cent, after 40.5 per cent in the comparable prior-year period. The decrease is partly due to the lower margin of the training area, which is in turn attributable to the first-time consolidation of the Academy for International Accounting. The gross profit margin of the most important revenue area, temporary employment, rose 60 basis points despite fewer chargeable days.

Our positioning as a specialized staffing service company with our core competency in finance and accounting allows us to generate margins significantly higher than the industry average. The Amadeus FiRe Group achieves some 40 per cent compared with an industry average of 25 per cent.

The Group continued to perform its activities at 16 German and two international locations (Birmingham and Amsterdam) in the fiscal year.

The Amsterdam location was discontinued in January 2006. Existing and future engagements will be performed through a cooperation.

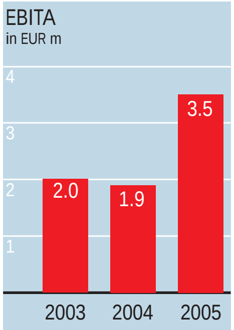
Selling and administrative expenses rose 7.9 per cent from EUR 15.8m to EUR 17.1m. As well as the additional costs incurred for the new acquisition which was consolidated in September, expenses increased due to the development of the training and personnel placement areas. Overall, the cost-revenues ratio decreased by 3.3 percentage points.

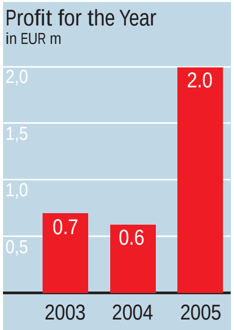
EBITA (earnings before interest, tax and goodwill amortization) in the fiscal year came to EUR 3.5m (prior-year period: EUR 1.9m). The prior-year result was topped by 84.2 per cent due to revenue growth in all business areas. The EBITA margin was 6.7 per cent (prior-year period: 4.4 per cent).

The comparable prior-year period still contains systematic goodwill amortization of EUR 0.3m, which, however, no longer applies following the transition to IFRS 3 in April 2004.

Consolidated net profit net of minority interests amounts to EUR 2.0m (comparable prior-year period: EUR 0.6m including goodwill amortization).

The development of the individual services in fiscal year 2005 is presented in detail in this management report in the section on Services.





Development in the Segments

Temporary Staffing, Interim and Project Management, Recruiting/Permanent Placement Segment

Revenues in this segment came to EUR 42.2m in the fiscal year and were thus 18 per cent higher than the comparable prior-year period. This development was due to the significantly higher revenues in temporary staffing services.
The gross profit margin was 35.8 per cent in 2005 against 36.3 per cent in the prior year.
Directly allocable selling expenses were 7.8 per cent higher than in the prior year, mainly attributable to higher personnel expenses.
Earnings before administrative expenses amounted to EUR 5.2m against EUR 3.9m in the prior year.
Segment assets came to EUR 22.4m as of December 31, 2005 against EUR 21.8m in the prior year.
The liabilities of this segment rose from EUR 3.3m to EUR 3.9m due to higher liabilities and provisions, which are attributable to the increase in the number of employees.
Investments and amortization/depreciation were at the level of the prior year.

Training Segment

Revenues in the training area totaled EUR 9.8m in 2005 against EUR 7.8m in 2004. In fiscal year 2005, these contain revenues of EUR 1.5m from the Academy for International Accounting, which was consolidated since September 2005.
The gross profit margin was at 54 per cent compared with 60 per cent in the prior year. The decrease is due to the effect of the first-time consolidation of the Academy for International Accounting.
The segment result after directly allocable costs came to EUR 1.7m against EUR 1.8m in the comparable prior-year period.
Segments assets rose from EUR 8.2m to EUR 12.1m through the acquisition of the Academy for International Accounting and the ensuing goodwill.
Segment liabilities were at EUR 6.3m, EUR 2.1m higher than the value of the prior year, due to increased liabilities to minority interests and the increase in other liabilities.
Investments made of EUR 4.5m contain goodwill of EUR 4.1m of the Academy for International Accounting.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Explanations on the Net Assets and Financial Position

Composition of Net Assets, Equity and Liabilities

ASSETS	December 31, 2005 EUR k	
Software	801	2%
Goodwill	14,130	41%
Property, plant and equipment	969	3%
Payments on account	35	0%
Deferred taxes	261	1%
Non-current assets	**16,196**	**47%**
Trade receivables	4,487	13%
Other assets	226	1%
Prepaid expenses	663	2%
Cash and cash equivalents	12,842	36%
Current assets	**18,218**	**53%**
Total assets	**34,414**	**100%**
EQUITY AND LIABILITIES		
Capital stock	5,295	15%
Capital reserve	12,099	35%
Treasury shares	-207	-1%
Adjustment item for currency translation	-67	0%
Accumulated profit	6,549	19%
Minority interests	177	1%
Equity	**23,846**	**69%**
Liabilities to minority partners	2,060	7%
Deferred tax liabilities	106	0%
Other liabilities	126	0%
Non-current liabilities	**2,292**	**7%**
Tax provisions	280	1%
Trade payables	1,095	3%
Other liabilities and accruals	6,901	20%
Current liabilities	**8,276**	**24%**
Total liabilities	**34,414**	**100%**

The total assets of the Amadeus FiRe Group amount to EUR 34,414k compared with EUR 29,930k in the prior year. The Company's assets mainly comprise cash and cash equivalents and goodwill. These items amount to 78 per cent of the balance sheet total. Equity and liabilities are mainly shaped by equity. The equity ratio is 69 per cent (prior year: 75 per cent).

The increase in minority interests results mainly from the acquisition of the Academy for International Accounting and the related contribution made by the minority partners of Steuer-Fachschule Dr. Endriss.

The increase in non-current assets is due to the consolidation of the Academy for International Accounting in which Steuer-Fachschule Dr. Endriss acquired a majority interest in August 2005 and the related increase in goodwill. Property, plant and equipment decreased since systematic depreciation was higher than the investments.

Trade receivables are 20 per cent higher than in the prior year due to the significant increase in revenues. The average term of receivables of 24 days decreased year-on-year. Other receivables are declining due to a tax liability being paid in the last fiscal year.

Other current liabilities rose by EUR 1,414k, mainly due to higher provisions for profit-linked variable remuneration, accrued vacation and higher advance payments received.

Investment and Financing

Cash Flow Statement	**2005**	**2004**
Cash flows from operating activities	3,803	2,540
Thereof: changes in working capital	558	272
Cash flows from investing activities	-3,671	-1,052
Cash flows from financing activities	-216	-741
Increase in cash and cash equivalents	-84	747
Cash and cash equivalents as of year-end	12,842	12,926

Cash Flows from Operating Activities

Cash flows of EUR 3.8m were generated from operating activities. This was some 50 per cent higher than the prior year and is mainly due to the increase in the net profit for the period, the decrease in other receivables and a higher tax payment.

Cash Flows from Investing Activities

The cash flows from investing activities are largely due to the acquisition of 80 per cent of the shares in Akademie für Internationale Rechnungslegung Prof. Dr. Leibfried GmbH by Steuer-Fachschule Dr. Endriss GmbH & Co. KG.

Cash Flows from Financing Activities

A dividend was distributed in 2005 for the abbreviated fiscal year 2004, while no dividend was paid in the prior year. To finance the acquisition of Akademie für Internationale Rechnungslegung Prof. Dr. Leibfried GmbH, the shareholders of Steuer-Fachschule Dr. Endriss GmbH & Co. KG made a payment to the Company's capital reserve. In accordance with an authorization granted by the shareholders' meeting of May 10, 2005, the Company launched a share buyback program on November 4, 2005. As of December 31, 2005, 30,250 shares had been bought back valued at EUR 207k. For further information, please see the section "The Amadeus FiRe Share".

Cash and Cash Equivalents

Cash and cash equivalents totaled EUR 12.8m (December 31, 2004: EUR 12.9m) as of the balance sheet date, which is 37.3 per cent (December 31, 2004: 43.1 per cent) of the balance sheet total.

The Amadeus FiRe Group holds cash in order to be able to react quickly to investment projects. Cash and cash equivalents are used in short-term and low-risk investments.

Due to the balance sheet structure and the level of new contracts at the time of preparing the consolidated financial statements and the combined management report, we assume that the economic situation of the Company continues to be healthy.

Services

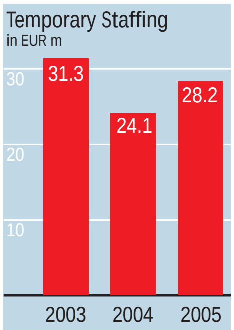
The Amadeus FiRe Group offers its customers specialized staffing services for temporary and permanent placements in the commercial field.
The staffing solutions offered allow the customers to act flexibly while reducing expenses for the recruitment and selection of personnel.

Amadeus FiRe also offers its customers the opportunity to receive further training in the area of finance and accounting. We are an ideal partner for people who are looking for an interesting field of work, or who want to develop their career or improve their skills and qualifications through training. We can cater to these needs fast and effectively thanks to our access to the market and our service portfolio. The Amadeus FiRe Group and subsidiaries enjoy an excellent reputation with its customers, which is confirmed in our regular customer feedback surveys.

The Group currently operates in Germany and the UK, although training is only offered in Germany.

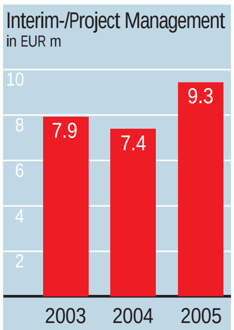
Constant change and the rising demands on corporate accounting, particularly international accounting and the flexibility of staffing necessary in order to compete internationally will result in a continued increase in demand for specialists in the commercial field as well as for training.

Temporary Staffing Services



The Group generated revenues of EUR 28.2m in fiscal year 2005 (EUR 0.8m of which in the UK), compared with EUR 24.2m in the same prior-year period. This represents an increase of 16.4 per cent.
The number of chargeable hours increased each quarter with a clear upward trend and by 22 per cent overall. The average service price was 4.2 per cent lower than the prior year and reached over EUR 28 per hour. Performance was higher than the prior year. The gross profit margin rose by 0.6 percentage points to 34.4 per cent. Temporary staffing services accounted for some 54 per cent of total revenues (prior year 55 per cent).

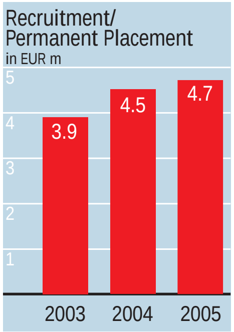
Interim and Project Management



The Group generated revenues of EUR 9.3m (of which EUR 0.8m in the UK) from interim and project management in fiscal year 2005. In the comparable prior-year period, revenues came to EUR 7.4m (up 26.6 per cent). The positive trend which already became apparent in the last quarter of 2004, continued unabated in all quarters of 2005. Interim-/project management contributed 17.9 per cent to total revenues (prior year: 16.8 per cent). The gross profit margin decreased from 30.2 per cent to 29.5 per cent.

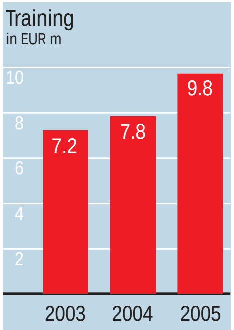
Recruitment/Permanent Placement

In addition to the increased demand for temporary services, revenues also rose in the area of recruitment/permanent placement. The Group generated total revenues of EUR 4.7m (EUR 1.4m of which in the UK) from this service area. In the comparable prior-year period, revenues came to EUR 4.5m (EUR 1.9m of which in the UK). This represents an increase in revenues of 5.0 per cent. This service segment accounted for 9.0 per cent of revenues (prior year: 10.2 per cent).



Training

The Amadeus FiRe Group expanded its training activities in August 2005 through the majority acquisition of Akademie für Internationale Rechnungslegung Prof. Dr. Leibfried GmbH by Steuer-Fachschule Dr. Endriss GmbH & Co. KG. In addition to preparation for examinations recognized by the state (e.g. tax advisor, accountant, tax assistant and controller examinations) offered by Steuer-Fachschule Dr. Endriss, the Academy for International Accounting focuses on international accounting (IAS/IFRS and US GAAP). Revenues in the training area amounted to EUR 9.8m (comparable prior-year period: EUR 7.8m). This represents an increase of 24.8 per cent. Organic growth was 5.7 per cent. The operating result (EBITA) in the previous fiscal year was EUR 1.5m (prior year: EUR 1.7m). Due to effects from first-time consolidation, earnings of Akademie für Internationale Rechnungslegung GmbH were close to zero for the fiscal year. Moreover, higher expenses for the relocation of Steuer-Fachschule Dr. Endriss to larger, more modern premises impacted earnings. The training area accounts for some 18.8 per cent of total revenues for the fiscal year against 17.9 per cent in the prior year.



Amadeus FiRe AG

In contrast to the consolidated financial statements based on the IFRSs of the International Accounting Standards Board (IASB), the financial statements of Amadeus FiRe AG have been prepared in compliance with generally accepted accounting principles in accordance with the provisions of Secs. 242 to 256 and Secs. 264 to 288 HGB and the special provisions of the German Stock Corporation Act ["Aktiengesetz": AktG].

The purpose of the Company is the leasing of staff to companies within the framework of the German Personnel Leasing Act ["Arbeitnehmerüberlassungsgesetz": AÜG], job placement services for business professions, and personnel and management consulting. The Company does not provide any tax or legal services.

By resolution of the general shareholders' meeting of August 4, 2004, the Company established an abbreviated fiscal year in the prior year from April 1, 2004 to December 31, 2004. The figures of the current fiscal year are therefore not comparable with the figures of the prior abbreviated fiscal year. In following explanations, all comparative information refers to the corresponding 12-month period.

Revenues were up EUR 4,272k on the prior-year period (up 17 per cent) due to the general economic upswing. The increase in revenues results mainly from current demand in the area of specialized temporary staffing services.

Cost of sales amounted to EUR 17,965k, up 19.5 per cent on the prior year, mainly shaped by the increase in the number of employees.

Selling expenses increased by EUR 364k year-on-year, mainly attributable to higher personnel expenses. Administrative expenses decreased by EUR 328k against the prior year. This is due to the decrease in amortization/depreciation and lower rental expenses.

The investment result amounted to EUR 2,764k in the fiscal year. This contains impairment losses on financial assets of EUR 167k. Investment income from Steuer-Fachschule Dr. Endriss, Amadeus FiRe GmbH and Amadeus Services are at almost the same level as the prior year.

Income taxes amounted to EUR 1,020k in fiscal year 2005.

The rise in the net results is therefore attributable to the increased revenues and the resulting rise in gross profit.

Property, plant and equipment decreased in comparison to the prior year. Current depreciation of the fiscal year exceeded investments by EUR 308k. The increase in financial assets is due to payments to the capital reserve of EUR 500k to Greenwell Gleeson Germany and EUR 1,620k to Steuer-Fachschule Dr. Endriss for the acquisition of the Academy for International Accounting. Due to the significant growth in revenues, trade receivables rose by EUR 757k year-on-year. The disclosed treasury shares of EUR 207k are due to the share buyback program launched on November 4, 2005. The balance sheet structure, that is the weighting of non-current assets, current assets and cash and cash equivalents, remained unchanged against the prior year. The equity ratio is 86 per cent against 89 per cent in the prior year.

Marketing and Sales

The Amadeus FiRe Group offers its services under a variety of trademarks.

The temporary staffing, project management and permanent placement services are successfully offered in Germany under the trademark Amadeus FiRe. In the fiscal year, Amadeus FiRe was further divided into the new business fields accounting, office, banking and IT services in order to achieve greater transparency and generate new business. A network of 16 branches managed by experienced area managers assures customer proximity. A national key account manager provides the branches with on-site support in concluding framework agreements. While entering into such agreements leads to lower margins on average, they do establish long-term partnerships that offer significant revenue potential in the medium to long term and enhance the reputation of the Group.

Marketing activities are focusing increasingly on online marketing. Job postings are almost exclusively placed on the leading job sites framed by the new Amadeus FiRe logo. These activities were stepped up in the second half of the year by placing 700 job advertisements on the leading job portals. Improvements continued to be made to placements on the major search engines and portals and various success-based advertising campaigns and cooperations were extended. These measures underpinned the positive trend of site visits by customers, applicants and other interested parties in 2005. On average, the number of site visits was up 31 per cent against the prior-year period, which highlights the increasing importance and success of the Group's website.

Example of an E-Mail –
Amadeus FiRe-Candidate-Flash

In addition to regular customer mailings, increasingly in the form of e-mails, we maintain personal contact with the customers' decision-makers through local sponsoring and customer events so as to better market our services, some of which require explanation.

Greenwell Gleeson offers recruitment services, i.e. the search for and selection of executives in the areas of finance and accounting, sales and marketing and interim management using advertisements and databases. The target candidates are primarily managers.

The training segment offers seminars and further training throughout Germany with a focus on finance and accounting. Both Cologne-based Steuer-Fachschule Dr. Endriss as well as Akademie für Internationale Rechnungslegung Prof. Dr. Leibfried in Stuttgart advertise their services through the distribution of substantial brochures and newsletters. In addition, the websites record more than 1.5 million visits per year.

Our Employees

The key to customer satisfaction and thus the most important success factor in temporary staffing services is the quality of the service performed by external employees.
Thus the external employees' qualifications and professional expertise, not least regarding their soft skills, is one of the most important criteria that sets us apart from the competition. Applicants' skills are examined in in-depth interviews which include specialist tests. The customer assesses the quality of the work by completing a questionnaire after completion of an assignment. A customer satisfaction analysis showed that 94 per cent of companies surveyed were very satisfied or satisfied with the staff assigned to them. In order to guarantee this high quality, external employees attend courses at Steuer-Fachschule Dr. Endriss.

The high retention rate of temporary staff by customers of some 40 per cent in 2005 attests to the quality of employees and customer satisfaction.

The following table lists the number of employees active in Group operations in fiscal year 2005.

	Average number of employees operational		Personnel expenses EUR k	Personnel expenses EUR k
	2005	**2004**	**2005**	**2004**
Employees on customer assignments (external employees)	643	524	19,663	16,684
Sales staff (internal employees)	128	108	8,505	7,183
Administrative staff	30	34	1,715	1,774
Total	801	666	29,883	25,641

In 2005, an average of 913 employees were recruited for customer assignments. There was an annual average of 643 external front-line employees. Departures in the fiscal year totaled 714, giving an average length of employment of around 11 months. This means that 199 employees were additionally placed on customer assignments. The number of external front-line employees rose during the fiscal year from 536 to 740 as of December 31, 2005. Amadeus FiRe employees are compensated on the basis of the collective agreement of the IGZ ["Interessenverband Deutscher Zeitarbeitsunternehmen": German Temporary Employment Companies Industry Association].

63 per cent of employees were recruited via the Group's internet activities, 26 per cent by recommendation. More than 12 per cent of employees recruited previously worked for Amadeus FiRe. This shows that the Amadeus FiRe Group is a valued employer and partner for the development of its employees' careers.

Our internal staff members represent the Group in dealings with customers, external employees and applicants. Hence, they are directly responsible for operations. Regular training is held in the areas of sales and communication as well as the relevant legal provisions in order to ensure high-quality advice.

There were 158 internal staff members employed in 2005. 41 departures equate to a turnover rate of 25 per cent. As of December 31, 2005, the Amadeus FiRe Group employed 161 staff in sales and administration.

The Amadeus FiRe Group trains young people after completion of their schooling and thereby makes a positive contribution to the market for trainee positions. The Group had 8 trainees as of December 31, 2005.

Organization

Legal Structure

Amadeus FiRe AG, Frankfurt am Main, Germany, is the parent company of the Amadeus FiRe Group and the largest operating company. The subsidiaries of Amadeus FiRe AG are Amadeus FiRe Interim- und Projektmanagement GmbH, Frankfurt am Main, Germany, Amadeus FiRe Services GmbH, Frankfurt am Main, Germany, Steuer-Fachschule Dr. Endriss GmbH & Co. KG, Cologne, Germany, Dr. Endriss Verwaltungs-GmbH, Cologne, Germany, Greenwell Gleeson GmbH, Frankfurt am Main, Germany, Greenwell Gleeson B.V., Amsterdam, Netherlands, Greenwell Gleeson Ltd., Birmingham, UK, and Greenwell Gleeson Personalberatung GmbH, Vienna, Austria.

Akademie für Internationale Rechnungslegung Prof. Dr. Leibfried GmbH, Stuttgart, Germany, is an 80 per cent-owned subsidiary of Steuer-Fachschule Dr. Endriss GmbH & Co. KG, Cologne, Germany.

All subsidiaries are wholly owned other than Steuer-Fachschule Dr. Endriss, Cologne, Germany, in which Amadeus FiRe holds a 60 per cent share.

Organizational Structure of the Amadeus FiRe Group

Amadeus FiRe currently has 16 German locations headed by experienced managers. The locations are run in accordance with the company philosophy “entrepreneurs in the enterprise”. Greenwell Gleeson operates from two Germany locations and one location in the UK. Until January 2006, Greenwell Gleeson also operated its own company in Amsterdam, Netherlands. This has since been closed. Steuer-Fachschule Dr. Endriss has its registered office in Cologne, but runs courses at 26 German locations. Likewise, the Academy for International Accounting has its registered office in Stuttgart and holds seminars in eight German cities.

Back-office functions, such as accounting, personnel, and IT are provided by the head office in Frankfurt am Main as main services provider.

Executive Bodies of the Company

The management board of Amadeus FiRe AG comprised two members as of December 31, 2005:

Günter Spahn CEO
Area of responsibility: Corporate strategy, operations, acquisitions and investments, marketing and public relations.
Appointed: 1998
Appointment ends: 2007
Supervisory or other advisory boards: Aufsichtsrat Fonds Direkt AG (until October 31, 2005)

Peter Haas CFO
Area of responsibility: Finance, accounting and financial control, investor relations, personnel, IT, auditing, legal
Appointed: 1999
Appointment ends: 2007

An additional member of the management board was appointed as of January 1, 2006:

Axel Endriss
Area of responsibility: Training, IT services
Appointed: 2006
Appointment ends: 2008

Supervisory Board

In accordance with Sec. 95 AktG, the supervisory board of Amadeus FiRe AG comprises six members. Georg Blinn and Hans H. Roolf resigned from the board as of April 1, 2005. The local court of Frankfurt, Germany, appointed Mr. Michael C. Wisser as member of the supervisory board effective October 6, 2005 and Dr. Arno Frings effective November 30, 2005. The supervisory board set up the following committees: Audit committee (Hartmut van der Straeten – chairman, Michael C. Wisser, Ulrike Bert), personnel committee (Gerd B. von Below – chairman, Dr. Arno Frings).

Members of the Supervisory Board (As of Dec. 31, 2005)

Gerd B. von Below, Bonn, Germany
Business consultant
Chairman of the Supervisory Board

Hartmut van der Straeten, Wehrheim, Germany
Business consultant
Deputy Chairman of the Supervisory Board
Supervisory or other advisory boards:
Executive director of EGANA Jewellery & Pearls Ltd., Hong Kong

Arno Frings, Düsseldorf, Germany, since November 30, 2005
Lawyer
Partner in the law firm Hoelters & Elsing

Michael C. Wisser, Frankfurt am Main, Germany, since October 6, 2005
Business administration graduate
CFO of Wisag Service Holding GmbH & Co. KG, Frankfurt am Main, Germany
Supervisory or comparable advisory boards:
Deputy Chairman of the Supervisory Board of Netz-Aktiv Aktiengesellschaft für dezentrale Informationssysteme, Bayreuth, Germany

Ulrike Bert, Aschaffenburg, Germany
Businesswoman
Employee representative

Axel Böke, Kriftel, Germany
Businessman
Employee representative

Risk Management and Risk Report

The aim of risk management is to identify risks as early as possible, limit financial losses by taking appropriate action, and avoid jeopardizing the Company's ability to continue as a going concern. The Amadeus FiRe Group has an efficient, detailed risk management system which is used to report to the management board at regular intervals. The risk management system encompasses sales, human resources, finance, investor relations, IT and internal audit.

Risk Controlling

There are a wide variety of controls designed to enable all risks to be identified and managed early and effective measures to minimize risks to be developed. Flat organizational structures and an open communication culture increase transparency and facilitate the management of potential risks. A standardized, timely Group financial reporting function and structured control systems and procedural instructions allow deviations and peculiarities to be identified at an early stage. The Group's medium and long-term strategy is verified annually by the management board and supervisory board and the achievement of the defined steps is reviewed. This process is also designed to identify opportunities and the related earnings potential. The internal control system is examined by the supervisory board on a regular basis.

General Economic Risks

At the beginning of 2006, the German economy is in a better position than it was a year ago. Twelve months ago, the economy looked as though it was stabilizing, but now there are clear signs of a more dynamic trend. The latest forecasts for 2006 point to real growth of some 1.5 per cent. The steady upturn in investments is another reason to be optimistic.

The main risk to the economy would be another oil price hike, which would not only affect product costs, but would also drain purchasing power from domestic demand. The high US balance of payments deficit could pose another risk, leading to a substantial devaluation of the US dollar and hitting the export-reliant economic areas.

The generally positive mood in the German economy and among consumers is a reason to be optimistic and point to a further recovery in demand for the Amadeus FiRe Group's services.

Industry Risks

Temporary employment agencies are benefiting from the positive economic signals and a moderate recovery in the German labor market. Many companies are reporting double-digit growth and are optimistic about the outlook for the years to come. The German market for temporary employment is dominated by the industrial sector and is fragmented. The takeovers announced in January 2006 have resulted in some consolidation in the industry, but have not had a sweeping impact on the structure of the market. According to the German Federal Employment Agency, there are some 4,500 companies in this field. The industrial/technical sector accounts for around 75 per cent of business. The introduction of collective labour agreements for temporary employment has made temporary staffing more expensive in the industrial sector, especially in the low-skilled area. Competition has increased as a result. Since Amadeus FiRe AG does not operate in this market segment, we are not affected by this development. There is increased competitive pressure in the specialized segment for business professionals and executives due to the focus of new competitors on the premium segment. However, thanks to our enhanced skills, we have held on to our market leadership.

The new transparency of the collective labour agreements coupled with the increase in framework agreements with major clients is, however, leading to price decreases which are offset by wage adjustments.

The availability of qualified staff is fairly good given the situation on labor market at present and in the foreseeable future, but the recruitment of highly qualified people is still a critical success factor. We are therefore keeping up a high level of recruitment activities, especially on the internet.

Legal Risks

There are currently no material legal disputes. Because the Amadeus FiRe Group operates in a highly restrictive business environment, compliance with the relevant legal provisions, the application of the collective agreement and the internal guidelines are reviewed by the internal audit department. In order to reduce the legal risks, sales and administrative employees will continue to be trained in the relevant areas annually.

IT Risks

Our business processes are supported by quality integrated IT solutions. Modern computer center facilities are available for IT operations. The IT infrastructure is subject to constant improvement. Precautions to protect our IT and IT applications are top priority. The IT strategy and IT security plans are regularly updated and optimized.

The Group uses modern hardware and software to control potential IT-related risks. Redundant systems, a back-up computer center and a state-of-the-art security environment ensure IT availability and afford sufficient protection against unauthorized access. Our databases are regularly backed up and stored off-site. An appropriate contingency plan enables systems to be restarted before the defined maximum downtime, even in the event of serious disruptions.

No IT risks are foreseeable at present.

Financing Risks

As of December 31, 2005, the Amadeus FiRe Group has cash and cash equivalents of EUR 12.8m. This forms the basis for a solid financing of operations, the option to make further acquisitions and potential share redemptions. A positive cash flow is expected for fiscal year 2006.

No financing risks are apparent at present.

Management Risks

The management board of Amadeus FiRe AG has three members who have been allocated responsibility for the various business areas by the supervisory board. Contracts with members of the management board have terms of between 13 and 36 months.

The companies in the Group are headed by general managers appointed to manage them. The branch offices of the Amadeus FiRe Group are managed by an area manager at each location and supported by a supraregional key account manager. Each of the central service functions reports to a separate departmental head. The Group thus has a lean and appropriate management structure.

No management risks are apparent at present.

Other Risks

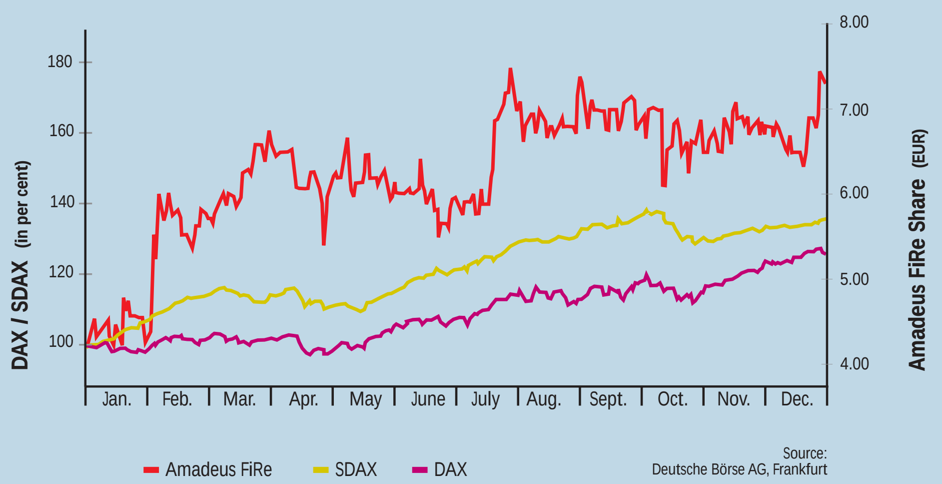
No other risks are apparent at present.

Based on the specific risks described, the existing risk management system and the current development of operating activities, the operations of the Amadeus FiRe Group are not exposed to any risks which would pose a threat to its ability to continue as a going concern.

The Amadeus FiRe Stock

Performance of the Amadeus FiRe Stock in Fiscal Year 2005

Many stock indices closed the year on a high note. The DAX was up 26 per cent and the SDAX climbed by a huge 36 per cent. Very few banks had been expecting such excellent performance at the beginning of the year. An average increase of 7 per cent was forecast at the time.



Performance of the Amadeus FiRe Share

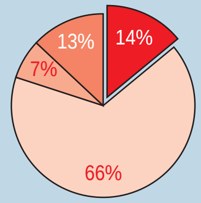
The Amadeus FiRe stock made good ground in 2005. Compared with the closing price on December 31, 2004 of EUR 4.20 (XETRA), the stock leapt in value by 75 per cent and closed 2005 at a price of EUR 7.33. This came close to the year's high of EUR 7.50 which was reached at the end of July.

Capital Market Ratios	2005	2004
Market price (XETRA closing price, Frankfurt) in EUR		
High	7.50	6.15
Low	4.17	3.25
December 31	7.33	4.20
Number of shares outstanding (in thousands)	5,265	5,295
Stock market capitalization (December 31, in EUR m)	38.8	22.2
Earnings per share	0.37	0.14

At the beginning of the year, the Amadeus FiRe stock was included in the new midmarket index, GEX. This index is the indicator for the performance of entrepreneurial midmarket companies. Following the departure of two of the founders from the supervisory board in April 2005, the requirements for inclusion in this index were no longer met.

Shareholder Structure of Amadeus FiRe AG

According to the definition of Deutsche Börse AG, 86 per cent of the shares of Amadeus FiRe AG are in free float. The remaining 14 per cent is held by the company founder and CEO, Günter Spahn. About two thirds of the shares in free float are held by institutional investors, some 7 per cent by institutional investors in Germany. Endriss Beteiligungsgesellschaft mbH, Cologne, Germany holds another 2 per cent.



Purchase of Treasury Shares

Based on the authorization given by the general shareholders' meeting on May 10, 2005, the management board of Amadeus FiRe AG decided on November 3, 2005 to buy back up to 5 per cent of the capital stock, i.e. up to 264,753 shares. All shares are being bought back on the stock exchange and the plan is initially limited to six months. The following shares were bought back in 2005:

	Number	Average Purchase Price	Repurchase Value (excl. incidental charges)
November 2005	16,111	6.86	110,580.52
December 2005	14,139	6.62	93,590.12
Total 2005	30,250	6.75	204,170.64

Stock Option Plan of Amadeus FiRe AG

239,247 stock options are still outstanding from the Amadeus FiRe AG stock option plans dating back to 1999 and 2001. No options were exercised in the fiscal year, since the targets for exercising such options were not reached during the exercise period. The stock option plan from Conditional Capital I with 192,167 outstanding options is due to expire on June 30, 2006. The notes to the consolidated financial statements contain detailed information on Amadeus FiR AG's stock option plans.

Investor Relations

Amadeus FiRe maintains an open and continual dialogue with analysts and current and potential shareholders. A timely and extensive reporting system allows us to report quickly, competently and comprehensively. Apart from the general shareholders' meeting and the compulsory publication of quarterly and annual reports, the Company seeks and maintains contact with investors through special events, telephone conferences and personal meetings to inform investors about its current situation and expectations.

Three roadshows were staged last year and numerous meetings and telephone calls were held with national and international investors and analysts.

The Amadeus FiRe stock is currently analyzed and evaluated by three institutions (WestLB, Cazenove, and Berenberg Bank).

The Group's investor relations homepage (www.amadeus-fire.com) is used by many investors for fast and detailed information. Amadeus FiRe ensures that up-to-date and extensive information is made available and that the Company can be contacted at any time.

Corporate Governance

Corporate governance entails the overall management and oversight of a company, including its organization, policies, guidelines and internal and external control mechanisms. The German Corporate Governance Code was introduced in 2002 and provides recommendations and suggestions to supplement the statutory provisions. Responsible and transparent corporate governance fosters the trust of shareholders, business partners, the public at large and, last but not least, group employees. Corporate governance for Amadeus FiRe AG means responsible management and control focused on long-term added value.

On November 1, 2005, the management board and supervisory board issued their joint declaration of compliance with the recommendations of the German Corporate Governance Code, last amended in June 2005, pursuant to Sec. 161 AktG.

Amadeus FiRe AG meets the requirements of the German Corporate Governance Code (version dated June 2, 2005) drawn up by the government commission except in the following matters:

- Amadeus FiRe AG has taken out directors' and officers' liability insurance for the management and supervisory boards. The current contracts do not include a deductible. When the contracts are renewed, the Company will ensure a deductible in the amount then deemed appropriate based on past experience.
- Members of the Supervisory Board of Amadeus FiRe AG receive fixed remuneration on a sliding scale according to their positions (chairman, deputy chairman, member). There is separate remuneration for chairing and sitting on supervisory board committees. Each supervisory board member receives an additional per-meeting fee from the sixth meeting of the supervisory board within a fiscal year. There is no variable remuneration for supervisory board members.
- No information on the remuneration system for management board members or details concerning the stock option plan are available on the website of Amadeus FiRe AG. The stock option plans and the stock options granted to the management board are detailed in the annual report of Amadeus FiRe AG. No information is given on the value of the stock options. The remuneration components for the management board are listed but no further details are provided.
- Mr. Michael C. Wisser was appointed for an unlimited term by resolution of the Local Court of Frankfurt am Main of October 6, 2005. The election of Mr. Wisser to the supervisory board will be proposed to the shareholders as an item on the agenda for the next general shareholders' meeting.


STEUER-FACHSCHULE
DR. ENDRISS
Skills – the road to success
More than 6.000 participants have been trained successfully in 2005.
www.steuerfachschule.de

Events after the End of Fiscal Year 2005

The supervisory board appointed Dr. Axel Endriss to the management board as of January 1, 2006. Dr. Endriss will be responsible for training and developing IT services activities.

Forecast

Development of the Economy as a Whole

Forecasts for the German economy in 2006 point to slightly higher GDP growth than in 2005. All hopes are pinned on continued strong global economic growth. However, the export-driven side of the economy will tail off as the year progresses. Domestic demand is not anticipated to make a convincing recovery. The labor market situation remains gloomy. The gradual improvement will not be strong enough to give a noticeable boost to private spending. Moderate collective wage agreements and the ongoing decrease in employment subject to social insurance is expected to be reflected in only a minimal rise in gross wages and salaries. Monetary welfare benefits will not increase, while other forms of private household primary income (e.g. net income from partnerships, self-employment) will grow vigorously once again. All in all, disposable income of private households will rise by some 1.2 per cent. Allowing for the forecast rate of inflation, in real terms, incomes will fall. The bright prospects in the export business and companies' improved financing structures point to a moderate increase in investments in equipment. Calendar-adjusted GDP is forecast to grow by 1.5 per cent.

Industry Performance

After a noticeable increase in demand for specialized personnel services was felt in 2005, as expected, the outlook for 2006 is as good as ever. While the upswing is taking its first tentative steps, companies are able to cope faster with peak work volumes or temporary vacancies than they would be able to do by hiring employees on temporary contracts.

As, in quantitative terms, temporary employment still only accounts for a very small proportion of all employment subject to social insurance (approx. 1.4 per cent), Germany still has more potential for growth than other European countries.

Opportunities

The image of temporary employment and its acceptance will improve in the medium term thanks to changing conditions and will also become more widespread among the more highly qualified professions.

Based on the assumption that GDP will grow as forecast and that temporary employment still has a low level of market penetration, industry growth is also on the cards for 2007.

Sales and Earnings

Year-on-year sales in temporary staffing services increased each quarter in 2005 with a clear upward trend. Significantly higher sales are also expected for 2006 due to the current demand situation. The fact that 2006 has two working days less than 2005 will have a negative impact.

A moderate increase is expected for interim management and a temporary decline in sales for permanent placement/consulting.

In addition to organic growth, the acquisition of the Academy for International Accounting as of September 1, 2005 contributed to significantly higher sales in the training segment.

The Amadeus FiRe Group anticipates revenues of some EUR 60m for fiscal year 2006. This would mean increase in revenues of around 15 per cent.

Given the high quality of our services, we expect a similarly high gross profit margin of just under 40 per cent in the current fiscal year.

Improved EBITA is expected for fiscal year 2006.

Sales and earnings performance will follow suit with the industry trend in 2007. As these forecasts are positive across the board, we anticipate rising revenues and earnings.

Strategy

Financial Calendar

20.04.2006
Quarter 1 Report
for fiscal year 2006

09.05.2006
Shareholders' General Meeting

20.07.2006
Semi Annual Report
for fiscal year 2006

19.10.2006
Nine Months Report
for fiscal year 2006

October 2006
International Roadshow

February 2007
Preliminary Sales and EBITA Figures
for fiscal year 2006

March 2007
Press and DVFA-Conference
for fiscal year results 2006

May 2007
Shareholders' General Meeting

The Amadeus FiRe Group is a provider of highly qualified personnel services in the commercial field, focusing on its core competencies in finance and accounting.

We will retain our tried-and-tested service portfolio comprising

- Temporary employment, project management, permanent placement
- Recruitment, interim management
- Training

The Amadeus FiRe Group's positioning will generate greater organic growth in the various markets in the medium to long term. Growth can be accelerated by acquisitions and equity investments, but this is not top priority.

Our acquisition targets are companies with above-average earnings that would complement the existing services of the Group and also open up operating synergies.

The Group will benefit more than others from growth in the staffing services market in the commercial area and from the growth potential in the German staffing services market. Our existing infrastructure will enable us to manage a higher volume of business at a relatively low level of extra cost.

By continuing with its responsible, value-based strategy, management is putting every effort into increasing confidence in the Amadeus FiRe Group and achieving a return to past yields in the medium term as well as sustained growth in corporate value.

In view of the net profit forecast for 2006, we again plan to distribute dividends.

Frankfurt am Main, Germany, February 6, 2006

Günter Spahn	Peter Haas	Dr. Axel Endriss
CEO	CFO	Training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Consolidated Financial Statements 2005

Consolidated Income Statement for Fiscal Year 2005

Amounts stated in EUR k	Note	**2005**	**2004**
Revenues	1	51,981	32,882
Cost of sales	2	-31,588	-19,469
Gross profit		**20,393**	**13,413**
Selling expenses	3	-13,454	-9,233
General administrative expenses	4	-3,596	-2,691
Other operating income	6	157	70
Other operating expenses	7	-36	-96
Profit from operations before goodwill amortization		**3,464**	**1,463**
Goodwill amortization	8	0	0
Profit from operations		**3,464**	**1,463**
Financial result	9	253	161
Profit before tax		**3,717**	**1,624**
Income tax	10	-1,126	-304
Profit after tax		**2,591**	**1,320**
Profit share attributable to minority interests disclosed under liabilities	11	-611	-559
Net profit for the period		**1,980**	**761**
Thereof attributable to minority interests	11	1	-1
Thereof attributable to shareholders		1,981	760
Profit carryforward		4,568	4,337
Accumulated profit		**6,549**	**5,097**

Earnings per share, in relation to the net profit for the period attributable to the ordinary shareholders of the parent company			
Basic (euro/share)	12	0,37	0,14
Diluted (euro/share)	12	0,37	0,14
Weight average number of ordinary shares:			
Basic (shares)		5,291,164	5,295.064
Diluted (shares)	12	5,291,164*	5,295,064*

* No dilution is disclosed as the stock options are not in the money.

Consolidated Balance Sheet as of December 31, 2005

Amounts stated in EUR k	Notes	December 31, 2005	December 31, 2004
ASSETS			
Non-current assets			
Software	13,15	801	700
Goodwill	13,15	14,130	9,996
Property, plant and equipment	14,15	969	1,162
Payments on account	14,15	35	17
Deferred taxes	16	261	154
		16,196	**12,029**
Current assets			
Trade receivables	17	4,487	3,726
Other assets	17	226	827
Prepaid expenses	18	663	422
Cash and cash equivalents	19	12,842	12,926
		18,218	17,901
Total assets		**34,414**	**29,930**
EQUITY AND LIABILITIES			
Equity			
Capital stock	20	5,295	5,295
Capital reserve	24	12,099	12,099
Treasury shares	25	-207	0
Adjustment item from currency translation		-67	-102
Accumulated profit	26	6,549	5,097
Minority interests	27	177	10
		23,846	**22,399**
Non-current liabilities			
Liabilities to minority shareholders	27	2,060	669
Deferred tax liabilities	16	106	0
Other liabilities	28	126	102
		2,292	**771**
Current liabilities			
Tax provisions	28	280	102
Trade payables	28	1,095	1,181
Other liabilities and accruals	28	6,901	5,477
		8,276	6,760
Total equity and liabilities		**34,414**	**29,930**

Statement of Changes in Group Equity for Fiscal Year 2005

Amounts stated in EUR k	Capital stock	Capital reserve	Treasury shares	Currency translation	Accumulated profit	Minority interests	Total
April 1, 2004	**5,295**	**12,099**	**0**	**-35**	**4,337**	**10**	**21,706**
Currency translation	0	0	0	-67	0	0	-67
Net profit for the period	0	0	0	0	760	0	760
December 31, 2004	**5,295**	**12,099**	**0**	**-102**	**5,097**	**10**	**22,399**
January 1, 2005	**5,295**	**12,099**	**0**	**-102**	**5,097**	**10**	**22,399**
Purchase of treasury shares	0	0	-207	0	0	0	-207
Dividends paid	0	0	0	0	-529	0	-529
Currency translation	0	0	0	35	0	0	35
Addition to minority interests	0	0	0	0	0	168	168
Net profit for the period	0	0	0	0	1,981	-1	1,980
December 31, 2005	**5,295**	**12,099**	**-207**	**-67**	**6,549**	**177**	**23,846**

Consolidated Cash Flow Statement for Fiscal Year 2005

Amounts stated in EUR k	**Notes**	**Jan. 1, 2005-Dec. 31, 2005**	**Apr. 1, 2005-Dec. 31, 2005**
Cash flows from operating activities	29		
Net profit before minority interests		2,591	1,320
Tax expense and deferred taxes		848	293
Depreciation/amortization on non-current assets		994	993
Currency translation differences		36	-67
Finance income		-253	-163
Interest expenses		0	2
Operating result before working capital changes		**4,216**	**2,378**
Increase/decrease in trade and other receivables		666	-77
Increase/decrease in deferrals		-224	38
Increase/decrease in trade payables and other liabilities and accrued liabilities		116	311
Cash flows from operating activities		**4,774**	**2,650**
Interest paid		0	-10
Income tax paid		-971	-100
Net cash used in operating activities		**3,803**	**2,540**
Cash flows from investing activities	30		
Cash paid for acquisition		-3,214	0
Outflow from purchase price installments		0	-721
Acquisition of intangible assets and property, plant and equipment		-735	-538
Disposals of assets		28	48
Interest received		250	159
Net cash flows used in investing activities		**-3,671**	**-1,052**

Amounts stated in EUR k	Notes	Jan. 1, 2005-Dec. 31, 2005	Apr. 1, 2005-Dec. 31, 2005
Cash flows from financing activities	31		
Dividends for minority interests in partnerships		-560	-741
Dividends paid		-529	0
Cash paid into capital reserve by minority partners		1,080	0
Purchase of treasury shares		-207	0
Net cash used in financing activities		**-216**	**-741**
Net change in cash and cash equivalents		**-84**	**747**
Cash and cash equivalents at beginning of period		**12,926**	**12,179**
Cash and cash equivalents at end of period		**12,842**	**12,926**
Composition of cash and cash equivalents at end of period			
Cash on hand and balances with banks (without drawing restrictions)		12,842	12,926
Additional information:			
Credit lines (not fully utilized)		500	500

Information on the Business Segments

Amounts stated in EUR k	**Temporary staffing services/interim- and project-management/ recruitment/permanent placement**	**Training & Education**	**Eliminations**	**Consolidated**
Jan 31, 2005 - Dec. 31, 2005				
Revenues				
External sales	42,209	9,772	0	51,981
Inter-segment sales	0	2	-2	0
Total revenue	42,209	9,774	-2	51,981
Result				
Segment result	5,262	1,677	0	6,939
Segment result before goodwill amortization	5,262	1,677	0	
General administrative expenses				**3,596**
Other operating income and expenses				121
Profit from operations				**3,464**
Interest expenses				0
Interest income				253
Income taxes				1,126
Minority interests in profit/loss				610
Profit/loss from ordinary activities				**1,981**
Net profit for the period attributable to shareholders				**1,981**
Other Information				
Segment assets	22,361	12,053	0	34,414
Segment liabilities	3,930	6,255	0	10,185
Investments (including goodwill amortization)	402	4,467	0	4,869
Amortization/depreciation (including goodwill amortization)	808	186	0	994
Non-cash expenses/income other than depreciation/amortization	3,143	822	0	3,965
Segment cash flows from operations	3,529	1,246	0	4,775
Number of employees per segment	823	21	0	844

Amounts stated in EUR k	Temporary staffing services/interim- and project-management/ recruitment/permanent placement	Training & Education	Eliminations	Consolidated
Jan 31, 2005 - Dec. 31, 2005				
Revenues				
External sales	26,533	6,329	0	32,882
Inter-segment sales	0	0	0	0
Total revenue	26,553	6,329	0	32,882
Result				
Segment result	2,710	1,471	0	4,181
Segment result before goodwill amortization	2,710	1,471	0	
General administrative expenses				**2,691**
Other operating income and expenses				-27
Profit from operations				**1,463**
Interest expenses				2
Interest income				163
Income taxes				304
Minority interests in profit/loss				560
Profit/loss from ordinary activities				**760**
Net profit for the period attributable to shareholders				**760**
Other Information				
Segment assets	21,758	8,172	0	29,930
Segment liabilities	3,273	4,156	0	7,429
Investments (including goodwill amortization)	361	4,467	0	538
Amortization/depreciation (including goodwill amortization)	884	109	0	993
Non-cash expenses/income other than depreciation/amortization	1,493	754	0	2,247
Segment cash flows from operations	613	2,037	0	2,650
Number of employees per segment	683	17	0	700

Notes to the Consolidated Financial Statements for Fiscal Year 2005

General

Amadeus FiRe AG is a stock corporation under German law based in Frankfurt am Main, Darmstädter Landstrasse 116, Germany. The Company is entered in the commercial register at the local court of Frankfurt, department B, under No. 45804.

Amadeus FiRe AG has been listed for official trading on the Frankfurt Stock Exchange since March 4, 1999. The Company was listed in the SMAX quality segment from April 1999 to March 21, 2003; it was listed in the SDAX from June 1999 until its reorganization by Deutsche Börse AG on March 24, 2003. Amadeus FiRe AG was admitted to the Prime Standard on January 31, 2003.

The fiscal year was converted to the calendar year by resolution of the general shareholders' meeting of August 4, 2004. Fiscal year 2005 ran from January 1, 2005 to December 31, 2005. The period from April 1, 2004 to December 31, 2004 was an abbreviated fiscal year. All disclosures in the notes for the prior year therefore refer to the nine-month period from April 1, 2004 to December 31, 2004 and are therefore only comparable to a limited extent.

The activities of the group companies comprise the provision of temporary personnel and temporary management services within the framework of the German Personnel Leasing Act ["Arbeitnehmerüberlassungsgesetz": AÜG], personnel placement and consulting, interim and project management as well as the provision of training in the areas of tax, finance and accounting and financial control.

Abbreviations of Group Companies and Associated Companies

Amadeus FiRe AG	Amadeus FiRe AG, Frankfurt am Main, Germany
Amadeus FiRe GmbH	Amadeus FiRe Interim- und Projektmanagement GmbH, Frankfurt am Main, Germany
Amadeus FiRe Services	Amadeus FiRe Services GmbH, Frankfurt am Main, Germany
Academy for International Accounting	Akademie für Internationale Rechnungslegung Prof. Dr. Leibfried GmbH, Stuttgart, Germany (since September 1, 2005)
Steuer-Fachschule Dr. Endriss	Steuer-Fachschule Dr. Endriss GmbH & Co. KG, Cologne, Germany
Endriss GmbH	Dr. Endriss Verwaltungs-GmbH, Cologne, Germany
Greenwell Gleeson Germany	Greenwell Gleeson GmbH, Frankfurt am Main, Germany
Greenwell Gleeson B.V.	Greenwell Gleeson B.V., Amsterdam, Netherlands (not operating since February 1, 2006)
Greenwell Gleeson Ltd.	Greenwell Gleeson Ltd., Birmingham, UK
Greenwell Gleeson Austria	Greenwell Gleeson Personalberatung GmbH, Vienna, Austria (not operating since January 1, 2004)

Accounting and Valuation Methods

Basis of the Consolidated Financial Statements

The consolidated financial statements of Amadeus FiRe AG for the fiscal year ended December 31, 2005 were prepared in accordance with the International Financial Reporting Standards (IFRS) formulated by the International Accounting Standards Board (IASB). All International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) mandatorily applicable for fiscal years 2005 and 2006 as well as all interpretations by the International Financial Reporting Interpretations Committee (IFRIC) and interpretations of the Standing Interpretations Committee (SIC) were observed. The financial statements of companies included in consolidation have all been prepared on the basis of uniform accounting policies. The separate financial statements of the group companies were prepared as of the balance sheet date of the consolidated financial statements.

Under Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 (Sec. 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code]), Amadeus FiRe AG is required to apply international accounting standards. These financial statements conform to the currently applicable standards of the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

Restatement of Prior-Year Figures

In the prior-year financial statements, minority interests were disclosed in accordance with IAS 27.33 under equity separately from the equity of Amadeus FiRe AG. This also applied to the minority interests in the partnership Steuer-Fachschule Dr. Endriss. However, under IAS 32.11 and IAS 32.14, equity only exists when there is no conditional or unconditional contractual obligation to deliver cash or other assets. As such, under IAS 32.18b, the right of owners of partnerships to terminate their membership in return for settlement claims must be disclosed as a liability. Statement on the retrospective application of IAS 32 (rev. 2003).

Amadeus FiRe AG has therefore reclassified the minority interests in Steuer-Fachschule Dr. Endriss, which were disclosed under equity in the prior year (EUR 679k), as liabilities. In the income statement, the prior year's portion of net profit and loss for the period attributable to minority interests in Steuer-Fachschule Dr. Endriss (EUR 559k) was recorded as an expense in that period instead of in the appropriation of profit. The portion of the net profit attributable to the shareholders of Amadeus FiRe AG is not affected, nor is the earnings per share stated in the prior year.

New Accounting Standards

The Group has not applied the following standards and IFRIC interpretations which have already been issued, but are not yet effective.
Below, only those standards and interpretations which could be relevant for the Amadeus FiRe Group are described.
On April 14, 2005, the IASB published the final version of the rules for "Cash Flow Hedge Accounting of Forecast Intragroup Transactions". This amendment to IAS 39 allows intragroup transactions to qualify as a hedge under certain restrictive conditions.
On June 16, 2005, the IASB published the final fair value option according to IAS 39. These amendments restrict in some cases the previously applicable provisions on full fair value measurement in IAS 39 (2004).
Other amendments in IAS 32 and IFRS 1 also arose in connection with the revision of the fair value option.

On August 18, 2005, the IASB published the standard IFRS 7 "Financial Instruments: Disclosures". This standard supersedes the existing IAS 30 and adopts all provisions regarding disclosures in the notes contained in IAS 32. In this connection, the capital disclosure requirements in IAS 1 were amended or added.
This Standard has completely restructured the disclosure requirements for financial instruments. Disclosures on the objectives, methods, risks, security and management processes are now required. The disclosure provisions of IFRS 7 and the modified capital disclosure requirements of IAS 1 shall apply to periods beginning on or after January 1, 2007; earlier application is encouraged.
The new provisions of IFRS 7 do not affect measurement at the Amadeus FiRe Group, but more detailed disclosures and presentations are required.

Consolidation Principles

The Company's consolidated financial statements include Amadeus FiRe AG and all subsidiaries under the legal or factual control of the Company.

Net profit or loss in 2004 for Amadeus FiRe GmbH, Amadeus FiRe Services, and the Academy for International Accounting are stated before the transfer of profits to the parent in fiscal year. The 2004 result of the Academy for International Accounting refers to the period from January 1 to December 31, 2004 because this company did not have an abbreviated fiscal year. The capital stock of the consolidated companies has been fully paid in. Voting shares are equal to capital shares.

Amounts stated in EUR k		**Equity**		**Net income for the year**	
	Share in per cent	Dec. 31, 2005	Dec. 31, 2004	2005	Apr. 1 to Dec. 31, 2004
Direct equity investments/financial assets					
Greenwell Gleeson B.V.	100	49	107	-59	-48
Amadeus FiRe Services	100	75	75	89	94
Steuer-Fachschule Dr. Endriss	60	4,504	271	1,533	1,400
Endriss GmbH	60	27	27	0	0
Greenwell Gleeson Germany	100	395	53	-159	-271
Greenwell Gleeson Ltd.	100	1,611	1,261	314	368
Greenwell Gleeson Austria	100	99	101	-3	-2
Amadeus FiRe GmbH	100	30	30	1,923	1,357
Amadeus Personalberatung GmbH, Austria	100	0	50	0	0
Indirect equity investments/financial assets					
Academy for International Accounting	48	832	5	827	1,323 *

* Net profit for the period January 1 to December 31, 2004

The subsidiaries Amadeus FiRe Services, Endriss GmbH, Greenwell Gleeson Germany, Amadeus FiRe GmbH, and the Academy for International Accounting make use of the exemption pursuant to Sec. 264 HGB, and Steuer-Fachschule Dr. Endriss applies Sec. 264b HGB with respect to disclosure obligations.

The financial statements of the domestic and foreign subsidiaries included in consolidation have been prepared in accordance with uniform accounting policies pursuant to IAS 27. The Company applies the purchase method pursuant to IFRS 3 to acquisitions of subsidiaries. First-time consolidation is effective from the date on which Amadeus FiRe AG takes control over the subsidiary. Control is normally evidenced when the Group holds, either directly or indirectly, 50 per cent (or more) of the voting rights in a company or of its share capital and/or is able to govern the financial and operating policies of an enterprise so as to benefit from its activities.

In fiscal year 2005, 80 of the shares in the Academy for International Accounting were acquired by Steuer-Fachschule Dr. Endriss effective September 1, 2005.

The cost of the equity investment was EUR 4,545k.

In connection with the acquisition, mutual put/call options for the buyer and seller were agreed on in respect of the remaining 20 per cent share in the Academy for International Accounting. The options may not be exercised before 2011. As the purchase price will be determined by reference to future earnings and the Company has not prepared a budget for the relevant periods, the option cannot be measured reliably at present, and has therefore not been measured.

Amadeus Personalberatung GmbH, Austria, was deleted from the commercial register in Austria as of July 21, 2005.

On the acquisition date, the fair values of the identifiable assets and liabilities of the Academy for International Accounting were as follows:

Amounts stated in EUR k	**recognized at acquisition**	**carrying amount**
Non-current assets	212	212
Trade receivables and other assets	2,148	1,455
Liabilities and accruals	1,244	1,244
Deferred tax liabilities	277	0
Fair value of net assets	411	**423**
Acquisition goodwill	4,134	
Acquisition cost	**4,545**	
Cash paid for the acquisition		
Total purchase price	-4,545	
Not yet paid	25	
Cash and cash equivalents acquired with the subsidiary	1,306	
	-3,214	

The acquired net assets comprise all identifiable assets and liabilities on the acquisition date measured at fair value.
The new acquisition had the following impact on the Group's net assets and results of operations:

Amounts stated in EUR k	
Goodwill	4,134
Non-current assets	203
Current assets	1,079
Liabilities and accruals	450
Minority interests	427
Net assets	4,545
Cash flows from operating activities	-361
Cash flows from investing activities	-10
Cash flows from financing activities	0

The cash flows from operating activities were primarily influenced by the reversal of orders on hand in connection with the revaluation.
The acquired company made the following earnings contribution:

Amounts stated in EUR k	
Revenues	1,497
Profit/loss from operations	-5
Profit/loss after minority interests	-3

Assuming that the acquisition date for the business combination was at the beginning of this reporting period, the Group's revenues would have been EUR 1,380 higher and the net profit for the period attributable to the shareholders of the parent company would have been EUR 201k higher.

During consolidation, receivables and liabilities between consolidated companies are fully eliminated, as are income and expenses within the Group. Income and expenses relate solely to profit and loss transfer agreements, interest income and interest expenses from loan agreements as well as advertising and other administrative services costs to a lesser extent.

The goodwill arising on consolidation represents the excess of the cost of an acquisition over the Group's interest in the fair value of the net identifiable assets and liabilities of a subsidiary. The impairment test as of December 31, 2005 prescribed by IFRS 3 was performed. The goodwill was allocated to the cash-generating units. Cash-generating units are the operating, legally independent entities of the Amadeus Fire Group. Please refer to the section "Abbreviations".

Use of Judgment and Main Sources of Estimating Uncertainties

In preparing the consolidated financial statements, assumptions and estimates have been made which have had an effect on the recognition and carrying amounts of assets and liabilities, income and expenses and contingent liabilities. These assumptions and estimates generally relate to the uniform determination of useful lives of assets within the Group, the measurement of provisions, the recoverability of trade receivables and the probability of future tax benefits. The actual values may in some cases differ from the assumptions and estimates. Any changes will be recognized in profit or loss as and when better information is available.

The significant forward-looking assumptions in the consolidated financial statements all pertain to the goodwill impairment test. Under IAS 36, acquired goodwill is subject to an impairment test once a year – or more often when there are indications of impairment.

An impairment loss is recognized as soon as the carrying amount of a cash-generating unit exceeds the recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

The recoverable amount is determined using the DCF method.

The cash flows used in the DCF valuation are based on current business plans for the next five years. This involved making assumptions as to future revenues and costs. Assumptions as to future investments in the Company's operations were made on the basis of past figures, and past income patterns were projected into the future. If significant assumptions differ from actual figures, impairment losses may have to be recognized in the future. The terminal growth rate does not exceed the long-term growth rate of the industry in which the cash-generating units operate. The key assumptions used were a terminal growth rate of 1 per cent and a discount rate of 8.6 per cent.

Currency Translation

The reporting and measurement currency of the Company and all consolidated companies except for Greenwell Gleeson Ltd. is the euro.

Pursuant to IAS 21, the financial statements of Greenwell Gleeson Ltd. have been translated from pounds sterling to euros as for a "foreign operation". Assets and liabilities were translated at the rate on the balance sheet date (EUR 1 = GBP 0.6853), expenses and income were translated at the average exchange rate for the year (EUR 1 = GBP 0.6838). The resulting currency translation differences were transferred to an adjustment item under equity ("adjustment item from currency translation").

Income and Expense Recognition

Revenues from temporary staffing services and interim and project management are recognized when the service is rendered. Revenues from training services that are performed over a longer period of time are recognized over time as the service is rendered.

Operating expenses are charged against income when a service is used or when the costs are incurred.

Non-Current Assets

\- Intangible Assets -

Intangible assets are carried at cost less accumulated systematic amortization. Goodwill from first-time consolidation is no longer amortized in accordance with IFRS 3. Impairment losses did not have to be charged after the impairment tests.

Impairment losses are recognized if an asset becomes impaired. Assets are tested for impairment at every balance sheet date in accordance with IAS 36.

Software is amortized on a straight-line basis over three to five years. The estimated useful life of the sales software was extended from three to five years in accordance with IAS 8.32 et seq. The software is now expected to be used until May 31, 2008. As a result, amortization in the reporting period decreased to EUR 190k.

\- Property, Plant and Equipment and Advance Payments -

Property, plant and equipment are measured at cost less accumulated systematic depreciation and any accumulated impairment losses. No impairment losses had to be recognized or reversed.

Property, plant and equipment are depreciated on a straight-line basis over a useful life of three to five years. The useful lives and depreciation methods used are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Impairment losses are recognized if an asset becomes impaired. Assets are tested for impairment at every balance sheet date in accordance with IAS 36.

- Deferred Taxes -
In accordance with IAS 12, deferred tax assets and liabilities are recognized for temporary differences in carrying amounts in the commercial and tax balance sheets of the consolidated companies and on tax loss carryforwards. The liability method of IAS 12 is applied. The recognition and measurement of deferred tax assets is reviewed regularly. Their value is adjusted if there are signs of impairment.

- Liabilities to Minority Shareholders/Partners -
The long-term liabilities are the result of amendments to standards IAS 32 and IAS 39, effective January 1, 2005. The capital attributable to the minority partners of a partnership must now be presented as a liability due to their unalterable statutory right of termination. In accordance with IAS 39, minority interests are measured at fair value.
The minority partners of Steuer-Fachschule Dr. Endriss have a contractual right to terminate their interest as of December 31, 2011 at the earliest. At present, it is not possible to reliably measure the minority interests as of December 31, 2011 in accordance with IAS 39 because there are no reliable indications of how the company will perform in the future. As their fair value cannot be measured reliably, the minority interests in Steuer-Fachschule Dr. Endriss are carried in the balance sheet at amortized cost.

Current Assets

- Trade Receivables and Other Assets -
Receivables are stated at the fair value of the consideration given and are carried at amortized cost after provision for impairment.

Current Liabilities

- Accruals -
Accruals are recognized when, and only when, the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Financial Instruments

Financial assets and financial liabilities carried on the balance sheet include cash and cash equivalents and trade and other receivables and liabilities, and liabilities to minority partners. The accounting policies on recognition and measurement for these items are disclosed in the relevant accounting policies found in these notes.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to financial instruments classified as liabilities are reported as expense or income. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

Disclosures on Financial Risk Management (IAS 32/IAS 39)

- Credit Risk -
Group procedures are in force to ensure that services are only rendered to customers with a proven credit history and who do not exceed an acceptable credit exposure limit.

- Interest Rate Risk -
Since the Group only has balances at banks, and no loan liabilities or other non-current liabilities were entered into, no notable interest rate risk exists.

- Liquidity Risk -
The Group has adequate cash and cash equivalents to cover all its payment obligations. No liquidity risk exists for the Group at present.

- Foreign Exchange Risk -
Despite the fact that the Group operates abroad, the foreign exchange risk is to be classified as low. The Group mainly operates in Germany and in Europe via its independent subsidiaries (UK and Netherlands). The financial statements do not contain any significant foreign currency liabilities, hence there is no foreign exchange risk.

Fair Value of Financial Assets and Liabilities

Given their short maturities, the carrying amounts of the financial assets and liabilities are generally equal to their fair values. Impairment losses are recognized on financial assets whose carrying amount is higher than the fair value (present value of future estimated cash flows).

Accounting for Leases

The lease agreements are operating leases and are thus not recognized by the lessee. The lease payments are recognized as an expense on a straight-line basis over the lease term.

Stock Options

The workforce and management were granted options to acquire ordinary shares in the Company.
For the Company, the first-time mandatory application of IFRS 2 "Share-Based Payment" entails only extended disclosures in the notes as none of its employee stock option programs were issued or altered after November 7, 2002; these disclosures were already included in the financial statements as of December 31, 2004.

The stock option plan was not accounted for and thus has no effect on the income statement. When options are exercised, the amounts will be recorded as an increase in capital. For information on the structure of the stock option plans, we refer to Note 23.

Date of Disclosure

The consolidated financial statements as of December 31, 2004 were approved by the supervisory board on March 29, 2005 and published in the Bundesanzeiger [Federal Gazette] No. 111 on June 17, 2005.

Notes to the Consolidated Income Statement

1. Revenues

The Company provides temporary staffing, interim and project management, permanent placement and consulting as well as training services, mainly on the basis of service contracts.

Amounts stated in EUR k	Dec. 31, 2005	Apr. 1 to Dec. 31, 2004	Change from the prior year	in per cent
Temporary employment	28,201	17,655	10,546	60
Permanent placement and consulting	4,686	3,408	1,278	38
Interim- and Project Management	9,322	5,490	3,832	70
Training	9,772	6,329	3,443	54
	51,981	**32,882**	**19,099**	**58**

All revenues are generated by services, the majority of which were provided in Germany. Training accounted for around 19 per cent of total revenues and was mainly generated from private customers. 81 per cent of revenues were generated with around 1,700 corporate customers while revenues from the ten largest customers account for around 13 per cent. The customer with the largest share of revenue achieved 1.9 per cent of total revenues.

We refer to segment reporting for the development of revenues by business segment.

2. Cost of Sales

Personnel expenses for temporary employees and the cost of services purchased from external consultants, lecturer fees and the cost of job placement and consulting employees are recognized as cost of sales. Assignment-related travel expenses were also reported in this item.

3. Selling Expenses

Selling expenses include management expenses, personnel expenses for sales employees, the premises and vehicle expenses attributable to such staff, marketing costs and depreciation of non-current assets. In addition, expenses for communication as well as training costs for the sales department are included on a proportionate basis.

4. General Administrative Expenses

Administrative expenses include management expenses, personnel expenses for head office employees, premises and vehicle expenses attributable to such staff as well as depreciation of non-current assets. Ongoing IT costs, legal and consulting fees, accounting costs as well as costs of general shareholders' meetings and the financial statements are also recognized in this item.

5. Average Number of Employees Over the Year

An average of 844 persons were employed by the Company during fiscal year 2005 (prior year: 700). In the fiscal year, personnel expenses amounted to EUR 28,207k (prior year: EUR 17,986k).

The employees comprise the following:

	Dec. 31, 2005	Dec. 31, 2004
Head office employees	24	24
Sales and administrative employees	137	116
Temporary employees	675	549
Trainees	8	11
	844	**700**

6. Other Operating Income

Other operating income mainly includes discounts and proceeds from disposals of non-current assets above the carrying amount.

7. Other Operating Expenses

Other operating expenses mainly include expenses for the closure of the Amsterdam office, disposals of assets below their carrying amount and costs of disposal.

8. Goodwill Amortization

The Company performed the impairment tests required by IFRS 3 in accordance with IAS 36/IAS 38. The goodwill was allocated to the cash-generating units. Cash-generating units are the operating entities of the Amadeus FiRe Group. No impairment losses had to be accounted for. Please refer to the section on Accounting Policies for more information.

9. Financial Result

The financial result includes interest income of EUR 253k. The financial result is EUR 92k higher, mainly due to the fact that the prior year was an abbreviated fiscal year.

10. Income Taxes

The corporate income tax rate in fiscal year 2005 amounts to 25 per cent of the tax base (prior year: 25 per cent). Solidarity surcharge, which remained constant at 5.5 per cent, is levied on the corporate income tax. The trade tax rate varies throughout Germany; for the Company it averages 18.7 per cent of the tax base. In the fiscal year, deferred taxes of EUR 277k resulting from the first-time inclusion of the Academy for International Accounting were reversed. In accordance with IAS 12, deferred taxes on temporary measurement differences of EUR 3k were recognized and of EUR 2k were reversed.

As of the balance sheet dates, income taxes split up as follows:

Amounts stated in EUR k	**Dec. 31, 2005**	**Apr. 1 to Dec. 31, 2004**
Current tax expenses:		
Corporate income tax and solidarity surcharge	935	304
Corporate income tax and solidarity surcharge for prior years	-72	0
Trade tax on income	541	16
	1,404	320
Deferred taxes:		
- from loss carryforwards	-81	-14
- from temporary differences	-197	-2
Tax expense	**1,126**	**304**

The Company has tax loss carryforwards amounting to EUR 1,458k for which no deferred tax assets were recognized pursuant to IAS 12 due to the uncertainty of their realization.

Reconciliation Pursuant to IAS 12:

The reconciliation of the theoretical amount that would have resulted had the group tax rate (40.1 per cent for the above income taxes, prior year: 40.1 per cent) been applied to the pre-tax result to the total tax expense disclosed is as follows:

Amounts stated in EUR k	**Dec. 31, 2005**	**Apr. 1 to Dec. 31, 2004**
Theoretical tax expense based on the effective tax rate in Germany	**1.491**	**652**
Effects from the non-recognition of tax loss carryforwards	108	115
Tax rate differences abroad	-36	-46
Tax on non-deductible expenses	74	11
Tax payable by minority partners	-162	-147
Trade tax exemption of Steuer-Fachschule Dr. Endriss	-287	-262
Other	-62	-19
Tax expense actually disclosed	**1,126**	**304**

11. Minority Interests in Profit/Loss

The minority interests stated for fiscal year 2005 break down as follows:

Amounts stated in EUR k	**Dec. 31, 2005**	**Apr. 1 to Dec. 31, 2004**
Portion of profit/loss attributable to minority interests disclosed under liabilities	611	560
Academy for International Accounting	-1	0
	610	**560**

The profit shares attributable to the minority partners of Steuer-Fachschule Dr. Endriss were recognized in the net profit/loss for the period because minority interests in partnerships must be classified as liabilities in accordance with IAS 32 and IAS 39. The loss shares attributable to the minority partners of the Academy for International Accounting were recognized below the net profit/loss for the period in the income statement in accordance with IAS 27.

12. Earnings Per Share

Earnings per share are calculated in accordance with IAS 33. The net profit after minority interests in profit/loss is divided by the weighted average number of ordinary shares outstanding during the fiscal year; this amount is the basic earnings per share. To calculate diluted earnings per share, the net profit after minority interests in profit is divided by the weighted average number of ordinary shares outstanding during the fiscal year plus the weighted average number of all the dilutive potential ordinary shares.

		Dec. 31, 2005	Apr. 1 to Dec. 31, 2004
Net income after minority interests	EUR k	1.981	760
Weighted average number of ordinary shares outstanding	No.	5,291,164	5,295,064
Basic earnings per share	EUR k	0,37	0,14
Weighted average number of ordinary shares outstanding plus weighted average number of stock options issued	No.	5,291,164	5,295,064
Diluted earnings per share	EUR k	0,37	0,14

There is no dilution as the options are not in the money due to the requirements for exercise not having been met. Had the options been in the money, the weighted average number of stock options issued including the weighted average number of ordinary shares would have been:

	Dec. 31, 2005	Apr. 1 to Dec. 31, 2004
No.	5,530,411	5,539,978

Notes to the Consolidated Balance Sheet

Non-Current Assets

13. Intangible Assets

There are no internally generated intangible assets.
Systematic software amortization of EUR 334k is recognized under cost of sales, selling and administrative expenses.

Amounts stated in EUR k	**Dec. 31, 2005**	**Dec. 31, 2004**
Software	801	700
Goodwill	14,130	9,996
	14,931	**10,696**

At the balance sheet dates, goodwill is made up of the following net carrying amounts.

Amounts stated in EUR k	**Dec. 31, 2005**	**Mar. 31, 2004**
Goodwill Greenwell Gleeson Ltd.	4,331	4,331
Goodwill Academy for International Accounting	4,134	0
Goodwill Steuer-Fachschule Dr. Endriss	3,853	3,853
Goodwill Greenwell Gleeson Germany	1,397	1,397
Goodwill FiRe	415	415
	14,130	**9,996**

14. Property, Plant and Equipment and Advance Payments

Amounts stated in EUR k	Dec. 31, 2005	Dec. 31, 2004
Property, plant and equipment	969	1.162
Advance payments on property, plant and equipment	35	17
	1,004	**1,179**

Systematic depreciation of EUR 660k is recognized under cost of sales, selling and administrative expenses.

15. Changes in Consolidated Non-Current Assets

Amounts stated in EUR k	Cost					
	Jan. 1, 2005	Acquisition of subsidiaries	Additions	Disposals	Reclassification	Dec. 31, 2005
Intangible Assets						
Software	2,002	202	221	99	12	2,338
Goodwill	9,996	4,134	0	0	0	14,130
	11,998	**4,336**	**221**	**99**	**12**	**16,468**
Property, plant and equipment						
Other plant and equipment	4,412	10	479	518	5	4,388
Advance payments	17	0	35	0	-17	35
	4,429	**10**	**514**	**518**	**-12**	**4,423**
	16,427	**4,346**	**735**	**617**	**0**	**20,891**

Amounts stated in EUR k	Accumulated amortization/depreciation					Net carrying amount	
	Jan. 1, 2005	Additions	Disposals	Dec. 31, 2005	Adjustment Currency translation	Dec. 31, 2005	Dec. 31, 2004
Intangible Assets							
Software	1,302	334	99	1,537	0	801	700
Goodwill	0	0	0	0	0	14,130	9,996
	1,302	**334**	**99**	**1,537**	**0**	**14,931**	**10,696**
Property, plant and equipment							
Other plant and equipment	3,248	660	490	3,418	-1	969	1,162
Advance payments	0	0	0	0	0	35	17
	3,248	**660**	**490**	**3,418**	**-1**	**1,004**	**1,179**
	4,550	**994**	**589**	**4,955**	**-1**	**15,935**	**11,875**

16. Deferred Taxes

Deferred taxes break down as follows as of the balance sheet date:

Amounts stated in EUR k	Dec. 31, 2005	Dec. 31, 2004
Accruals	27	0
Tax loss carryforwards	225	144
Other	9	10
	261	**154**
Deferred tax liabilities:		
Goodwill that is amortizable for tax purposes	106	0

Current Assets

17. Trade Receivables and Other Assets

Trade receivables break down as follows:

Amounts stated in EUR k	Dec. 31, 2005	Dec. 31, 2004
Trade receivables	4,805	4,015
Bad debt allowances	-318	-289
	4,487	**3,726**

A strict check of creditworthiness and a stringent dunning system limits the risk of receivable losses. On December 31, 2005, the average term of trade receivables was 24 days (December 31, 2004: 26 days).

Other assets break down as follows:

Amounts stated in EUR k	Dec. 31, 2005	Dec. 31, 2004
Tax refund claims	193	790
Security deposits	11	7
Interest	3	4
Receivables from employees	2	10
Other	17	16
	226	**827**

18. Prepaid Expenses

Prepaid expenses totaling EUR 663k (prior year: EUR 422k) chiefly comprise prepaid expenses for marketing activities, prepaid insurance premiums and payments under maintenance and support contracts.

19. Cash and Cash Equivalents

Cash and cash equivalents solely comprise cash on hand and balances with banks as well as short-term time deposits that mature in less than one month. The interest rates for the time deposits range between 2.2 per cent and 2.3 per cent for the euro and are at 4.28 per cent for the pound sterling.

Amounts stated in EUR k	Dec. 31, 2005	Dec. 31, 2004
Cash	5	8
Balances with banks	2,015	1,775
Time deposits	10,822	11,143
	12,842	**12,926**

Equity

20. Capital Stock (Subscribed Capital)

The subscribed capital is the parent company's capital stock of EUR 5,295,064.00 and is divided up into 5,295,064 no-par value bearer shares held by numerous shareholders. No shareholders are known to hold more than 25 per cent of shares. The subscribed capital has been fully paid in.

By resolution of the general shareholders' meeting on May 10, 2005, the Company is authorized to acquire treasury shares of up to a total of 10 per cent of the capital stock existing at the time of the resolution from the stock market or by means of a tender addressed to all shareholders. Treasury shares may not be acquired for trading purposes or continuous share price regulation. The authorization may be exercised by the Company in full or in part, on one or several occasions, but it may also be exercised by its dependent or majority-owned companies or by third parties in their own name for the account of the Company or for the account of its dependent or majority-owned companies. Authorization to acquire treasury shares is granted for 18 months from the date of the resolution. If the acquisition is made on the stock exchange, the purchase price for a share (excluding acquisition charges) may not be more than 10 per cent above or below the average (arithmetic mean) closing XETRA price for the Company's shares on the Frankfurt Stock Exchange (or in a comparable successor system) in the last five trading days preceding the acquisition or the commitment to acquire shares. If shares are acquired on the basis of a public tender to all shareholders, the purchase price for a share (excluding acquisition charges) may not be more than 20 per cent above or below the average closing XETRA price for the Company's share on the Frankfurt Stock Exchange (or in a comparable successor system) in the last five trading days prior to the public tender.

The authorization of the management board to acquire treasury shares up to February 3, 2006 granted by the general shareholders' meeting on August 4, 2004 was revoked for the amount not yet exercised when the resolution on the grant of this authorization took effect.

The management board is authorized to re-sell treasury shares on the stock exchange or by way of an offering to all shareholders without an additional resolution of the general shareholders' meeting. The shareholders' right to subscribe (Secs. 71 (1) No. 8 Sentence 5 in conjunction with Sec. 186 (3) AktG ["Aktiengesetz": German Stock Corporation Act] may be precluded with the approval of the supervisory board and the shares sold in another way than on the stock exchange or by offering to all shareholders if

- the treasury shares are sold at a price that is not significantly less than the stock market price of Company shares in the same category at the time of sale. The stock market price for the purposes of this arrangement is the average closing XETRA price for the Company's shares on the Frankfurt Stock Exchange (or a comparable successor system) in the last five trading days preceding the sale.
- treasury shares are granted to third parties as compensation in the context of acquiring entities, parts of entities or equity investments or issued to third parties as compensation in the context of a business combination, if this is in the interests of the Company.

If the shareholders' right to subscribe is precluded, the number of shares sold in this way may not exceed one tenth of the shares existing at the time of the resolution and the exclusion of the subscription right pursuant to Sec. 186 (3) Sentence 4 AktG must be counted towards this limit in the event of capital increases so as to ensure that the 10 per cent ceiling for shares held in the Company at the time of the resolution is observed.

The management board is also authorized, with the approval of the supervisory board, to redeem acquired treasury shares without an additional resolution of the general shareholders' meeting.

The above authorizations to sell treasury shares in another way than on the stock exchange or by offering to all shareholders may be exercised in full or in part and on one or several occasions and relate to all of the Company's treasury shares which were acquired by the Company on the basis of an authorization granted by the general shareholders' meeting in accordance with Sec. 71 (1) No. 8 AktG.

The management board made use of its authorization in the fiscal year by way of the resolution adopted on November 3, 2005. In the fiscal year, 30,250 treasury shares were acquired for an average price, including acquisition charges, of EUR 6.84.

21. Approved Capital

By resolution of the general shareholders' meeting to amend the articles of incorporation dated August 4, 2004, the management board was authorized, for five years from the date of entry of the resolution and with the consent of the supervisory board, to increase capital stock on one or several occasions by up to a nominal amount of EUR 1,500,000 by issuing up to 1,500,000 no-par bear shares in return for cash or non-cash contributions. The management board was also authorized to decide on the exclusion of the shareholders' subscription right with the approval of the supervisory board. The shareholders' subscription right may be excluded in the interests of the Company, in particular in order to enable the Company to expand the business by acquiring equity investments in an exchange of shares. The supervisory board was authorized to amend Art. 4 of the articles of incorporation (Capital Stock) to reflect the scope of the capital increase from approved capital.

22. Conditional Capital

- Conditional Capital I -

The general shareholders' meeting on January 16, 1999 decided to conditionally increase the capital stock by up to EUR 400,000.00 by issuing a maximum of 400,000 ordinary bearer shares (conditional capital I). On August 8, 2001, the general shareholders' meeting decided to reduce conditional capital I to EUR 331,000.00. Stock options for 83,333 ordinary bearer shares were exercised on September 2, 2002. The remaining conditional capital I now totals EUR 247,667.

The management board's authorization, with the approval of the supervisory board, to grant options to employees and managers of the Company and its affiliates was rescinded by the resolution on August 8, 2001 insofar as the authorization had not been used by August 8, 2001.

- Conditional capital II -

The general shareholders' meeting on August 7, 2002 decided to conditionally increase the capital stock by up to EUR 190,000.00 by issuing a maximum of 190,000 ordinary bearer shares (conditional capital II). The management board was authorized, with the approval of the supervisory board, to grant on one or more occasions up to August 1, 2006 subscription rights for a maximum total of 190,000 bearer shares in the Company to employees and managers of the Company and entities in which the Company directly or indirectly holds a majority interest. Should the Company's management board be the beneficiary, the supervisory board shall be authorized to grant subscription rights.

As of the balance sheet date, total conditional capital thus amounted to EUR 437,667.

As of December 31, 2005, the following stock options had been issued from conditional capital I and II:

	Management Board	Employees	Total
Conditional capital I	166,667	25,500	192,167
Conditional capital II	25,000	22,080	47,080
	191,667	**47,580**	**239,247**

23. Stock Option Plans

- Stock Options From Conditional Capital I -

On January 16, 1999, the general shareholders' meeting agreed to the conditional increase in capital stock by up to EUR 400,000.00 by issuing up to 400,000 ordinary bearer shares (conditional capital I) and on August 8, 2001 to the reduction of conditional capital I to EUR 331,000.00. The management board's authorization, with the approval of the supervisory board, to grant options to employees and managers of the Company and its affiliates was rescinded by the resolution of August 8, 2001.

- Strike Price, Vesting Period and Expiration -

The strike price amounts to EUR 11.50 for eligible employees of the Company and EUR 1 for eligible members of management as all stock options were issued when the Company went public.

One third of the subscription rights may be exercised for the first time three years after the date of grant and another third may be exercised in each of the subsequent years. The agreements expire on June 30, 2006.

- Overview -

		Options
Conditional capital I		**331,000**
As of the balance sheet date:		
Granted on March 5, 1999		394,000
- thereof to members of the management board	250,000	
- thereof to employees	144,000	
Exercised		83,333
Revoked		0
Expired		118,500
Outstanding on December 31, 2005		**192,167**
Vested		0

- Exercise Requirements -

The main requirement for exercising the option is a rise in the share price of 5 per cent p.a. by reference to the strike price on the date of grant.

- Subscription Price -

The subscription price in the stock option plan from conditional capital I is the same as the strike price.

- Exercise -

No outstanding stock options can be exercised at present due to the share's performance.

- Stock Options From Conditional Capital II -

By virtue of the resolution adopted by the general shareholders' meeting on August 8, 2001, the supervisory board has to date granted 46,080 options to employees and 25,000 options to members of the management board from conditional capital II. No stock options were issued in fiscal year 2005.

- Strike Price, Vesting Period and Expiration -

The strike prices are:

Date of grant	Sep. 7, 2001	Feb. 1, 2002
Strike price in EUR	13.38	16.98

Subscription rights may only be granted to those entitled to subscribe in two two-week periods per year. One third of the subscription rights may be exercised for the first time after a vesting period of two years from the date of grant; another third may be exercised in each of the subsequent years.

		Options
Conditional capital II		**190,000**
As of the balance sheet date:		
Granted		71,080
- thereof to members of the management board	25,000	
- thereof to employees	46,080	
Exercised		0
Revoked		0
Expired		24,000
Outstanding on December 31, 2005		**47,080**
Vested		0

- Exercise Requirements -

The options may only be exercised after the end of the respective vesting period, if, in the period between the options being granted and the start of the next exercise period after the end of the vesting period for the respective tranche, the Amadeus FiRe share price has outperformed the SDAX of Deutsche Börse AG or another index for small and mid caps ("reference index") in the same period by at least 10 per cent ("performance target"). To calculate attainment of the performance target, the average closing price (XETRA) of the Company's ordinary stock in the last five trading days prior to the end of the respective subscription period in which the subscription rights are granted, and the last five trading days prior to the start of the exercise period in which the subscription rights can be exercised are compared with the reference index trend calculated in the same way. Should the performance target not be fulfilled on the day prior to the start of this exercise period, the vesting period for the respective tranche is extended until the performance target is met on the day prior to the start of one of the following exercise periods. If, after the end of the respective vesting period, the performance target is met at the start of the exercise period and the subscription rights are not exercised in this period, they may be exercised in a later period even if the performance target is no longer met at the start of this subsequent exercise period.

- Exercise Price -

When exercising the subscription rights, an exercise price has to be paid for each subscription right exercised. This price equals the average closing price (XETRA) of the Company's shares in the last five trading days prior to the end of the subscription period in which the subscription rights were granted ("strike price") minus the outperformance discount. For each percentage point by which the price of the Amadeus FiRe share outperforms the reference index in the period between the subscription rights being granted and the start of the respective exercise period, the strike price falls by three percent ("exercise price"). To calculate the outperformance of the Amadeus FiRe shares compared to the reference index, the average closing price (XETRA) of the Company's common stock in the last five trading days prior to the end of the respective subscription period in which the subscription rights were granted, and in the last five trading days prior to the start of the exercise period in which the subscription rights are exercised are compared with the reference index trend calculated in the same way. The subscription right agreements run for a period of eight years.

- Exercise -

At present, the requirement for exercising options is not met for all the stock options issued for which the vesting period has expired.

24. Capital Reserve

The capital reserve is chiefly the result of amounts generated above the nominal value (premium) from the issuance of shares.

25. Treasury Shares

In the fiscal year, the Company acquired treasury shares in the amount of EUR 207k. For additional information, please refer to Note 20.

26. Consolidated Accumulated Profit

The consolidated accumulated profit as of December 31, 2005 is as follows:

Amounts stated in EUR k	
Accumulated profit as of January 1, 2005	5,097
Dividends paid	-529
Net profit for the period	1,981
Accumulated profit as of December 31, 2005	6,549

27. Minority Interests

The minority interests disclosed separately under equity relate to Endriss GmbH and the Academy for International Accounting. By contrast, the capital shares attributable to the minority partners of Steuer-Fachschule Dr. Endriss are disclosed as liabilities to minority partners. Please see our notes on accounting and valuation methods.

28. Current Liabilities

EUR 108k of the other liabilities is due within five years; EUR 18k is due in more than five years.
All other liabilities shown have a residual term of up to than one year. No collateral has been furnished.

- Provisions for Taxes -
Provisions for taxes cover amounts owed by the group companies for previous fiscal years and for fiscal year 2005 less any prepayments.

The current provisions for taxes developed as follows:

Amounts stated in EUR k	Dec. 31, 2004	Additions	Utilization	Reversals	Dec. 31, 2005
Corporate income tax and solidarity surcharge	102	21	102	0	21
Trade tax	0	259	0	0	259
	102	**280**	**102**	**0**	**280**

- Trade Payables -
All trade payables are due to third parties; they are stated at the amount repayable.

- Other liabilities -
Other liabilities break down as follows:

Amounts stated in EUR k	Dec. 31, 2005	Mar. 31, 2004
Advance payments of course fees	2,301	1,882
Liabilities in connection with social security	793	608
VAT	463	471
Wage and church tax	396	317
Other	217	244
	4,170	**3,522**

- Accruals -
Accruals break down as follows:

Amounts stated in EUR k	Dec. 31, 2005	Dec. 31, 2004
Bonuses	808	377
Accrued vacation	677	421
Outstanding invoices	627	525
Employer's liability insurance	194	179
Overtime	152	78
Audit and tax consultancy costs	140	140
Personnel expenses	41	181
Legal and consulting fees	14	20
Other	204	136
	2,857	**2,057**

The other accruals relate to overtime, levies in lieu of employing the severely disabled, remuneration to the supervisory board and the general shareholders' meeting.

Notes to the Consolidated Cash Flow Statement

The Company's cash flow statement complies with IAS 7. As such, cash flows are broken down into cash flows from operating activities, investing activities and financing activities. Cash flows are presented according to the indirect method of IAS 7.

29. Cash Flows from Operating Activities

The cash flows from operating activities were up 49.7 per cent to EUR 3,803k in fiscal year 2005 (prior year: EUR 2,540k). This is mainly due to the increase in net profit for the period.

30. Cash Flows from Investing Activities

The cash flow from investing activities increased to EUR 3,671k (prior year: EUR 1,052k). This is mainly attributable to the acquisition of interests in the Academy for International Accounting.

31. Cash Flows from Financing Activities

A dividend of EUR 529k was paid for the abbreviated fiscal year 2004. Another EUR 207k was used to purchase treasury shares. EUR 1,080k was paid to the capital reserve of Steuer-Fachschule Dr. Endriss by the minority partners, thereby reducing the cash outflow to EUR 216k (prior year: EUR 741k).

As of the balance sheet date, the Company had at its disposal undrawn credit facilities of EUR 500k and had drawn EUR 538k on a guarantee line of EUR 600k.

Notes on Segment Reporting

32. Segment Reporting

In accordance with IAS 14, the Company's segment reporting is based on business segments, similar services being grouped into reportable segments.
Pursuant to IAS 14, the segment reporting is based on distinguishable business segments (primary reporting format) classified according to risks and rewards and in accordance with the internal reporting structure.

The Group's business activities fall into the following two segments:
a. Temporary staffing services/interim and project management/recruitment/permanent placement
b. training and education

All inter-segment prices are arm's length prices.

Pursuant to IAS 14, segment reporting for geographical segments (secondary reporting format) is not necessary because the Company only operates substantially in Germany and hence in just one geographical segment.

Other Notes

33. Contingent Liabilities

The Company has issued rental payment guarantees of EUR 538k to lessors. No other contingent liabilities subject to compulsory disclosure exist.

34. Other Financial Obligations

Amounts stated in EUR k	Dec. 31, 2005	Dec. 31, 2004
2006	1,915	1,202
2007	1,597	874
2008	1,247	795
2009	1,052	735
2010 and thereafter	2,070	1,490
	7,881	**5,096**

The other financial obligations consist mainly of rental and leasing obligations of the companies included in the consolidated financial statements.

35. Related Party Relationships

Advisory agreements have been concluded with the supervisory board members von Below and van der Straeten for which arm's length fees of EUR 9,285 were paid in the fiscal year.

No further payments were made to related parties.

36. Total Remuneration Paid to the Management Board and Supervisory Board

- Management Board Remuneration -
The remuneration of the management board in the fiscal year amounted to EUR 914k (nine-month prior year: EUR 512k).

Short-term benefits:

Amounts stated in EUR k	Fixed remuneration	Variable remuneration
Mr. Spahn	362	188
Mr. Haas	318	46

Post-employment benefits, other long-term benefits, termination benefits and equity compensation benefits were not paid.

- Supervisory Board Remuneration -
Pursuant to the resolution by the ordinary general shareholders' meeting on August 8, 2001, all members of the supervisory board receive remuneration of EUR 5,000 in addition to the reimbursement for expenses incurred in performing their official function. The chairman of the supervisory board receives three times this amount, his deputy double this amount.
Pursuant to the resolution by the ordinary general shareholders' meeting on August 6, 2003, all members of the supervisory board receive a per-meeting fee of EUR 500 for each supervisory board meeting from the sixth meeting held in any one fiscal year. Additional remuneration is paid for chairing and sitting on supervisory committees. The chairman of a committee receives EUR 8k, the chairman of the audit committee receives EUR 10k and the members of committees receive EUR 5k for each full year of membership and chairmanship.

Amounts stated in EUR	SB Remuneration	Comitee Remuneration	Per-meeting Fee
Mr. Gerd von Below	15,000	8,000	500
Mr. Georg Blinn	2,500	1,250	0
Mr. Hans H. Roolf	1,250	1,250	0
Mr. Hartmut van der Straeten	5,833	10,000	500
Mr. Michael C. Wisser	1,250	833	0
Mr. Dr. Arno Frings	417	417	0
Ms. Ulrike Bert	5,000	5,000	500
Mr. Axel Böke	5,000	0	0

- Shares and Stock Options Held by Board Members -
Listed below are the shares and stock options held by those board members who hold more than 1 per cent of the shares issued by the Company. As at December 31, 2005, 5,295,064 shares of Amadeus FiRe AG had been issued.

Board Member	Board	No. of shares	No. stock options
Günter Spahn	CEO	724,318	166,667
Gerd B. von Below	Supervisory Board	57,000	-

37. Management Board

During fiscal year 2005, Mr. Günter Spahn (graduate of business economics), Babenhausen, Germany, (chairman of the management board) and Mr. Peter Haas (graduate of business economics), Rödermark, Germany, were members of the management board with sole rights of representation. They are entitled to conclude legal transactions with the Company as representatives of a third party (Sec. 181 BGB ["Bürgerliches Gesetzbuch": German Civil Code]). By resolution of the supervisory board of December 21, 2005, Dr. Axel Endriss (industrial IT graduate, business administration graduate), Essen, Germany, was appointed member of the management board with sole rights of representation, effective January 1, 2006. He is entitled to conclude legal transactions with the Company as a representative of a third party (Sec. 181 BGB).

Responsibilities are allocated to the members of the management board according to the distribution-of-business plan drawn up by the supervisory board; they are as follows:

Mr. Günter Spahn, CEO:
Corporate strategy, operations, acquisitions and investments, marketing and public relations.
Mr. Peter Haas, CFO:
Finance, accounting and financial control, investor relations, personnel, IT, auditing, legal.

38. Supervisory Board

The members of the supervisory board during fiscal year 2005 were:
- Mr. Gerd B. von Below
  Bonn, Germany, chairman, business consultant
- Mr. Georg Blinn, until March 31, 2005
  Bruchmühlbach, Germany, deputy chairman, general manager
- Mr. Hans H. Roolf, until March 31, 2005
  Oberursel, Germany, business consultant
- Mr. Hartmut van der Straeten, since November 1, 2005
  Wehrheim, Germany, deputy chairman, business consultant
- Mr. Michael C. Wisser, since October 6, 2005
  Neu Isenburg, Germany, business administration graduate
- Dr. Arno Frings, since November 30, 2005
  Düsseldorf, Germany, lawyer
- Ms. Ulrike Bert, Aschaffenburg, Germany
  employee representative, businesswoman
- Mr. Axel Böke, Kriftel, Germany
  employee representative, businessman

The supervisory board set up the following committees:

Audit Committee
Chairman: Mr. Hartmut van der Straeten
Other members: Mr. Hans H. Roolf (until March 31, 2005), Ms. Ulrike Bert
Mr. Michael C. Wisser (since October 31, 2005)

Personnel Committee
Chairman: Mr. Gerd von Below
Other member: Mr. Georg Blinn (until March 31, 2005)
Dr. Arno Frings (since December 19, 2005)

39. Functions of Board Members on Supervisory or Advisory Boards

Mr. Hartmut van der Straeten	Executive director of EGANA Jewellery & Pearls Ltd., Hong Kong
Mr. Michael C. Wisser	Deputy chairman of the supervisory board of Netz Aktiv Aktiengesellschaft für dezentrale Informationssysteme, Bayreuth, Germany
Mr. Günter Spahn	Chairman of the supervisory board of Fonds Direkt AG, Oberursel, Germany (until October 31, 2005)

40. Auditor's Fees

The auditor's fees in the fiscal year totaled EUR 133k and break down as follows:

	EUR k
Audit	91
Tax advisory	20
Other services	22
Total	133

41. Significant Events after the Balance Sheet Date

The supervisory board appointed Dr. Axel Endriss to the management board as of January 1, 2006. Dr. Endriss will be responsible for training and developing IT services activities.

42. Corporate Governance

The declaration of compliance with the German Corporate Governance Code pursuant to Sec. 161 AktG was made by the management board and the supervisory board; it was made permanently available to shareholders on the Company's website. On June 17, 2005, the declaration of compliance of the prior fiscal year was disclosed in the Bundesanzeiger [Germany Federal Gazette] No. 111. This was submitted to the commercial register on June 21, 2005.

43. Directors' Dealings

Members of the management board or the supervisory board made the following shares purchases/sales in fiscal year 2005:

	Date	Number	Purchase price/share	Transaction
Spahn	01.04.2005	175,000	5.75	buy
Spahn	26.04.2005	1,450	6.10	buy
Haas	01.04.2005	14,000	5.75	buy
v. Below	01.04.2005	50,000	5.75	buy
v. d. Straeten	01.04.2005	9,000	5.75	buy

	Date	Number	Purchase price/share	Transaction
Blinn	01.04.2005	343,000	5.75	sell
Roolf	01.04.2005	370,000	5.75	sell
Roolf	10.03.2005	1,992	5.90	sell
Roolf	08.03.2005	500	6.00	sell
Roolf	07.03.2005	21,980	6.00	sell

Frankfurt am Main, Germany, February 6, 2006

Günter Spahn
CEO

Peter Haas
CFO

Dr. Axel Endriss
Training

Audit Opinion

We have audited the consolidated financial statements - comprising the balance sheet, income statement, cash flow statement, statement of changes in group equity and notes to the financial statements - as well as the combined management report, prepared by Amadeus FiRe AG, Frankfurt am Main, for the fiscal year from January 1, 2005 to December 31, 2005. The preparation of the consolidated financial statements and the combined management report in accordance with IFRSs as applicable in the EU and the provisions of German commercial law to be applied in addition pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code] are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the combined management report based on our audit.
We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable accounting standards and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in consolidation, the determination of the companies to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the combined management report. We believe that our audit provides a reasonable basis for our opinion.
Our audit has not led to any reservations.
Based on our audit findings, we are of the opinion that the consolidated financial statements are in compliance with IFRSs, as they apply in the EU and the provisions of German commercial law to be applied in addition pursuant to Sec. 315a (1) HGB, and give a true and fair view of the Group's net assets, financial position and results of operations. The combined management report is in agreement with the consolidated financial statements, provides a suitable understanding of the Group's position and accurately presents the risks of future development.

Eschborn/Frankfurt am Main, February 6, 2006

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft

Hanft	Broßius
Wirtschaftsprüfer	Wirtschaftsprüfer
[German public auditor]	[German public auditor]

Consolidated Income Statement for fiscal year 2005

Amounts stated in EUR k	**Jan. 1 to Dec. 31, 2005**	**Jan. 1 to Dec. 31, 2004**
Revenues	51,981	43,735
Cost of sales	-31,588	-26,010
Gross profit	**20,393**	**17,725**
Selling expenses	-13,454	-12,045
General administrative expenses	-3,596	-3,753
Other operating income	157	107
Other operating expenses	-36	-126
Profit from operations before goodwill amortization	**3,464**	**1,908**
Goodwill amortization	0	-338
Profit from operations	**3,464**	**1,570**
Financial result	253	214
Profit before tax	**3,717**	**1,784**
Income tax	-1.126	-536
Profit after tax	**2,591**	**1,248**
Profit share attributable to minority interests disclosed under liabilities	-611	-687
Net profit for the period	**1,980**	**561**
Thereof attributable to minority interests	1	-1
Thereof attributable to shareholders	1,981	560

Earnings per share, in relation to the net profit for the period attributable to the ordinary shareholders of the parent company		
Basic (euro/share)	0.37	0.11
Diluted (euro/share)	0.37	0.11

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