

Management's Discussion and Analysis

of financial Position and Results of Operations

Scope of Report

This management's report is designed to assist the reader in better understanding the business of Amadeus International Inc. and its key financial results. It notably explains the Company's financial position for the quarter ended September 30, 2006 by comparing them with those for the prior-year corresponding quarter results. It also provides a comparison of its balance sheets as at September 30, 2006 and June 30, 2005.

Prepared in accordance with National Instrument 51-102 – Continuous Disclosure Obligations, this management's discussion should be read in conjunction with the Company's audited financial statements and accompanying notes for the fiscal year ended June 30, 2006. Unless otherwise indicated, the terms "Company" and "Amadeus" refer to Amadeus International Inc., and the term "M3K Solutions" refers to a former subsidiary of the Company, of which most of the intangible assets were sold in the past fiscal year.

The Company's consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). These financial statements and this *Management's Discussion and Analysis of Financial Position and Results of Operations* have been reviewed by the Company's Audit Committee and approved by its Board of Directors. Unless otherwise indicated, all amounts in this Management's Discussion and Analysis of Financial Position and Results of Operations are expressed in Canadian dollars.

Business Overview

Founded in 1994, Amadeus International Inc. develops and implements compliance process control solutions for highly regulated companies engaged especially in the life sciences, financial and manufacturing industries. Organizations subject to stringent controls in regard to quality and compliance are also targeted. Finally, it is in the interest of public companies having to comply with various corporate governance regulations to benefit from Amadeus' expertise.

The Company's revenues are derived first from the marketing of two proven software solutions: eQRP[®] (Enterprise Quality Resource Planning—on a client/server platform) and eQCM[®] (Enterprise Quality and Compliance Management—on a Web platform). These applications offer an integrated approach to automating compliance management processes. Their functions include the organization of audits, information gathering, the identification and treatment of non-compliance, the monitoring of corrective and preventive actions, complaint management, the monitoring of performance indicators and others. The Company's application suites offer concrete advantages. These solutions reduce compliance management costs, paper record handling costs, and access time to operational and strategic content. They also provide better control of information and allow more informed decisionmaking by enabling users to visualize the organization's general state of compliance. Finally, they favour the use of best practices and continuous improvement, while considerably lowering business risks, and, therefore, potential penalties.

Secondly, the Company's revenues are derived from professional consulting, planning, implementation, technical support and training services for its software solutions.

Headquartered in Quebec City (Canada), Amadeus is represented abroad by a network of partners, notably in Germany, Italy, France, United States, Portugal and Morocco. Its applications are used by more than 140 companies around the world, including Baxter, Schering-Plough, L'Oréal, and Siemens. Amadeus employs over 30 people and its shares are listed on the TSX Venture Exchange under the trading symbol AML.

Business Context

Today more than ever, companies are required to comply with various standards and legislative measures such as FDA 21 CFR, ISO, Sarbanes-Oxley Act, Canadian Bill 198, Basel II Agreement, Patriot Act, and others. In addition, in order to satisfy their customers and remain profitable, many companies set their own quality standards and implement continuous improvement systems. For most companies, meeting those standards while achieving their earnings objectives represents a challenge at all times. This awareness of compliance management has truly exploded in light of financial scandals, the implementation of stringent regulations, the globalization of markets, increased environmental protection and the respect of public safety.

Several studies have shown that compliance-related products and services represent a huge, growing and recurring market. According to AMR Research, a well-known US-based research firm, companies will spend more than US \$80 billion to set up and improve their compliance management between 2005 and 2009. According to the same study, the three industry sectors targeted by the Company represent more than US \$3 billions in technology investments in North America solely. Within the pharmaceutical industry alone, it is estimated that compliance management accounts for 40% of all information technology spending.

Discontinued Operations

Amadeus has ceased its corporate governance consulting services and sold, on April 30, 2006, some of its intangible assets to Fujitsu Services Canada. Consequently, all revenues, expenditures, assets and liabilities related to the said unit were reclassified as discontinued operations in the quarters ended September 30, 2006 and 2005.

Results of Operations

Management believes that the financial information has been prepared in the same way as the quarterly financial statement for the period ended September 30, 2005, and this, except for the reclassification of results related to the discontinued operations.

	Three-month period ended September 30	
	2006	2005
	\$	\$
Revenues	590,135	337,675
Net lost from continuing operations	(373,983)	(740,102)
Net earnings (loss) from discontinued operations	(4,615)	274,300
Net loss	(378,598)	(465,802)
EBITDA*	(199,690)	(589,745)
Basic and diluted loss per share from continuing operations	(0,01)	(0,02)
Basic and diluted loss per share from discontinued operation	0,00	(0,01)
Basic and diluted loss per share	(0,01)	(0,01)
Basic and diluted weighted average number of shares outstanding	35 055 848	34 831 379

* Definition of EBITDA: Earnings (loss) before financial expenses, income tax on earning and amortization. EBITDA is presented as an additional measurement of earnings in order to assist the reader to establish the Company's ability to generate cash from activities and to acquit its financial charges. It is also an indicator generally used for purposes of evaluation. Canadian generally accepted accounting principles give no standard interpretation to this measurement and it cannot therefore be compared to similar measurements used by other enterprises. For the quarter ended on September 30, 2006, we have the \$275,123 loss before financial expense subtract of the amortization totaling \$75,433 witch gives us a EBITDA of \$199,690.

Revenues

Amadeus' revenues increased by 74.8% to \$590,135 for the three-month period ended September 30, 2006, versus \$337,675 for the three-month period ended September 30, 2005. The Company's revenues are derived first from software licencing revenues, which increased by 120.5% to settle at \$341,225 for the first quarter of fiscal 2007, as opposed to \$154,782 a year earlier. Professional consulting, implementation, technical support and training services revenues increased by 171.5% to reach \$127,637 for the first quarter of fiscal 2007, compared with \$47,012 for the same period the previous year. The increase in revenue is mostly due to the exhaustive review of the Company's activities, and to the many initiatives that were undertaken by management regarding the development and distribution of the eQCM[®] software suite. These initiatives aimed at reaffirming the Company's positioning, and tracking the different elements on which it must focus to increase sales velocity and recurring revenue streams from software and related professional services. This increase in revenue is also attributable to the strengthening and the channelling of the Company's marketing efforts throughout fiscal 2006 to better penetrate the US market. Revenue in the United States stood at \$333,491 for the first quarter of fiscal 2007, as opposed to \$64,937 a year earlier.

Cost of Sales

Cost of sales include the human resources expenses assigned to the provision of professional consulting, implementation, technical support and training services, as well as the cost of third-party softwares licences acquired to complete and complement the Amadeus software suite. Cost of sales rose to \$176,610 for the first quarter of fiscal 2007, versus \$146,167 for the corresponding period of 2006. This variation arises from the increase in services revenues attributable to the two new resources that were added to the Professional Services team.

Research and Development Expenses

Research and development expenses decreased by 35.3% to reach \$132,274 for the first quarter of 2007, as opposed to \$204,413 for the same quarter of 2006. This significant decrease is in part due to a temporary dismissal of several human resources dedicated to R&D activities on the grounds of parental leave during summer 2006. Moreover, given the maturity of the eQCM[®] software suite, more resources were allocated to R&D and quality assurance. The Company plans to further the development of its products during the current fiscal year; investment in R&D is thus a priority for Amadeus.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased to \$480,941 for the first quarter of fiscal 2007, compared with \$576,840 for the same quarter a year earlier. This downturn is for the most part attributable to the closing of the Chicago office, and to the centralization of the Sales and Marketing management functions to the Company's head office. Prospection expenses on European market have gone down pursuant to the signature of an agreement with a full-service provider of solutions for the life sciences industry, who was thus granted responsibility for covering this territory. In addition, the US sales team is now fully oriented towards the life sciences industry sector, one of the fastest growing market in terms of compliance nowadays in the United States.

Depreciation and Amortization

Depreciation and amortization expenses decreased by 11.3% to \$75,433 for the first three-month period of fiscal year 2007, compared with \$85,086 for the same period in 2006. This decrease results from the write-off of a technology that was part of the acquisition of M3K Solutions, which was entirely written-off at the end of the last quarter.

Interest

Net interest expenses stood at \$82,839 for the first quarter ended on September 30, 2006, versus \$61,173 for the quarter ended September 30, 2005. Such an increase was generated by a greater use of the Company's line of credit. Moreover, the convertible debenture contracted in February 2006 led to an increase in the interest charge.

Net Loss from Continuing Operations

Given the business reorganization it underwent, the restructuring of its Sales and Marketing Department, and the turnover of its eQCM[®] licenses sales, Amadeus reported a net loss from continuing operations of \$373,983, or \$0.01 per share, for the first quarter ended September 30, 2006, versus a net loss from continuing operations of \$740,102, or \$0.02 per share, for the corresponding quarter last year.

Net Income from Discontinued Operation

Amadeus reported net loss from discontinued operation totaling \$4,615, or \$0.00 per share, as opposed to a net profit of \$274,300, or \$0.01 per share, for the equivalent period the previous year. The profit reported for the quarter ended September 30, 2005 is mainly attributable to the exploitation of its Sarbanes Oxley/Bill 198 Consulting Unit. As for the net loss reported for the quarter ended September 30, 2006, it stems from the imputed interest revenue calculated on the balance of sales price receivable, subtracted by the interest charge calculated on the balance of the long-term debt that was contracted in June 2005 in order to acquire M3K Solutions. The reimbursement of this long term debt follows the payment terms of the balance of sales price receivable.

Net Loss

As a result of the increase in revenues and of the restructuring the executive management team underwent, Amadeus incurred a net loss for the first quarter of fiscal 2007 of \$378,598, or \$0.01 per share, compared with a net loss of \$465,802, or \$0.01 per share, for the corresponding quarter of fiscal 2006. The loss before financial expenses, income tax on earning and amortization (EBITDA) decreased by \$390,055 to \$199,690 for the quarter ended September 30, 2006, as opposed to \$589,745 for the corresponding quarter a year earlier. The weighted average number of common shares issued and outstanding rose from 34,831,379 in September 2005 to 35,055,848 in September 2006 further to the issuance of 583,561 common shares to pay off debentures interests.

Quarterly Information

Operating results for each of the last eight quarters are presented in the following table. Management believes that the information related to these quarters has been prepared using the same procedure as the audited financial statements for the fiscal year ended June 30, 2006. The unaudited quarterly financial statements have not been reviewed by the Company's external Auditors.

	2006-2007					2005			
	Q1-2007	Q4-2007	Q3-2007	Q2-2007		Q1-2006	Q4-2005	Q3-2005	Q2-2005
Revenues	\$590,135	\$256,066	\$423,082	\$630,073		\$337,675	\$307,550	\$459,581	\$388,183
Gross profit	\$413,525	\$125,219	\$312,494	\$525,618		\$191,508	\$159,188	\$413,634	\$296,582
Operating expenses	\$688,648	\$1,796,845	\$1,185,037	\$1,075,750		\$866,339	\$1,051,596	\$1,023,907	\$882,718
Net loss from continuing operations	\$(373,983)	\$(1,837,318)	\$(954,754)	\$(619,357)		\$(740,102)	\$(958,030)	\$(668,011)	\$(660,079)
Net income from discontinued operations	\$(4,615)	\$1 716 784	\$196,416	\$228,432		\$274,300	\$70,798	-	-
Net earnings	\$(378,598)	\$(120 534)	\$(758,338)	\$(390,925)		\$(465,802)	\$(887,232)	\$(668,011)	\$(660,079)
Net loss per share from continuing operations	\$(0,01)	\$(0,05)	\$(0,03)	\$(0,02)		\$(0,02)	\$(0,03)	-	-

	\$0,00	\$0,05	\$0,01	\$0,01		\$0,01	\$0,00	-	-
Net income per share from discontinued operations									
Net earnings per share	\$(0,01)	\$(0,00)	\$(0,02)	\$(0,01)		\$(0,01)	\$(0,03)	\$(0,02)	\$(0,03)
Weighted average number of common shares issued and outstanding	35 055 848	34 381 630	34 381 378	34 381 378		34 381 378	30 742 446	29 040 685	20 193 913

Financial Position and Cash Flows

(In Canadian dollars)	As at September 30, 2006	As at June 30, 2006
	\$	\$
Net cash	-	37 037
Current assets	2 232 255	2 261 461
Total assets	3 417 912	3 698 739
Current liabilities	2 200 866	2 105 532
Long term liabilities	2 675 701	2 754 404

As at September 30, 2006, current assets totaled \$2,232,255, compared with \$2,261,461 as at June 30, 2006. Current liabilities stood at \$2,200,866 as at September 30, 2006, versus \$2,105,532 as at June 30, 2006. The working capital decreased by \$124,540 to stand at a deficiency of \$31,389 as at September 30, 2006, as opposed to a deficiency \$155,929 as at June 30, 2006. The decrease in total assets is attributable to the collection of receivable associated with the discontinued operation, and to cashflows that were primary used to finance the Company's operating activities. As at September 30, 2006, the Company had \$147 in cash.

Operating Activities

Operating activities used cashflows of \$374,922 in the quarter ended September 30, 2006, compared with \$1,147,653 in the corresponding quarter ended September 30, 2005. The net loss and non-cash items used cash flows of \$259,746, versus \$616,498 the previous year. Changes in non-cash working capital items engaged cash flows of \$115,176 in the first quarter of fiscal 2007, as opposed to a total of \$531,155 in fiscal 2006.

Financing Activities

Financing activities provided cash flows of \$248,482 for the quarter ended on September 30, 2006, down from \$608,917 in the corresponding quarter of 2005. The Company used its credit line for the purpose of financing, for a total amount of \$220,000, which stands at \$430,000 as at September 30, 2006. Moreover, the Company had an authorized line of credit to finance tax credit receivable. The Company used its operating bank for financing, and the latter aggregates to \$65,727. The line of credit had a balance of \$251,508 as at September 30, 2006, compared with \$185,781 as at June 30, 2006.

It should be noted that the Company is negotiating, with its financial institution, renewal of its credit facilities, which is under process at the present time. Management believes that this renewal process should be concluded in December 2006.

Investing Activities

Investing activities used cash flows of \$2,842 for the quarter ended September 30, 2006, compared with a total amount of \$14,930 for the quarter ended September 30, 2005. The latter were entirely injected in property, plant and equipment.

In upcoming quarters, Amadeus plans to continue increasing its eQCM[®] licenses and professional services sales. The Company also remains on the lookout for business opportunities to strengthen its position in the compliance management industry. The cash resources required to finance its various projects will come from working capital and, possibly, from short and long-term loans as well as share issues. It should be pointed out that Amadeus did not attain certain financial ratios associated with the long-term debt (that amounted to \$1,500,000) that was contracted to pay the cash portion of the acquisition of M3K Solutions. As at September 30, 2006, the balance of this debt was \$471,527. Management has undertaken diverse financial initiatives in order to rectify the situation.

Contractual Obligations

The Company has entered into long-term lease agreements, which expire between June 2007 and April 2010. Future minimum lease payments totaled \$249,995 as at September 30, 2006. Minimum annual payments required over the next four years under these agreements amount to \$81,264 in 2007, \$74,040 in 2008, \$69,256 in 2009 and \$45,751 in 2010.

Share Capital

	September 30 2006 \$	June 30 2006 \$
35 055 848 common shares (34 472 287 as at June 30, 2006)	4 187 651	4 187 651
Warrants and stock options (Number)	September 30 2006	June 30 2006
Warrants	2 654 546	2 668 183
Stock options	2 712 252	2 753 376

Amadeus did not pay any dividends on its common shares in the first quarter of fiscal 2007, and does not plan to pay any in the near future, preferring to retain its cash resources to finance its growth.

Risks and Uncertainties

Amadeus specializes in an industry subject to various risks and uncertainties. Its operating results and financial position could be adversely affected by each of the following factors, along with the financial risks described above, which are detailed in the Company's *Management's Discussion and Analysis of financial Position and Results of Operations* and annual report for fiscal year ended June 30, 2006.

Capital requirements

Exclusive intellectual property rights

Competition and technological obsolescence

Conflicts of interest

Qualified labour

Acquisitions

Market uncertainty

Exchange rates

Tax credit related risk

The risk factors and uncertainties listed here are not the only factors likely to affect the Company. Other risks and uncertainties currently unknown to the Company or regarded as negligible could also impact its business.

Forward-Looking Statements

Certain statements set forth in this management's report or any other section of this annual report may be forward-looking. Forward-looking statements involve known and unknown risks, uncertainties and other factors (see *Risks and Uncertainties* section) that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Amadeus disclaims any intention or obligation to update or revise any forward-looking statements in order to account for any new information or any other event. The reader is warned against the risk of attributing excessive credibility to these forward-looking statements.

Outlook

Fiscal 2006 and the first quarter of fiscal 2007 were marked by many achievements—which temporarily had an adverse impact on the Company's sales—that will yield benefits as of the current fiscal year. On the strength of a targeted strategy, a services offering that is more comprehensive and competitive than ever, and skilled human resources driving its success, Amadeus is on a firm footing to consolidate its positioning in the compliance management and corporate governance industry, one of the most promising sectors in the information technology industry.

Finally, the management team has reviewed the capital requirements and structure of the Company with the aim of presenting clients with a much better capitalized organization, able to support them in years to come. Further restructuring and financing milestones will be released to the public as they occur. In addition, management is in the process of reviewing various financing alternatives and is seeking additional financing. Management believes that these actions, in conjunction with the expected sales growth and exploitation of existing technologies in fiscal 2007, make the use of the going concern basis appropriate. However, it is not possible at this time to predict the outcome of these matters and there is no assurance that management will be successful in these actions.

Additional Information and Continuous Disclosure

This Management's Report was prepared as of November 16, 2006. Additional information is available on SEDAR's website at www.sedar.com.

(S) Frédéric Garand

Frédéric Garand, CA

Chief financial officer

Amadeus International Inc.



Quarterly report to our shareholder's
1st Quarter ending September 30, 2006

The attached consolidated financial statements have been prepared by the Management of Amadeus International Inc. and have not been reviewed by an auditor. They must be read along with the annual financial statement as at June 30, 2006 include in the last annual report of the Company. This quarterly report includes forward-looking statements that are based on certain assumptions and reflect Amadeus current expectations. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Additional factors are discussed in Amadeus materials filed with the securities regulatory authorities in Canada from time to time. Amadeus disclaims any intention or obligation to update or revise any forward looking statements.

AMADEUS INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF EARNINGS

	Three months period ended September 30,	
	2006	2005
	\$	\$
	(unaudited)	(unaudited)
REVENUES	590,135	337,675
COST OF REVENUES	176,610	146,167
GROSS MARGIN	413,525	191,508
OPERATING EXPENSES		
Research and development	132,274	204,413
Selling, general and administrative	480,941	576,840
Depreciation and amortization	75,433	85,086
	688,648	866,339
LOSS BEFORE OTHER EXPENSES	(275,123)	(674,831)
Accretion on convertible debentures	16,021	4,098
Interest, net	82,839	61,173
	98,860	65,271
LOSS BEFORE INCOME TAXES	(373,983)	(740,102)
INCOME TAX EXPENSE (RECOVERY)		
Current income taxes	-	-
Future income taxes	-	-
	-	-
NET LOSS FROM CONTINUING OPERATIONS	(373,983)	(740,102)
NET EARNINGS (LOSS) FROM DISCONTINUED OPERATION	(4,615)	274,300
NET LOSS FOR THE PERIODS	(378,598)	(465,802)
BASIC AND DILUTED NET LOSS PER SHARE FROM CONTINUING OPERATIONS	(0.01)	(0.02)
BASIC AND DILUTED NET EARNINGS (LOSS) PER SHARE FROM DISCONTINUED OPERATION	(0.00)	0.01

The accompanying notes are an integral part of these consolidated interim financial statement

AMADEUS INTERNATIONAL INC
CONSOLIDATED STATEMENTS OF DEFICIT

	Three months period ended September 30,	
	2006 \$ (unaudited)	2005 \$ (unaudited)
BALANCE - BEGINNING OF PERIOD	(6,787,067)	(5,051,468)
NET EARNINGS (LOSS) FOR THE PERIOD	(378,598)	(465,802)
BALANCE - END OF PERIOD	(7,165,665)	(5,517,270)

The accompanying notes are an integral part of these consolidated interim financial statement

AMADEUS INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEETS

	As at September 30, 2006	As at June 30, 2006
	\$ (unaudited)	\$
ASSETS		
CURRENT ASSETS		
Cash	147	37,037
Accounts receivable (note 4)	903,128	660,593
Refundable tax credits	519,344	475,334
Inventories	95,152	116,000
Prepaid expenses	10,275	14,574
Current assets of discontinued operation (note 3)	704,209	957,923
	2,232,255	2,261,461
PROPERTY, PLANT AND EQUIPMENT	214,566	225,390
INTANGIBLE ASSETS AND OTHER ASSETS	504,757	566,524
FUTURE INCOME TAX ASSETS	40,895	40,895
LONG-TERM ASSETS OF DISCONTINUED OPERATION (note 3)	425,439	604,469
	3,417,912	3,698,739
LIABILITIES		
CURRENT LIABILITIES		
Excess of outstanding cheques over bank balance	-	236,259
Bank loan	430,000	210,000
Loan secured by the refundable tax credits	251,508	185,781
Accounts payable and accrued liabilities	610,138	684,582
Deferred revenues	421,889	259,580
Incomes taxes	-	-
Current portion of long term debt	126,526	152,334
Future income tax assets	15,925	-
Current liabilities of discontinued operation (note 3)	344,880	376,996
	2,200,866	2,105,532
LONG TERM DEBT	17,330	28,767
LIABILITY COMPONENT OF CONVERTIBLE DEBENTURES	2,431,318	2,415,297
FUTURE INCOME TAX LIABILITIES	24,970	40,895
LONG-TERM LIABILITIES OF DISCONTINUED OPERATION (note 3)	202,083	269,445
	4,876,567	4,859,936
SHAREHOLDER'S EQUITY		
Equity component of convertible debentures	461,109	461,109
Share capital (note 5)	4,296,008	4,237,651
Stock options (note 5)	130,174	107,391
Stock options external to the plan (note 5)	271,838	271,838
Warrants (note 5)	159,892	159,892
Contributed surplus	387,989	387,989
Deficit	(7,165,665)	(6,787,067)
	(1,458,655)	(1,161,197)
	3,417,912	3,698,739

The accompanying notes are an integral part of these consolidated interim financial statements

AMADEUS INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months periods ended September 30	
	2006 \$ (unaudited)	2005 \$ (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings (loss) for the period	(373,983)	(740,102)
Items not affecting cash		
Proceeds derived from the net investment in a lease agreement	-	10,080
Depreciation and amortization	75,433	85,086
Stock-based compensation	22,783	24,340
Accretion on convertible debentures	16,021	4,098
	(259,746)	(616,498)
Net change in non-cash operating working capital items (note 8)	(115,176)	(531,155)
	(374,922)	(1,147,653)
CASH FLOWS FROM FINANCING ACTIVITIES		
Variation in bank loan	220,000	403,098
Decrease in loan secured by tax credits	65,727	245,600
Payments on long term debt	(37,245)	(39,781)
	248,482	608,917
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,442)	(14,930)
Acquisitions of intangible assets	(1,400)	-
	(2,842)	(14,930)
CASH USED BY CONTINUING OPERATIONS	(129,282)	(553,666)
CASH PROVIDED FROM DISCONTINUED OPERATION (note 3)	328,651	436,936
CASH - BEGINNING OF THE PERIOD	(199,222)	116,730
CASH - END OF THE PERIOD	147	-

The accompanying notes are an integral part of these consolidated interim financial statements

AMADEUS INTERNATIONAL INC
 ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 SEPTEMBER 30, 2006

1. STATUTES AND NATURE OF ACTIVITIES

The company, incorporated under Part 1A of the Québec Companies Act. It is specializing in the development and marketing of compliance process control solutions that help companies to improve their business performance by automating management of their processes and management systems.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited financial statements are in accordance with Canadian generally accepted accounting principles for interim financial statements and do not include all the information required for complete financial statements. They are also consistent with the policies outlined in the Corporation's audited financial statements for the year ended June 30, 2006 available in the last annual report. The interim financial statements and related notes should be read in conjunction with the Corporation's audited financial statements for the year ended June 30, 2006. When necessary, the financial statements include amounts based on informed estimates and best judgements of management. The results of operations for the interim periods reported are not necessarily indicative of results to be expected for the year.

3. SALE OF A UNIT

During the last quarter of fiscal 2006, the company's management took the decision to sell its financial compliance consulting unit's intangible assets.

Earnings of discontinued operation for the quarter ended on September 30, 2006 include theorique interets revenue on the sales price balance receivable and the interest on the long term debt contract for the aquisition of the intangible assets sold. Earnings of discontinued operation for the yeat ended June 30, 2006 include net earnings from operations up to April 30, 2006, the date of the sale, net earnings from the disposal of sush operation and fees related to the disposal of those assets.

Assets of discontinued operation	As at September 30, 2006 \$	As at June 30, 2006 \$
Assets		
Current assets		
Account receivable	27,118	286,914
Balance of sales price receivable	677,091	671,009
Current assets of discontinued operation	704,209	957,923
Long term assets		
Balance of sales price receivable	425,439	604,469
Long-term assets of discontinued operation	425,439	604,469
Total assets of discontinued operation	1,129,648	1,562,392

Liabilities of discontinued operation	As at September 30, 2006 \$	As at June 30, 2006 \$
Liabilities		
Current liabilities		
Income taxes	75,436	107,552
Current portion of long term-debt	269,444	269,444
Current liabilities of discontinued operation	344,880	376,996
Long term liabilities		
Long term debt	202,083	269,445
Long-term liabilities of discontinued operation	202,083	269,445
Total liabilities of discontinued operation	546,963	646,441

AMADEUS INTERNATIONAL INC
 ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 SEPTEMBER 30, 2006

Earnings of discontinued operation	Quarter ended September 30, 2006 \$	Quarter ended September 30, 2005 \$
Revenues	-	1,088,701
Earnings (Loss) before income taxes	(4,615)	274,300
Income tax expense		
Current income taxes	-	113,258
Future income taxes	-	(113,258)
	-	-
Net earnings (loss) from operations	(4,615)	274,300
Earning from disposal of operation before income taxes	-	-
Income tax expense		
Current income taxes	-	-
Future income taxes	-	-
	-	-
Net earnings from disposal of operation	-	-
Net earnings (loss) from discontinued operation	(4,615)	274,300

Cash flows from discontinued operation	Quarter ended September 30, 2006 \$	Quarter ended September 30, 2005 \$
Cash flows from operating activities		
Net earnings (loss) from discontinued operation	(4,615)	274,300
Depreciation and amortization	-	110,659
Earnings from disposal of operation	-	-
	(4,615)	384,959
Change in non-cash operating working capital items		
Account receivable	259,796	51,977
Balance of sales price receivable	(6,082)	-
Income taxes	(32,116)	-
	221,598	51,977
	216,983	436,936
Cash flows from financing activities		
Payment on long term debt	(67,362)	-
Cash flows from investing activities		
Proceeds from disposal of assets	-	-
Balance of sales price receivable	179,030	-
	179,030	-
	328,651	436,936

4. ACCOUNTS RECEIVABLE

	As at September 30, 2006 \$ (unaudited)	As at June 30, 2006 \$
Trade	901,771	623,280
Others	1,357	37,313
	903,128	660,593

5. CAPITAL STOCK

Authorized

Unlimited number of common shares, without par value, voting and participating

The following tables summarize the capital stock activity since July 1st, 2005:

	As at September 30, 2006 (3 months)		As at June 30, 2006 (12 months)	
	Number	Stated value \$ (unaudited)	Number	Stated value \$
Balance - Beginning of the period	34,472,287	4,237,651	34,381,378	4,187,651
Issuance of shares upon the amalgamation	583,561	58,357	-	-
Share purchase financing agreement *	-	-	90,909	50,000
Balance - End of the period	35,055,848	4,296,008	34,472,287	4,237,651

* The company converted a receivable from an employee amounting to \$50,000 related to a share purchase loan granted to him. This loan bears interest at prime rate plus 1/4%.

Stock options

In March 2005, further to the amalgamation that occurred in December 2004, the company's Board of Directors adopted a stock option plan for directors, employees and consultants providing services to the company. The exercise price shall not lower than the quoted market price of the TSX Venture Exchange on the day preceding the date of grant. The number of shares that is issuable under the plan shall not exceed 3,090,264 common shares, and the maximum number that may be granted to an optionee shall not exceed 5% of all the outstanding common shares. The basis and vesting period of stock options will be determined and authorized by the Board of Directors. Options expire after a maximum period of ten years following the date of grant.

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The following tables presents the stock options activity:

a) Options granted under the stock option plan

	As at September 30, 2006 (3 months)			As at June 30, 2006 (12 months)		
	Number	Value	Weighted average exercise price	Number	Value	Weighted average exercise price
		\$ (unaudited)	\$ (unaudited)		\$	\$
Outstanding - Beginning of the period	1,995,000	107,391	0.22	1,960,000	23,767	0.30
Granted	-	-	-	1,255,000	-	0.15
Cancelled	(40,000)	-	0.30	(1,220,000)	-	0.27
Net compensation costs		22,783			83,624	
Outstanding - End of the period	1,955,000	130,174	0.23	1,995,000	107,391	0.72

b) Options granted external to the stock option plan

	As at September 30, 2006 (3 months)			As at June 30, 2006 (12 months)		
	Number	Value	Weighted average exercise price	Number	Value	Weighted average exercise price
		\$ (unaudited)	\$ (unaudited)		\$	\$
Outstanding - Beginning of the period *	758,376	271,838	0.22	1,286,468	427,954	0.30
Cancelled	(1,124)	-	0.71	(528,092)	(156,116)	0.21
Net compensation costs	-	-	-	-	-	-
Outstanding - End of the period	757,252	271,838	0.23	758,376	271,838	0.22

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The following table summarizes information about stock options as at September 30, 2006

Exercise price	Options outstanding as at September 30, 2005		Options exercisable as at September 30, 2005	
	Number	Weighted average remaining contractual life (years) (unaudited)	Number	Weighted average remaining contractual life (years) (unaudited)
0.15 \$	1,000,000	4.3	250,000	4.3
0.20 \$	705,000	2.5	705,000	2.5
0.30 \$	955,000	3.6	477,500	3.6
0.41 \$	30,902	6.6	23,529	6.6
0.71 \$	21,350	4.3	21,350	4.3
	2,712,252	3.6	1,477,379	3.3

Pro-forma information on stock-based compensation plan

If the fair value based method had been used to account for stock-based compensation costs related to stock options granted to employees since the adoption of the new standard on July 1, 2003, the net loss and related net loss per share figures on a pro-forma basis would be as follows:

	Three months periods ended September 30,	
	2006 \$ (unaudited)	2005 \$ (unaudited)
Net earning (loss) for the period	(378,598)	(465,802)
Pro-forma adjustment for stock-based compensation costs	(562)	(86)
Pro-forma net earnings (loss) for the period	(379,160)	(465,888)
Basic and diluted net earnings (loss) per share	(0.01)	(0.01)
Basic and diluted pro-forma net earnings (loss) per share	(0.01)	(0.01)

These options, which have a weighted average fair value of \$0.2147, will generate aggregate stock-based compensation costs of \$9,876 over their vesting periods. Those costs will be amortized over their vesting periods using the straight-line method, resulting in annual stock-based compensation costs of \$2,469 from 2004 to 2006 and of \$2,246 in 2007.

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Warrants

The following table summarizes information about warrants since July 1st 2005

	As at September 30, 2006 (9 months)			As at June 30, 2006 (12 months)		
	Number	Value \$	Weighted average exercise price \$ (unaudited)	Number	Value \$	Weighted average exercise price \$
Outstanding - Beginning of the period	2,668,183	159,892	1.86	1,378,244	161,815	0.78
Granted	-	-	-	2,200,000	94,939	0.23
Cancelled	(13,637)	-	0.85	(910,061)	(96,862)	0.85
Outstanding - End of the period	2,654,546	159,892	0.30	2,668,183	159,892	1.86

The following table summarizes information about warrants as at September 30, 2006

Exercise price \$	Number	Weighted average remaining contractual life (years) (unaudited)
0.23 \$	2,200,000	0.23
0.85 \$	454,546	1.4
	2,654,546	0.43

6. SEGMENTED INFORMATION

The company is organized under one single operating segment, which is the development and sale of software licenses and the related post-contract customer support services. Substantially all of the company's property, plant and equipment are located in Canada.

Revenues by geographic region are detailed as follows

	Three months periods ended September 30,	
	2006 \$ (unaudited)	2005 \$ (unaudited)
Canada	197,372	212,231
United States	333,491	64,937
France	47,553	27,860
Portugal	11,719	11,998
Others	-	20,649
	590,135	337,675

Revenues have been allocated to geographic regions based on the country of residence of the related customers

7. EARNINGS PER SHARE

The following table summarizes the reconciliation of the basic weighted average number of shares outstanding and the diluted weighted average number of shares outstanding used in the diluted earnings per share calculations:

	Three months periods ended September 30,	
	2006 (unaudited)	2005 (unaudited)
Basic weighted average number of shares outstanding	35,055,848	34,831,379
Diluted effect of stock options	-	-
Diluted effect of convertible debenture	-	-
Diluted weighted average number of shares outstanding	35,055,848	34,831,379
Items excluded from the calculation of diluted net loss per share because the exercise price was greater than the average market price of the common shares or due to the antidilutive effect		
Stock options	2,737,941	1,909,475
Warrants	2,656,325	1,378,244
Convertible debentures	11,388,850	4,722,182

For the periods ended September 30, 2005 and 2006, the diluted net loss per share was the same as the basic net loss per share since there were no dilutive items. Accordingly, the diluted loss per share for those periods was calculated using the basic weighted average number of shares outstanding.

For the period ended September 30, 2005, the potentially dilutive weighted average number of shares outstanding was the same as the basic weighted average number of share outstanding since the effect of stock option at an exercise price of \$0.20 would have been anti-dilutive. Accordingly, the diluted loss per share for those periods was calculated using the basic weighted average number of shares outstanding.

However, for the same period, should the company's basic earnings per share have been positive, the options at an exercise price of \$0.20 would have been dilutive and would have resulted in the addition of 1,205,000 shares to the weighted average number of shares outstanding used in the diluted earnings per share calculation.

8. ADDITIONAL DISCLOSURES ON CASH FLOWS

	Three months periods ended September 30,	
	2006 \$ (unaudited)	2005 \$ (unaudited)
Net change in non-cash operating working capital items		
Accounts receivable	(242,535)	(563,851)
Refundable tax credits	(44,010)	(78,702)
Inventories	20,848	-
Prepaid expenses	4,299	(2,597)
Accounts payable and accrued liabilities	(16,087)	162,983
Deferred revenues	162,309	(48,988)
	(115,176)	(531,155)