



Quarterly report to our shareholders
2nd Quarter ended December 31, 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 statements as at June 30, 2006 included 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.
INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

	Three months ended		Six months ended	
	December 31		December 31	
	2006	2005	2006	2005
	\$	\$	\$	\$
REVENUES	447,678	630,073	1,037,813	967,748
COST OF SALES	127,454	114,443	304,064	260,610
GROSS MARGIN	320,224	515,630	733,749	707,138
OPERATING EXPENSES				
Research and development	156,251	373,958	-	288,525
General, selling and administrative	482,047	567,659	962,988	1,144,499
Depreciation and amortization	75,429	134,133	150,862	219,219
	713,727	1,075,750	1,402,375	1,942,089
LOSS BEFORE FINANCIAL EXPENSES	(393,503)	(560,120)	(668,626)	(1,234,951)
Accretion on convertible debentures	16,264	4,432	32,285	8,530
Interest, net	21,908	65,215	104,747	126,388
	38,172	69,647	137,032	134,918
LOSS BEFORE INCOME TAXES	(431,675)	(629,767)	(805,658)	(1,369,869)
INCOME TAX EXPENSE (RECOVERY)	-	(422)	-	(422)
NET LOSS FROM CONTINUING OPERATIONS	(431,675)	(629,345)	(805,658)	(1,369,447)
NET EARNINGS FROM DISCONTINUED OPERATION (note 3)	47,490	228,432	42,875	502,732
NET LOSS FOR THE PERIOD	(384,185)	(400,913)	(762,783)	(866,715)
BASIC AND DILUTED NET LOSS PER SHARE FROM CONTINUING OPERATIONS (note 8)	(0.01)	(0.02)	(0.02)	(0.04)
BASIC AND DILUTED NET EARNINGS PER SHARE FROM DISCONTINUED OPERATION (note 8)	0.00	0.01	0.00	0.01
BASIC AND DILUTED NET LOSS PER SHARE (note 8)	(0.01)	(0.01)	(0.02)	(0.03)

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

AMADEUS INTERNATIONAL INC.
INTERIM CONSOLIDATED STATEMENTS OF DEFICIT (UNAUDITED)

	Three months ended December 31		Six months ended December 31	
	2006 \$	2005 \$	2006 \$	2005 \$
BALANCE - BEGINNING OF PERIOD	(7,165,665)	(5,517,270)	(6,787,067)	(5,051,468)
NET LOSS FOR THE PERIOD	(384,185)	(400,913)	(762,783)	(866,715)
BALANCE - END OF PERIOD	(7,549,850)	(5,918,183)	(7,549,850)	(5,918,183)

AMADEUS INTERNATIONAL INC.
INTERIM CONSOLIDATED STATEMENT OF CONTRIBUTED SURPLUS (UNAUDITED)

	Three months ended December 31		Six months ended December 31	
	2006 \$	2005 \$	2006 \$	2005 \$
BALANCE - BEGINNING OF PERIOD	387,989	135,011	387,989	135,011
MATURED WARRANTS AND STOCK OPTIONS (NOTE 6)	335,271	156,116	335,271	156,116
BALANCE - END OF PERIOD	723,260	291,127	723,260	291,127

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

AMADEUS INTERNATIONAL INC.
INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED)

	As at December 31, 2006	As at June 30, 2006
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	74,105	37,037
Accounts receivable (note 4)	702,895	660,593
Refundable tax credits	605,280	475,334
Inventories	95,152	116,000
Prepaid expenses	15,348	14,574
Current assets of discontinued operation (note 3)	1,438	957,923
	1,494,218	2,261,461
PROPERTY, PLANT AND EQUIPMENT	202,302	225,390
INTANGIBLE ASSETS AND DEFERRED FINANCING EXPENSES	441,592	566,524
FUTURE INCOME TAX ASSETS	40,895	40,895
LONG-TERM ASSETS OF DISCONTINUED OPERATION (note 3)	-	604,469
	2,179,007	3,698,739
LIABILITIES		
CURRENT LIABILITIES		
Excess of outstanding cheques over bank balance	-	236,259
Bank loan	-	210,000
Loan secured by the refundable tax credits	251,508	185,781
Accounts payable and accrued liabilities	461,013	684,582
Notes payable, 12.5%	150,000	-
Deferred revenues	502,253	259,580
Current portion of long-term debt	97,452	152,334
Future income tax liabilities	15,925	-
Current liabilities of discontinued operation (note 3)	45,435	376,996
	1,523,586	2,105,532
LONG-TERM DEBT	9,970	28,767
LIABILITY COMPONENT OF CONVERTIBLE DEBENTURES (note 5)	2,447,582	2,415,297
FUTURE INCOME TAX LIABILITIES	24,970	40,895
LONG-TERM LIABILITIES OF DISCONTINUED OPERATION (note 3)	-	269,445
	4,006,108	4,859,936
SHAREHOLDERS' DEFICIENCY		
Equity component of convertible debentures	461,109	461,109
Share capital (note 6)	4,296,008	4,237,651
Stock options under the plan (note 6)	124,298	107,391
Stock options external to the plan (note 6)	23,135	271,838
Warrants (note 6)	94,939	159,892
Contributed surplus	723,260	387,989
Deficit	(7,549,850)	(6,787,067)
	(1,827,101)	(1,161,197)
	2,179,007	3,698,739

Subsequent events (note 10)

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

AMADEUS INTERNATIONAL INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three months ended December 31		Six months ended December 31	
	2006 \$	2005 \$	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for continuing operations for the period	(431,675)	(629,345)	(805,658)	(1,369,447)
Items not affecting cash				
Receipts derived from the net investment in a lease agreement	-	7,502	-	17,582
Depreciation and amortization	75,429	134,133	150,862	219,219
Stock-based compensation	15,739	18,362	38,522	42,702
Accretion on convertible debentures	16,264	4,432	32,285	8,530
	(324,243)	(464,916)	(583,989)	(1,081,414)
Net change in non-cash operating working capital items (note 9)	40,463	115,329	(74,713)	(415,826)
	(283,780)	(349,587)	(658,702)	(1,497,240)
CASH FLOWS FROM FINANCING ACTIVITIES				
Variation in bank loan	(430,000)	10,873	(210,000)	413,971
Variation in loan secured by tax credits	-	61,400	65,727	307,000
Notes payable	150,000	-	150,000	-
Long-term debt contracted	-	147,800	-	147,800
Payments on long-term debt	(36,434)	(55,555)	(73,679)	(95,336)
	(316,434)	164,518	(67,952)	773,435
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment	-	(49,053)	(1,442)	(63,983)
Acquisition of intangible assets	-	(24,905)	(1,400)	(24,905)
Variation in deferred financing expenses	-	(4,500)	-	(4,500)
	-	(78,458)	(2,842)	(93,388)
CASH USED BY CONTINUING OPERATIONS	(600,214)	(263,527)	(729,496)	(817,193)
CASH PROVIDED FROM DISCONTINUED OPERATION (note 3)	674,172	263,527	1,002,823	700,463
NET CASH - BEGINNING OF PERIOD	147	-	(199,222)	116,730
CASH - END OF PERIOD	74,105	-	74,105	-

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

AMADEUS INTERNATIONAL INC
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
DECEMBER 31, 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. INTERIM FINANCIAL INFORMATION

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 company'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 company'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 reporting interim periods 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 December 31, 2006 include the rational interest income on the sales price balance receivable and interest on the long-term debt contracted for the acquisition of the intangible assets sold. Earnings of discontinued operation for the year 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 such operation and fees related to the disposal of those assets.

Assets of discontinued operation	As at December 31, 2006 \$	As at June 30, 2006 \$
Assets		
Current assets		
Accounts receivable	1,438	286,914
Balance of sales price receivable	-	671,009
Current assets of discontinued operation	1,438	957,923
Long-term assets		
Balance of sales price receivable	-	604,469
Long-term assets of discontinued operation	-	604,469
Total assets of discontinued operation	1,438	1,562,392

Liabilities of discontinued operation	As at December 31, 2006 \$	As at June 30, 2006 \$
Liabilities		
Current liabilities		
Income taxes	45,435	107,552
Current portion of long term-debt	-	269,444
Current liabilities of discontinued operation	45,435	376,996
Long-term liabilities		
Long-term debt	-	269,445
Long-term liabilities of discontinued operation	-	269,445
Total liabilities of discontinued operation	45,435	646,441

During the period, the company proceeded to an advance receipt of the balance of sales price receivable. A portion of the receipt was used to reimburse the long-term debt contracted upon the acquisition of M3K Solutions Inc.

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5. CONVERTIBLE DEBENTURES

	As at December 31, 2006 \$	As at June 30, 2006 \$
Convertible debentures bearing interest at 10% and maturing in June 2011.	1,950,000	1,950,000
Convertible debentures bearing interest at 10% and maturing in February 2008.	1,000,000	1,000,000
Equity component allocated to conversion options	(461,109)	(461,109)
Equity component allocated to warrants	(94,939)	(94,939)
Accretion on convertible debentures	84,314	52,029
Financing expenses, net of future income taxes	(30,684)	(30,684)
	2,447,582	2,415,297

6. CAPITAL STOCK

Authorized

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

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

	Six months ended December 31, 2006		Twelve months ended June 30, 2006	
	Number	Stated value \$	Number	Stated value \$
Balance - Beginning of period	34,472,287	4,237,651	34,381,378	4,187,651
Issuance of shares in settlement of interest	583,561	58,357	-	-
Share purchase financing agreement *	-	-	90,909	50,000
Balance - End of 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%.

Issuance of shares

In July 2006, in accordance with the debenture agreement signed in February 2006, the company issued 583,561 common shares in settlement of interest totalling \$58,357.

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 be 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

	Six months ended December 31, 2006			Twelve months ended June 30, 2006		
	Number	Value \$	Weighted average exercise price \$	Number	Value \$	Weighted average exercise price \$
Outstanding - Beginning of period	1,995,000	107,391	0.22	1,960,000	23,767	0.30
Granted	-	-	-	1,255,000	-	0.15
Cancelled	(360,000)	(21,615)	0.24	(1,220,000)	-	0.27
Net compensation costs	-	38,522	-	-	83,624	-
Outstanding - End of period	1,635,000	124,298	0.22	1,995,000	107,391	0.22

During the first six months of fiscal 2007, the company cancelled 360,000 stock options following the departure of employees and directors. The compensation costs being amortized over a vesting period of 36 months, an amount of 38,522 \$ has been accounted for in earnings.

b) Options granted external to the stock option plan

	Six months ended December 31, 2006			Twelve months ended June 30, 2006		
	Number	Value \$	Weighted average exercise price \$	Number	Value \$	Weighted average exercise price \$
Outstanding - Beginning of period *	758,376	271,838	0.22	1,286,468	427,954	0.30
Cancelled	(646,124)	(248,703)	0.20	(528,092)	(156,116)	0.21
Outstanding - End of period	112,252	23,135	0.36	758,376	271,838	0.22

The following table summarizes information about stock options:

Exercise price	Options outstanding as at December 31, 2006		Options exercisable as at December 31, 2006	
	Number	Weighted average remaining contractual life (years)	Number	Weighted average remaining contractual life (years)
0.15 \$	855,000	4.0	285,000	4.0
0.20 \$	60,000	2.3	60,000	2.3
0.30 \$	780,000	3.3	455,000	3.3
0.41 \$	30,902	6.3	23,529	6.3
0.71 \$	21,350	4.0	21,350	4.0
	1,747,252	3.7	844,879	3.6

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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, 2002, the net loss and related net loss per share figures on a pro-forma basis would be as follows:

	Three months ended December 31,		Six months ended December 31,	
	2006 \$	2005 \$	2006 \$	2005 \$
Net loss for the period	(384,185)	(400,913)	(762,783)	(866,715)
Pro-forma adjustment for stock-based compensation costs	(562)	(617)	(1,123)	(1,235)
Pro forma net loss for the period	(384,747)	(401,530)	(763,906)	(867,950)
Basic and diluted net loss per share	(0.01)	(0.01)	(0.02)	(0.02)
Basic and diluted pro forma net loss per share	(0.01)	(0.01)	(0.02)	(0.02)

These options, which have a weighted average fair value of \$0.2148, 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.

Warrants

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

	Six months ended December 31, 2006			Twelve months ended June 30, 2006		
	Number	Value \$	Weighted average exercise price \$	Number	Value \$	Weighted average exercise price \$
Outstanding - Beginning of period	2,668,183	159,892	0.30	1,378,244	161,815	0.78
Granted	-	-	-	2,200,000	94,939	0.23
Cancelled	(468,183)	(64,953)	0.66	(910,061)	(96,862)	0.85
Outstanding - End of period	2,200,000	94,939	0.23	2,668,183	159,892	0.30

The following table summarizes information about warrants:

Exercise price \$	Number	Weighted average remaining contractual life (years)
0.225 \$	2,200,000	1.1

7. 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.

AMADEUS INTERNATIONAL INC
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Revenues by geographic region are detailed as follows

	Three months ended		Six months ended	
	December 31,		December 31,	
	2006	2005	2006	2005
	\$	\$	\$	\$
Canada	84,911	434,999	282,284	647,230
United States	200,973	29,026	534,464	93,963
France	39,544	62,922	87,097	90,782
Portugal	118,825	96,365	130,544	108,363
Others	3,425	6,761	3,424	27,410
	447,678	630,073	1,037,813	967,748

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

8. 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 ended		Six months ended	
	December 31,		December 31,	
	2006	2005	2006	2005
Basic weighted average number of shares outstanding	35,055,848	34,831,379	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	2,641,220	2,311,962	2,737,941	2,759,649
Warrants	2,655,435	1,378,244	2,656,325	1,378,244
Convertible debentures	11,388,850	4,722,182	11,388,850	4,722,182

For the three-month and six-month periods ended December 31, 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.

9. ADDITIONAL DISCLOSURES ON CASH FLOWS

	Three months ended		Six months ended	
	December 31,		December 30,	
	2006	2005	2006	2005
	\$	\$	\$	\$
Net change in non-cash operating working capital items				
Accounts receivable	200,233	281,880	(42,302)	(281,971)
Refundable tax credits	(85,936)	(65,153)	(129,946)	(143,855)
Inventories	-	(116,000)	20,848	(116,000)
Prepaid expenses	(5,073)	(49,716)	(774)	(52,313)
Accounts payable and accrued liabilities	(149,125)	82,745	(165,212)	245,728
Deferred revenues	80,364	(18,428)	242,673	(67,416)
	40,463	115,329	(74,713)	(415,826)

AMADEUS INTERNATIONAL INC
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10. SUBSEQUENT EVENTS

As announced on February 26, 2007, the company will proceed to a consolidation of all its issued and outstanding common shares. Henceforth, the common shares of Amadeus are traded on the Venture Exchange on a consolidated basis of twenty (20) old shares for one (1) new share. The number of common shares outstanding, post-consolidation, is expected to be 1,752,792 on a non-diluted basis.

Under the terms of a preliminary short form prospectus filed on February 22, 2007, the following transactions should be carried out:

The company will raise equity of a minimum \$1,500,000 and a maximum of \$4,000,000 through a Rights Offering to its current shareholders living the provinces in which it is a reporting issuer, and this, without recourse to a broker. Each shareholder will receive 9.128 rights for each share held at the closing of the record date. Each right will entitle the holder to acquire one additional common share of Amadeus at a price of \$0.25. The closing of the record date will be confirmed once all regulatory approvals are obtained. Should the Rights Offering be fully subscribed, gross proceeds will be approximately \$4,000,000.

Under a Stand-By Purchase Agreement, Société Innovatech Québec et Chaudière-Appalaches, Fier Succès, s.e.c., SIPAR Inc., Fier Cap Diamant, s.e.c., some individuals, as well as Directors and Managers (“the Investors”) will agreed to acquire a maximum of \$1,500,000 in new equity to the extent that all the rights are not exercised through the Rights Offering, and this, at the same price per share and on the same terms and conditions as those offered to shareholders. All shares not purchased by shareholders or investors will be offered to the general public.

After the closing of the Rights Offering, the company agreed to modify the conversion price of the convertible notes, the face value of those notes is \$2,950,000. Thus, the conversion price of the convertible notes issued in June 2003 will be modified from \$8.26 to \$0.25. For those issued in February 2006, the conversion price will be modified from \$3.00 to \$0.25. The modification to notes is conditionnal to the agreement of the holders to convert all the convertible notes into common shares immediately after closing of the Rights Offering. The number of common shares issued as a result of this conversion is 11,800,000.