



Quarterly report to our shareholders
1st quarter ended on September 30, 2004

Management's Discussion and Analysis of Financial Position and Results of Operations

This analysis focuses on the financial position and results of operations of Amadeus International Inc. (TSX-V: AML) ("the Company") for the first quarter from July 1st, 2004 to September 30, 2004. The analysis should be read in conjunction with the Company's financial statements for the three-month period ended September 30, 2004 and related notes, and with the audited consolidated financial statements for the year ended June 30, 2004 included in the A77 Capital management proxy circular dated December 17, 2004.

The audited and unaudited consolidated financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and are in Canadian dollars.

This document contains forward-looking statements that involve certain risks and uncertainties. Such statements are not guaranteed to be accurate and actual results as well as future events may be materially different from those anticipated herein. These risks and uncertainties include those described in the A77 Capital Inc. management proxy circular published on December 17, 2004 under "Risk Factors".

Certain sections of this management's discussion and analysis may contain forward-looking information. Statements based on current management expectations involve inherent risks and uncertainties, both known and unknown. Actual results may be different from forecasts.

This management's discussion and analysis of the Company's financial position and results of operations was prepared as of February 16, 2004. Updated information on the Company can be found on the SEDAR Web site at www.sedar.com.

Overview and Outlook

Created in 1994, Amadeus International Inc. (TSX-V: AML) is a worldwide leader of flexible software applications for the control of compliance processes. The Amadeus platform empowers highly regulated organizations to improve their compliance processes by decreasing the related costs, strengthen their governance process, manage their overall quality and reduce their operational risks. With its North-American head office in Quebec City and sales offices in New Jersey, USA; Paris, France as well as in Manchester, UK, Amadeus International's software applications are distributed in nearly 10 countries and have over 30,000 users in North America, Europe and Africa.

On September 13, A77 Capital Inc. (TVS-V: VOG.P) announces its intent to realize a private placement of a minimum of 1,818,182 units and a maximum of 4,454,545 units at a price of \$0.55 per unit for a maximum amount of \$3,000,000. Each unit consists of one common share of the company and of half of a common share purchase warrant. Each

full warrant will entitle its holder to subscribe for one common share of the Company at a price of \$0.85 per share within eighteen months following the closing date of the private placement (at a price of \$0.65 per share, for those who invest \$500,000 and over, within twenty-four months following the closing date). Following the private placement A77 Capital Inc., 9016-5086 Québec Inc. and Amadeus International Inc intend to proceed to a amalgamation to complete the Qualifying transaction.

On December 23, the Company proceeds to the amalgamation with 9106-5086 Québec Inc. and A77 Capital Inc. who previously realize the private placement of 2,729,190 units at a price of \$0.55 per unit for a total amount of \$1,501,050.

Results of Operations

(In Canadian dollars, except the number of shares)	Three months ended	
	September 31,	
	2004	2003
	\$	\$
Revenues	253,096	449,068
Net earnings (loss)	(590,316)	(201,147)
Basic and diluted earnings (loss) per share	(0,04)	(0,01)
Basic and diluted weighted average number of shares outstanding	13 695 894	13 695 894

Revenues

Revenues for the first quarter ended September 30, 2004, totaled \$253,096, a 43.64% decrease compared to revenues of \$449,068 for the same period last year. The introduction of the new Web base solution eQCM® during the first quarter caused a slowdown of the sales related to the client/server solution eQRP® which had generated the whole license revenues in the preceding fiscal year (eQRP® was available on the market in July 2000). Considering that the new solution have sales cycle between three and eighteen months, combine whit the expanded sales forces, the management estimates that the marketing efforts carried out in the first quarter of the year will allow to increase sales of licenses during the others quarters of the year. However we note a rise of 45.44% of the maintenance incomes, proving the customers user retention of the solutions offered by the company.

Cost of sales

The cost of sales for the first quarter stood at \$58,105 compared to \$76,412 for the same period a year earlier. The variances for the three month period are attributable to the reduction of the personnel in the customer service department resulting from the eQRP® stability.

Research and development expenses

Net research and development expenses totaled \$210,076 in the first quarter compared to \$156,626 last year. In 2003, the Company was developing the eQCM® solution; the related salaries and tax credits were capitalized as assets resulting in lower net expenses. Now that the solution is available on the market, all the research and development expenses are presented in the statement of earnings.

General, selling, and administrative expenses

General, selling and administrative expenses (GSAE) amounted to \$473,737 for the period ended compared to \$315,002 a rise of 50.39%. The difference is primarily due to an expanded sales force in the United States and United Kingdoms and to the recruitment of new resources to face the increased of requirements related to the fact that the Company is going public.

Depreciation and amortization

Depreciation and amortization expenses decrease by 11.49% to stand at \$31,976 for the quarter compared to \$36,128 for the same period last year.

Interest

Net interest expenses stood at \$66,196 for the first quarter compared to \$66,196 for first three months of last year.

Net earnings (loss)

Amadeus posted a net loss of \$590,316 or \$0.04 per share for the quarter ended on September 30, compared to a net loss of \$201,147 or \$0.01 per share a year earlier. This decrease can be explained by the transitional period between eQRP® and eQCM® which generated a downturn in revenues, the increased marketing efforts on the United States and United Kingdom markets combined with the increased of administrative expenses due to the fact that the Company is going public.

Financial position and cash flows

(In Canadian dollars)	As at September 31, 2004 \$	As at June 30, 2004 \$
Cash and bank loan	(21,688)	(46,707)
Current assets	2,507,440	2,573,082
Total assets	3,727,192	3,823,637
Current liabilities	2,522,991	1,995,231
Long term liabilities	1,711,353	1,745,242

As at September 30, 2004, current assets totaled \$2,507,440 compared to \$2,573,082 as at June 30, 2004. Current liabilities stood at \$2,522,991 at September 30, 2004, compared to \$1,995,231 as at June 30, 2004.

The Company had a bank overdraft of \$21,688 as at September 30, 2004, compared to a bank loan balance of \$46,707 as at June 30, 2004. The working capital have been reduce by \$593,402 and is overdrawn by \$15,551 as at September 30, 2004 comparatively to a balance of \$577,851 as at June 30, 2004. The reduction is due to the increase of the research and development tax credit and the amplified marketing efforts in United States and United Kingdom.

In the first quarter of 2004, operating activities used \$1,514,907 in cash flows, compared to \$408,241 in the same period in 2003. In 2004, the loss after items not affecting cash generate negative cash flows of \$547,159 once again explainable by the transitional period between eQRP® and eQCM® which generated a downturn in revenues. Moreover, the net change in non-cash operating working capital items used \$895,316 in cash flows mainly caused by the rise of the research and development tax credit.

Financing activities generates cash flow of \$644,239 in the first quarter, compared to \$19,572 used in 2003. The main financing source in 2004 was the bank loan who increase by \$558,293. Moreover tax credits have been financed for a total amount of \$122,000. For the first quarter of 2004, the reimbursement on the long term debt totaled \$36,054.

On their side, investing activities generated cash flow of \$848,980 in the first quarter are broken down as follows: cashable of tax credit amounting \$862,213 net of \$1,025 for the acquisition of fixed assets, \$916 for intangible assets and \$11,292 for the capitalization of research and development expenses. For period ended September 30, 2003, Amadeus invested an amount of \$47,985 comprised primarily of \$4,084 in fixed assets and \$24,740 in intangible assets.

The Company considers that its current financial resources, combined with the cash flow from its activities, are sufficient to attain its objectives and maintain its financial independence for the foreseeable future. The Company is always working to seek additional financing in order to accelerate its marketing and to increase its working capital to support its growth. The Company is also studying the possibility of expanding its market share in the compliance segment through strategic business acquisitions that could create synergy with the Company.

Outstanding shares

As at January 19, 2005, following the realization of the amalgamation, the resulting Company had 29,016,443 Class A shares outstanding. On September 30, 2004 the Company had 13,695,894 Class A shares outstanding.

(S) Frédéric Garand

Frédéric Garand, CA
Chief financial officer
Amadeus International Inc

The attached consolidated financial statements have been prepared by the Management of Amadeus International Inc. and have not been reviewed by an auditor. 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 ended September 30	
	2004 \$ (unaudited)	2003 \$ (unaudited)
REVENUES		
Software	76 300	281 305
Services	4 980	49 628
Support	171 816	118 135
	253 096	449 068
COST OF GOODS SOLD	58 105	76 412
GROSS PROFIT	194 991	372 656
OPERATING EXPENSES		
Research and development	210 076	156 626
Selling, general and administrative	473 737	315 002
Depreciation and amortization	31 976	36 128
	715 789	507 756
EARNINGS (LOSS) BEFORE FINANCIAL EXPENSES	(520 798)	(135 100)
Accredition on convertible debentures	2 514	430
Interest, net	66 196	68 295
	68 710	68 725
EARNINGS (LOSS) BEFORE INCOME TAXES	(589 508)	(203 825)
INCOME TAXES EXPENSES (RECOVERY)		
Current income taxes	-	250
Future income taxes	808	(2 928)
	808	(2 678)
NET EARNINGS (LOSS) FOR THE PERIODS	(590 316)	(201 147)
BASIC NET EARNINGS (LOSS) PER SHARE (note 4)	(0.04)	(0.01)
DILUTED NET EARNINGS (LOSS) PER SHARE (note 4)	(0.04)	(0.01)

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

AMADEUS INTERNATIONAL INC
CONSOLIDATED STATEMENTS OF DEFICIT

	Three months period ended	
	September 30,	
	2004	2003
	\$	\$
BALANCE - BEGINNING OF PERIOD	(2 245 830)	(1 137 430)
NET EARNINGS (LOSS) FOR THE PERIOD	(590 316)	(201 147)
BALANCE - END OF PERIOD	(2 836 146)	(1 338 577)

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

AMADEUS INTERNATIONAL INC
CONSOLIDATED BALANCE SHEETS

	As at September 30, 2004	As at June 30, 2004
	\$ (unaudited)	\$
ASSETS		
CURRENT ASSETS		
Accounts receivable	586 892	816 464
Net investment in a lease agreement	33 466	32 644
Refundable tax credits	1 870 200	1 697 464
Prepaid expenses	16 882	26 510
	2 507 440	2 573 082
PROPERTY, PLANT AND EQUIPMENT	222 537	238 995
INTANGIBLE ASSETS AND OTHER ASSETS	688 014	690 299
NET INVESTMENT IN A LEASE AGREEMENT	50 135	58 816
FUTURE INCOME TAX ASSETS	259 066	262 445
	3 727 192	3 823 637
LIABILITIES		
CURRENT LIABILITIES		
Excess of outstanding cheques over bank balance	21 688	-
Bank loan	605 000	46 707
Loan secured by the refundable tax credits	925 000	803 000
Accounts payable and accrued liabilities	423 224	522 791
Deferred revenues	318 883	386 391
Current portion of long term debt	156 846	159 370
Future income tax assets	72 350	76 972
	2 522 991	1 995 231
DEFERRED REVENUES	19 610	24 534
LONG TERM DEBT	109 428	142 958
LIABILITY COMPONENT OF CONVERTIBLE DEBENTURES	1 550 943	1 548 429
FUTURE INCOME TAX LIABILITIES	31 372	29 321
	4 234 344	3 740 473
SHAREHOLDER'S EQUITY		
Equity component of convertible debentures	380 924	380 924
Share capital	1 813 059	1 813 059
Contributed surplus	135 011	135 011
Deficit	(2 836 146)	(2 245 830)
	(507 152)	83 164
	3 727 192	3 823 637

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

AMADEUS INTERNATIONAL INC
CONSOLIDATED STATEMENTS OF CASHFLOWS

	Trois mois terminés les 30 septembre	
	2004	2003
	\$	\$
	(non vérifiés)	(non vérifiés)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings (loss) for the period	(590,316)	(201,147)
Items not affecting cash		
Income derived from the net investment in a lease agreement	7,859	-
Depreciation and amortization	31,976	36,128
Accretion on convertible debentures	2,514	430
Future income taxes	808	(2,928)
	(547,159)	(167,517)
Net change in non-cash operating working capital items excluding deferred revenues (note 5)	(33,103)	(246,170)
Increase in deferred revenues	(72,432)	5,446
	(652,694)	(408,241)
CASH FLOWS FROM FINANCING ACTIVITIES		
Variation in bank loan	558,293	(958)
Increase in loan secured by tax credits	122,000	-
Payments on long term debt	(36,054)	(18,614)
	644,239	(19,572)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,025)	(4,084)
Acquisitions of intangible assets	(916)	(19,161)
Increases in other assets, net of tax credits received	(11,292)	(24,740)
	(13,233)	(47,985)
NET CHANGE IN CASH	(21,688)	(475,798)
CASH (EXCESS OF OUTSTANDING CHEQUES OVER BANK BALANCE) - BEGINNING OF THE PERIOD	-	740,853
CASH (EXCESS OF OUTSTANDING CHEQUES OVER BANK BALANCE) - END OF THE PERIOD	(21,688)	265,055

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

AMADEUS INTERNATIONAL INC
ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

1. STATUTES AND NATURE OF ACTIVITIES

The company, incorporated under Part 1A of the Québec Companies Act is specializing in the development and marketing of compliance software 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 financial information as at September 30, 2004 and for the three months periods ended September 30, 2004 and 2003 is unaudited. However, in the opinion of management, all adjustments necessary to present fairly the results of these periods have been included. The adjustments made were of a normal recurring nature. Interim results may not necessarily be indicative of results anticipated for the year.

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles and use the same accounting policies and methods used in the preparation of the company's most recent annual financial statements.. However, these financial statements do not include all the disclosures required for annual financial statements. These interim financial statements should therefore be read in conjunction with the Company's most recent annual financial statements.

3. SEGMENTS 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,	
	2004	2003
	\$	\$
	(unaudited)	(unaudited)
Canada	191 075	340 541
Portugal	31 540	68 874
France	30 481	38 546
United States	-	1 107

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

AMADEUS INTERNATIONAL INC
ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

4. 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,	
	2004 (unaudited)	2003 (unaudited)
Basic weighted average number of shares outstanding	13 695 894	13 695 894
Diluted effect of stock options	-	-
Diluted effect of convertible debenture	-	-
Diluted weighted average number of shares outstanding	13 695 894	13 695 894
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	62 000	92 000
Convertible debentures	3 361 941	3 361 941

For the periods ended September 30, 2003 and 2004, the diluted loss per share was the same as the basic loss per share since the dilutive effect of stock options and convertible debentures was not included in the calculation; otherwise, the effect 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.

5. ADDITIONAL DISCLOSURES ON CASH FLOWS

	Three months periods ended September 30,	
	2004 \$ (unaudited)	2003 \$ (unaudited)
Net change in non-cash operating working capital items		
Accounts receivable	229 572	941
Refundable tax credits	(1 034 949)	(206 104)
Prepaid expenses	9 628	1 170
Accounts payable and accrued liabilities	(72 432)	(42 177)
	(868 181)	(246 170)

AMADEUS INTERNATIONAL INC
ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2004

6. SUBSEQUENT EVENT

On December 23, 2004, the company proceeded to an amalgamation with A77 Capital Inc., a capital pool company, and 9106-5086 Québec Inc., a Quebec business investment company holding shares in Amadeus International Inc. This transaction has been approved by the Autorité des marchés financiers and the TSX Venture Exchange as well as the shareholders of the three companies including the majority of A77 Capital Inc.'s minority holders.

Upon conclusion of that transaction, the shareholders of the company would receive 19,237,253 shares of the company resulting from the amalgamation, thus obtaining the majority of shares of the latter. The estimated total value of the company in this transaction is \$12 500 000.