



2008.1

QUARTERLY REPORT Q1.2008

LETTER TO SHAREHOLDERS

**Dear Shareholders,
Ladies and Gentlemen,**

After a record year in 2007, we are delighted to be able to present a continuation of this superb business development in the first quarter of the new year and to offer you a most gratifying outlook for 2008 as a whole.

The success story we have reported in previous years continues without interruption. Once again we have set new records for sales and results in the first quarter.

Record sales in the first quarter

Once again we have succeeded in increasing sales substantially to € 6.4 million, representing growth of 12 % as of March 31, 2008. This exceeds the 11 % increase recorded in 2007 as a whole and further accelerates the pace of our corporate growth.

This improvement in sales was once again the result of highly positive developments in all areas. Software licenses, the driving force behind our business model, made a particularly strong contribution. Sales in this segment rose 12 % to € 1.3 million as the trend evident in the previous year continued. Software maintenance also increased vigorously, with sales rising 9 % to € 2.4 million.

However, thanks to the recruitment of additional staff last year, the strongest growth was recorded in consulting where sales increased by 19 % to € 1.8 million.

Best Q1 result since the company was founded

More records were set under the heading of operating results (EBIT) which ATOSS regards as the key indicator of its success: EBIT rose by 50 % to € 1.3 million and the operating margin reached 20 % (previous year: 15 %). Even

after taking account of one-off effects resulting from the liquidation of reserves, the EBIT margin on sales still amounted to 17 %. All of the other key figures were also substantially improved.

Increase in orders on hand

Orders on hand for software licenses rose 9 % to € 1.5 million, compared with € 1.3 million last year. We therefore remain in a position to forecast development in the coming quarters with some accuracy.

Strong Q1 cash flow, high liquidity

Cash flow is typically very strong in the first and third quarters as a result of the seasonal effect of invoicing maintenance services on a half-yearly basis. Thus as of March 31, 2008, our cash flow from operations was on a par with last year at € 3.0 million and equated to 47 % of sales. Liquidity similarly increased from € 13.6 million to € 16.4 million.

Products presented at CeBIT

One of the highlights of the year is the presentation of new products at CeBIT in Hanover, Europe's largest IT industry trade fair. This year we were able to show off some significant new developments in our "Workforce Scheduling and Management" module, including for example the facility to define personnel requirements in different scenarios such as emergency, minimum and optimum staffing. This enables users to have plans ready to respond rapidly to changing circumstances. What's more, refinements to the "Employee & Manager Self Service (EMS)" module now allow straightforward organizational arrangements to be made for stand-ins.

» ATOSS continues to reoport excellent business developments «

After logging on, the person selected as stand-in receives notification that he or she is now acting as deputy and may, for example, approve vacations for his or her colleagues.

High level of expenditure on research and development

In order to retain our leading position in terms of both functionality and technology in our market segment, we shall continue to invest substantially in the development of our products. In accordance with this maxim, expenditure on research and development rose by 11 % in the first quarter to stand at € 1.2 million.

Positive outlook for the current financial year

We were able to present our strong first quarter sales and results at the General Meeting on April 29, 2008. Our shareholders' representatives voiced their satisfaction with the work of the Management Board and Supervisory Board by expressing unanimous formal approval. The Meeting adopted the proposal by the management and approved a dividend of € 0.31. The Supervisory Board was also re-elected. The Chairman of the Supervisory Board, Mr. Peter Kirn, and his colleague Rolf Baron Vielhauer von Hohenhau were confirmed in office. A new member of the Supervisory Board was also elected in the person of Mr. Fritz Fleischmann, Managing Director of Adobe Systems GmbH with responsibility for EMEA business at Adobe Systems. Mr. Fritz Fleischmann will act as Deputy Chairman of the Supervisory Board.



Christof Leiber

Andreas F.J. Obereder

Positive outlook for the current financial year

With a highly successful first quarter now behind us and a well-filled order book for software licenses, we are confident that we shall be able to continue the positive development of our enterprise. Against a background of rising sales we expect to achieve an operating result (EBIT) in excess of € 4 million.

Yours sincerely,

Andreas F.J. Obereder
(Chief Executive Officer)

Christof Leiber
(Member of the Management Board)

FACTS OVERVIEW

ECONOMIC BACKGROUND

Clouds on the macroeconomic horizon
IT investment patterns remain robust

ATOSS SOFTWARE AG

Strong growth earns ATOSS an increasing market share

CONTACT

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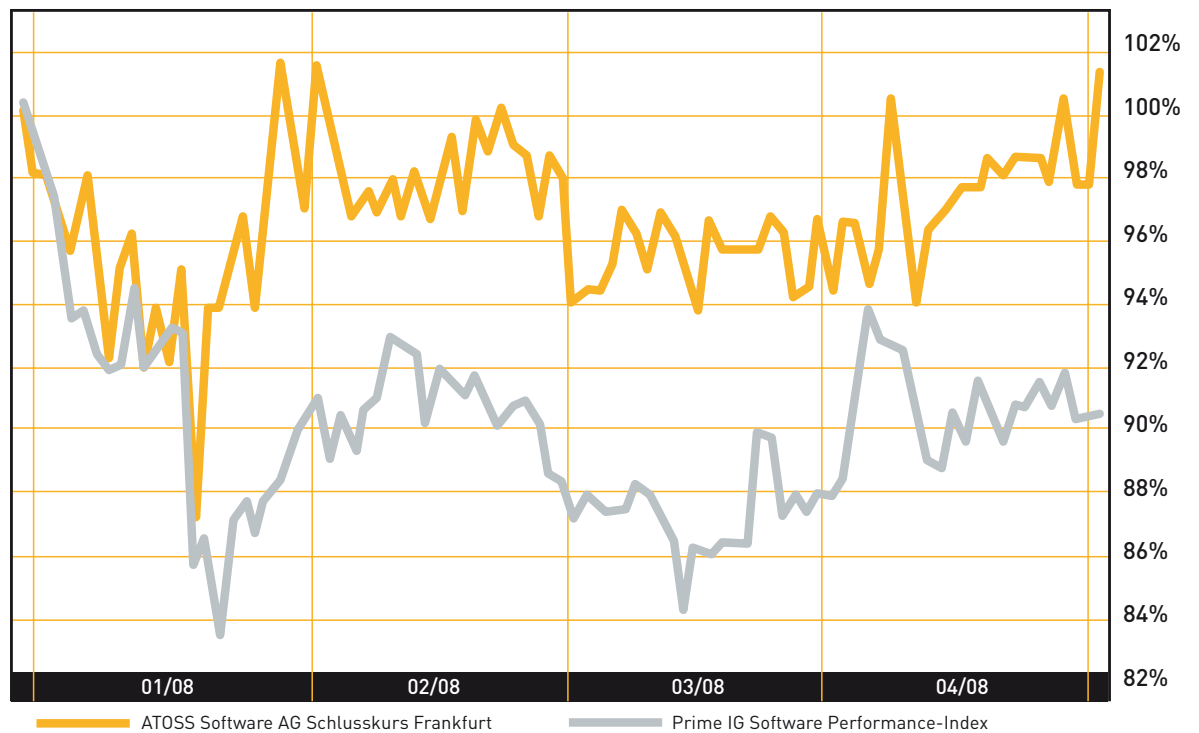
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CONSOLIDATED OVERVIEW AS PER IFRS: 3-MONTH COMPARISON IN T EUR					
	2008		2007		Change 2008 / 2007
	To March	Proportion of total revenues	To March	Proportion fo total revenues	
Software	3,717	58%	3,373	59%	10%
Software licenses	1,307	20%	1,163	20%	12%
Software maintenance	2,410	38%	2,210	39%	9%
Consulting	1,770	28%	1,492	26%	19%
Hardware	725	11%	697	12%	4%
Miscellaneous	186	3%	167	3%	11%
Total sales revenues	6,399	100%	5,729	100%	12%
EBITDA	1,395	22%	988	17%	41%
EBIT	1,306	20%	868	15%	50%
EBT	1,006	16%	960	17%	5%
Net income	685	11%	580	10%	18%
Cash flow	3,035	47%	3,000	52%	1%
Liquidity ^{1,2}	16,375		13,619		20%
EPS (in €)	0.17		0.15		17%
Employees ³	198		180		10%

CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN T EUR					
	2008				2007
	Q1	Q4	Q3	Q2	Q1
Software	3,717	3,900	3,782	3,594	3,373
Software licenses	1,307	1,419	1,482	1,345	1,163
Software maintenance	2,410	2,481	2,300	2,249	2,210
Consulting	1,770	1,740	1,489	1,486	1,492
Hardware	725	678	644	664	697
Miscellaneous	186	352	184	180	167
Total sales revenues	6,399	6,670	6,099	5,924	5,729
EBITDA	1,395	1,050	1,020	1,147	988
EBIT	1,306	941	907	1,014	868
EBIT margin	20 %	14 %	15 %	17 %	15 %
EBT	1,006	1,075	1,028	1,108	960
Net income	685	693	564	664	580
Cash flow	3,035	-1,325	3,238	-762	3,000
Liquidity ^{1,2}	16,375	13,468	14,841	11,743	13,619
EPS (in €)	0.17	0.17	0.14	0.17	0.15
Employees ³	198	195	192	188	180

¹Cash and marketable securities, ²Dividend of € 0.24 paid on April 24, 2007, ³At the end of the quarter

INVESTOR RELATIONS



CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN EUR

	2008				2007
	Q1	Q4	Q3	Q2	Q1
High	8.40	9.35	9.63	9.70	11.21
Low	7.20	7.60	8.02	7.95	8.00
Share price at end of quarter	7.80	8.29	8.50	8.19	8.58
Treasury stock	29,500	31,881	65,881	65,881	65,881
Dividend paid per share	0.00	0.00	0.00	0.24	0.00
Cash flow per share	0.76	-0.33	0.82	-0.19	0.76
Liquidity per share	4.10	3.39	3.75	2.97	3.44
EPS	0.17	0.17	0.14	0.17	0.15
EPS (diluted)	0.17	0.17	0.14	0.16	0.14

“Excellent figures”

Having had early sight of the annual figures for financial year 2007 on January 16, 2008, SES Research stood by its “buy” recommendation for ATOSS stock. Since the published figures essentially confirmed the adjusted forecast made in December 2007, the target price remained at € 12.00.

“Strong figures prompt forecast adjustment”

When the detailed figures were announced on January 31, 2008, SES expressed particular appreciation for the high level of net earnings. The proposed dividend of € 0.31 was also higher than expected, prompting analysts to raise the share price target to € 12.50.

“Growth continues in Q1”

The provisional figures for the first quarter published on April 9, 2008, exceeded analysts’ expectations. The substantial software licensing sales and very high operating profit (EBIT) proved particularly impressive. ATOSS thus once again delivered a positive surprise. SES Research continues to regard our stock as value for money: The analysts’ model plots the ratio of enterprise value to EBIT for 2008 at just over 4, which compares well with the substantially higher figures currently typical in the software sector. Their recommendation therefore remains to “buy”.

“A calm exception in stormy times”

In an in-depth study in April, SES Research turned once again to ATOSS, with a detailed examination of our business model, products, references and customers as well as technological aspects, market and competition. In addition to our attractive and established positioning and the sub-



stantial barriers which deter others from entering our core market, as well as our stable business with high maintenance revenues and continuous growth in sales, SES also stressed the currently enticing price of our stock. There was particular praise for the “newsflow”, that is to say our regular and reliable communication including intra-year forecast adjustments.

SES sees sales for the year 2008 reaching € 26.9 million with EBIT of € 4.5 million. Based on these key figures, the target share price was raised to € 14.00.

AGM approves dividend

The General Meeting held on April 29, 2008 approved the proposal by the management to pay a dividend of € 0.31. The other management proposals were also adopted by a large majority. Of particular importance was the re-election of the Supervisory Board. Corporate consultant and Chairman of the Supervisory Board Mr. Peter Kirn of Böblingen and Board member Rolf Baron Vielhauer von Hohenhau, President of the Bund der Steuerzahler, of Augsburg were confirmed in office. Mr. Fritz Fleischmann of Grünwald was elected as a new member of the Supervisory Board. Mr. Fleischmann is Managing Director of Adobe Systems GmbH with responsibility for Adobe’s Central and Eastern Europe business.

CONSOLIDATED MANAGEMENT REPORT

1. Business and conditions: Growth prospects clouding over

The financial crisis combined with the strong euro to dampen the mood among German businesses in April. The Ifo business climate index that predominantly reflects the sentiment of the capital goods industry fell even more sharply than expected, slipping back from 104.8 in March to 102.4 in April. After a good start to the year, the clouds are beginning to gather. Most experts now expect the economy to weaken perceptibly in the spring and lose further momentum as the year progresses.

Forecasts for the software sector nonetheless continue to include positive signs. According to a statement by BITKOM President Prof. August-Wilhelm Scheer, the software market will record 5.3 percent growth in the current year, followed by 5.0 percent next year. BITKOM calculations indicate that IT services will put on 6.6 percent in 2008 and 6.5 in the year after.

2. Earnings situation: Good start in the first quarter

ATOSS began the new financial year with a very convincing start in the first quarter. Total sales rose by 12 percent from € 5.7 million to € 6.4 million in a continuation of the growth pattern recorded in the previous year.

The principal factor behind this development was the strong increase in software licensing. Sales in this area climbed twelve percent to € 1.3 million (previous year: € 1.2 million). Software maintenance sales put on nine percent to reach € 2.4 million.

Consulting sales developed particularly well with growth coming in at 19 percent. This increase which lifted turnover from € 1.5 million to € 1.8 million was due to the increase in staffing levels, with last year's recruitment drive continuing in 2008.

Hardware sales, that is to say sales of peripheral recording equipment, also rose in the first quarter of the year, with four percent growth taking the total to € 0.7 million.

Helped by the liquidation of reserves amounting to € 0.2 million, despite a slight increase in costs which rose from € 4.9 million to € 5.3 million, ATOSS achieved an operating profit (EBIT) of € 1.3 million. This was 50 percent higher than the previous year's figure of € 0.9 million.

Even after allowing for a negative € 0.4 million effect resulting from a hedging transaction which reflected the crisis in the financial markets, pre-tax earnings at € 1.0 million were still five percent up on the year before. As a result of the lower tax rate since the beginning of 2008, ATOSS recorded net earnings of € 0.7 million, up by 18 percent over the previous year's earnings of € 0.6 million.

Orders on hand for software licenses as of March 31, 2008 amounted to € 1.5 million, up by 9 % over the previous year's figure of € 1.3 million. Against this background the company is confident that it will achieve its target sales revenues in 2008.

3. Net assets and financial position

Liquidity (cash and marketable securities) rose from € 13.5 million on December 31, 2007 to € 16.4 million by the end of the first quarter. The increase was the result of positive cash flow which at € 3.0 million was on a par with the year before. As in preceding years, in the first and third quarters ATOSS records a cash-positive increase in deferred revenues which for the period from January to March 2008 amounted to € 2.7 million (previous year: € 2.5 million).

Among other current assets beside cash, receivables too rose slightly from € 2.8 million at the end of 2007 to € 3.1 million as a result of invoices issued for maintenance fees.

Non-current assets rose as a result of an increase from € 0.3 million to € 0.4 million in capitalized deferred taxes.

Current liabilities were up from € 5.8 million at the year-end to € 8.6 million as a result of deferred revenues, tax provisions and miscellaneous short-term liabilities.

Non-current liabilities at € 1.4 million remained at the previous year's level.

As a result of the increase in net income for the period, equity rose from € 10.5 million to € 11.1 million, equating to 53 % of total capital.

4. Product development

ATOSS is intensively engaged in the development of both new and existing products. Product development costs rose by a further eleven percent in the first quarter of 2008 to stand at € 1.2 million, compared with € 1.1 million in the preceding year.

The company continues to refrain from capitalizing the expense of developing new products. All expenditure for this purpose is recognized in the income statement in the period in which it is incurred.

5. Employees

Over the past twelve months the number of employees has risen from 180 to 198. On March 31, 2008 ATOSS employed 68 software developers (previous year: 58), with a further 58 staff employed in consulting (previous year: 51) and 39 in sales and marketing (previous year: 39).

Personnel costs for the first three months of the current financial year increased to € 3.2 million (previous year: € 2.8 million).



6. Risks associated with future development

There has been no change in the company's risk structure relative to the description contained in the consolidated financial statements to December 31, 2007. With the formation of a provision of € 0.4 million for anticipated losses, the risks arising from a hedging transaction reflecting the turbulent conditions on the financial markets are fully covered.

7. Events after the balance sheet closing date

The General Meeting on April 29, 2008 adopted the proposal by the management and approved a dividend of € 0.31 per share in circulation which was duly paid on April 30, 2008. The total dividend distribution amounted to € 1.2 million.

8. Outlook

Against the background of continuing strong customer demand, the Board of Management expects to continue the company's positive development. The company anticipates that the operating result (EBIT) for financial year 2008 will increase to in excess of € 4 million (previous year: € 3.7 million).

CONSOLIDATED- BALANCE SHEET

CONSOLIDATED BALANCE SHEET TO 31.03.08		
Assets (in €)	31.03.2008	31.12.2007
Non-current assets		
Tangible fixed assets (net)	563,420	529,798
Intangible assets (net)	136,726	149,841
Deferred taxes	440,986	295,319
Total non-current assets	1,141,132	974,958
Current assets		
Inventories	11,753	26,120
Trade accounts receivable (net)	3,128,808	2,833,419
Other current assets	532,759	340,627
Cash and cash equivalents	16,375,306	13,467,767
Total current assets	20,048,626	16,667,933
Total assets	21,189,758	17,642,891

CONSOLIDATED BALANCE SHEET TO 31.03.08		
Equity and liabilities (in €)	31.03.2008	31.12.2007
Equity		
Subscribed capital	4,025,667	4,025,667
Capital reserve	-212,770	-134,511
Treasury stock	-339,858	-406,608
Unappropriated net income	7,666,580	6,981,913
Total equity	11,139,618	10,466,461
Non-current liabilities		
Convertible bonds	29,500	35,922
Pension provisions	1,204,894	1,212,551
Deferred taxes	186,470	102,958
Total non-current liabilities	1,420,864	1,351,431
Current liabilities		
Trade accounts payable	426,559	446,476
Short-term accruals	2,098,720	3,012,888
Deferred revenues	3,660,896	1,005,811
Tax provisions	931,143	791,439
Other short-term liabilities	1,511,958	568,385
Total current liabilities	8,629,276	5,824,999
Total equity and liabilities	21,189,758	17,642,891

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT FROM 01.01. TO 31.03.2008		
€	3-months report	
	01.01.2008	01.01.2007
	31.03.2008	31.03.2007
Sales revenues	6,398,617	5,728,779
Cost of sales	-2,168,993	-1,790,137
Gross profit on sales	4,229,624	3,938,642
Marketing costs	-1,358,248	-1,454,125
Administration costs	-606,941	-537,838
Research and development costs	-1,200,516	-1,082,903
Other operating income	241,761	4,507
Operating income (EBIT)	1,305,680	868,283
Interest and similar income	148,445	106,258
Interest and similar expenses	-447,632	-14,191
Income before taxes	1,006,493	960,350
Taxes on income and earnings	-321,826	-380,765
Net income for the period	684,667	579,585
Earnings per share (undiluted)	0.17	0.15
Earnings per share (diluted)	0.17	0.14
Average number of shares in circulation (undiluted)	3,995,004	3,955,102
Average number of shares in circulation (undiluted)	4,028,108	4,035,298



CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT FROM 01.01. TO 31.03.2008		
€	01.01.2008	01.01.2007
	31.03.2008	31.03.2007
Net income for the period	684,667	579,585
Depreciation of fixed assets	89,094	120,187
Loss incurred on the disposal of fixed assets	83	72
Changes in deferred taxes	-62,156	1,358
Personnel costs arising from the convertible bonds program	0	10,890
Provisions for pension commitments	-7,657	-2,757
Change in net current assets		
Trade accounts receivable	-295,388	782,087
Inventories and other current assets	-177,765	-119,530
Trade accounts payable	-19,917	-152,085
Short-term accruals	-914,168	-869,378
Deferred revenues	2,655,085	2,481,324
Tax provisions	139,704	255,882
Other short-term liabilities	943,572	-87,498
Cash flow generated through business operations (1)	3,035,155	3,000,138
Cash flow from investment activities		
Acquisition of tangible and intangible assets	-109,685	-179,757
Cash flow generated through investment activities (2)	-109,685	-179,757
Cash flow from financing activities		
Expenditure for the purchase of treasury stock	-48,510	0
Income from the sale of treasury stock	30,579	14,559
Cash flow generated through financing activities (3)	-17,931	14,559
Changes in liquidity ¹ – total of (1) to (3)	2,907,539	2,834,940
Liquidity ¹ at the beginning of the period	13,467,767	10,784,323
Liquidity ¹ at the end of the period	16,375,306	13,619,263

¹Liquidity: Cash and marketable securities

CHANGES IN CONSOLIDATED EQUITY



CHANGES IN CONSOLIDATED EQUITY AS OF 31.03.08					
€	Subscribed capital	Capital reserve	Treasury stock	Unappropriated net income	Total
As of 01.01.2007	4,025,667	362,241	-1,102,252	5,431,461	8,717,117
Net income for the period	0	0	0	579,585	579,585
Sale of treasury stock	0	-79,960	104,273	0	24,313
Additions deriving from convertible bonds	0	10,890	0	0	10,890
As of 31.03.2007	4,025,667	293,171	-997,979	6,011,047	9,331,906
As of 01.01.2008	4,025,667	-134,511	-406,608	6,981,913	10,466,461
Net income for the period	0	0	0	684,667	684,667
Sale of treasury stock	0	-78,260	92,850	0	14,590
Purchase of treasury stock	0	0	-26,100	0	-26,100
As of 31.03.2008	4,025,667	-212,770	-339,858	7,666,580	11,139,618

One share represents € 1 of subscribed capital.

NOTES

Notes to the consolidated financial statements
to March 31, 2008

1. General

The present quarterly report has been prepared in accordance with International Financial Reporting Standards (IFRS) in compliance with IAS 1.14. In particular the report complies with the provisions contained in IAS 34 "Interim Financial Reporting". The requirements contained in German Accounting Standard (DRS) No. 6 regarding interim reporting have likewise been fulfilled.

In accordance with IAS 34.20, the present statements include a consolidated balance sheet, consolidated income statement, consolidated cash flow statement, consolidated statement of changes in equity and explanatory notes to the consolidated statements.

The same financial accounting, valuation and computation methods have been applied as in the case of the annual financial statements.

The Management Board is satisfied that the impression of the economic situation of the company, its net assets, financial position, earnings situation and cash flow conveyed by the present quarterly financial statements accords with the true facts. This interim report has not undergone an auditors' inspection or statutory audit.

2. Reporting period

The present interim report was prepared to March 31, 2008, for the reporting period from January 1, 2008 to that date.

3. Currency

All figures are stated in euro. Figures are rounded up to whole euro units.

4. Group of consolidated companies

In addition to the parent company ATOSS Software AG, Munich, the consolidated financial statements to March 31, 2008 also include all subsidiary companies:

ATOSS CSD Software GmbH, Cham
ATOSS Software Ges.mmbH, Vienna, Austria
ATOSS Software AG, Zurich, Switzerland
ATOSS Software S.R.L., Timisoara, Romania

These companies are fully consolidated.

5. Changes in equity

The development in equity is evident from the statement of changes in consolidated equity.

6. Treasury stock

In the first three months of the financial year 9,000 treasury shares were issued in response to the exercise of convertible bonds and 6,619 shares were acquired to underpin the convertible bond program. On March 31, 2008 the company held 29,500 own shares acquired at an average price of € 11.52. Treasury stock is reported as a separate equity item at cost of acquisition.

7. Sales revenues

The company's sales revenues were composed as follows:

€	01.01.2008	01.01.2007
	31.03.2008	31.03.2007
Software licenses	1,306,974	1,162,912
Software maintenance	2,409,867	2,209,595
Total software	3,716,841	3,372,507
Consulting	1,770,267	1,491,845
Hardware	725,283	697,251
Miscellaneous	186,226	167,176
Total sales revenues	6,398,617	5,728,779

The geographic breakdown of sales revenues was as follows:

€	01.01.2008	01.01.2007
	31.03.2008	31.03.2007
Germany	5,686,042	5,272,082
Austria	437,296	332,121
Switzerland	235,406	92,516
German-speaking territories in total	6,358,744	5,696,719
Other countries	39,873	32,060
Total sales revenues	6,398,617	5,728,779

8. Personnel costs

The consolidated personnel costs to March 31, 2008 were composed as follows:

€	01.01.2008	01.01.2007
	31.03.2008	31.03.2007
Wages and salaries	2,648,716	2,310,511
Social security contributions and expenditure on retirement pensions and welfare	549,129	458,290
Effects arising from the convertible bonds program	0	10,890
Total personnel costs	3,197,845	2,779,691

9. Other operating income

In the first three months of the current financial year the company recorded other operating income in the amount of € 241,761 (previous year: € 4,507). This income essentially resulted from the liquidation of reserves and valuation allowances.

10. Financial investment income and expenditure

In the first three months of the current financial year the company recorded income in the amount of € 148,445 (previous year: € 106,258) from financial investments. This was comprised of interest earnings on fixed-term and current account deposits.

The company also recorded expenses in the amount of € 447,632 (previous year: € 14,191). This figure included a provision for anticipated losses in connection with a hedging transaction amounting to € 434,415 and expenses in connection with pension provisions in the amount of € 13,217 (previous year: € 14,191).

11. Tax expenses

Consolidated tax expenses to March 31, 2008 were composed as follows:

€	01.01.2008	01.01.2007
	31.03.2008	31.03.2007
Pre-tax result as per IFRS	1.006.493	960.350
Expected tax charge (2008: 32.98%, 2007: 40.86%)	-331,941	-392,399
Non-deductible operating expenses	-4,192	-4,563
Permanent differences arising from convertible bonds	0	-4,450
Differences in trade tax rates	14,381	20,647
Tax refunds for previous years	-74	0
Actual Group tax charge	-321,826	-380,765

12. Earnings per share

The figure for earnings per share is arrived at by dividing the result for the period in the amount of € 684,667 by the weighted average number of shares outstanding. From January 1 to March 31, 2008 there were an average of 3,995,004 shares in circulation. Thus earnings per share for this period amounted to € 0.17, in comparison with € 0.15 in the first nine months of the preceding year.

In order to calculate diluted earnings per share, the result for the period must be adjusted to allow for the interest cost relating to convertible bonds in the amount of € 198. In addition the average number of shares outstanding is increased with the inclusion of shares potentially issued as a result of convertible bonds. From January 1 to March 31, 2008 there were an average of 33,104 convertible bonds in circulation. Thus the diluted earnings per share for this period amounted to € 0.17, in comparison with € 0.14 in the preceding year.

13. Segment reporting

The company has only one uniform business segment within the meaning of IAS 14 which comprises the creation, sale and implementation of software solutions directed towards the efficient deployment of personnel. Similarly in geographic terms the German-speaking territories comprise a uniform segment within the meaning of IAS 14.

The individual software solutions comprise:

ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE):

ASES and ASE are working time management and workforce management and planning solutions for customers of all sizes in all industries. These software solutions are generally accompanied by other services covering implementation and training. In addition, consulting services are rendered with the object of making meaningful use of the available scope and developing optimum solutions for the efficient workforce scheduling and management under specific operating conditions and in consideration of works agreements and industry-wide wage agreements. The company also sells hardware components for time recording and access control purposes. ASES/ASE software is used in conjunction with all major standard system platforms and databases. Moreover, thanks to the extensive facility to define customer-specific parameters, these solutions are capable of satisfying even the most sophisticated requirements of customers of all sizes in all industries.

ATOSS Time Control (ATC):

ATC offers a software solution to working time management and workforce scheduling for small and medium-sized customers as well as large but decentrally organized clients. Likewise in conjunction with ATC, ATOSS offers software implementation and training as well as consulting services. Hardware and recording media as standard products are also available. ATC software is installed on the Microsoft Windows system platform in association with standard SQL databases and is particularly user-friendly and convenient for small to medium-sized customers as well as large decentralized organizations.

€	01.01.2008	01.01.2007
	31.03.2008	31.03.2007
Sales revenues		
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	5,731,583	5,316,202
ATOSS Time Control (ATC)	667,034	412,577
Total sales revenues	6,398,617	5,728,779
Operating result (EBIT)		
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	1,216,090	771,721
ATOSS Time Control (ATC)	89,590	96,562
Total operating result (EBIT)	1,305,680	868,283

14. Employees

On March 31, 2008 the company employed 198 staff, in comparison with 180 on the same date in 2007.

	31.03.2008	31.03.2007
Development	68	58
Consulting	58	51
Sales and marketing	39	39
Administration	33	32
Total	198	180

15. Management Board

The company's Management Board continued to comprise two members:

Andreas F.J. Obereder	Chief Executive Officer
Christof Leiber	Management Board member

16. Supervisory Board

The company's Supervisory Board as of March 31, 2008 comprised three members:

Peter Kirn	Chairman
Winfried Wolf	Deputy Chairman
Rolf Baron Vielhauer von Hohenhau	Member of the Supervisory Board

Mr. Bernhard Dorn, Deputy Chairman of the Supervisory Board, passed away on February 10, 2008. By a resolution adopted by the Municipal Court of Munich, Mr. Winfried Wolf was appointed as a member of the Supervisory Board on February 18, 2008.

17. Board member shareholdings

On the reporting date of March 31, 2008 board members held the following numbers of ATOSS shares:

	31.03.2008	31.12.2007	30.09.2007	30.06.2007	31.03.2007
Andreas F.J. Obereder	1,981,184	1,981,184	1,981,184	1,981,184	1,981,184
Peter Kirn	29,760	29,760	23,760	23,760	23,760
Rolf Baron Vielhauer von Hohenhau	5,675	5,675	0	0	0

18. Convertible bonds held by board members

On March 31, 2008 board members held the following number of bonds convertible into ATOSS shares:

	31.03.2008	31.12.2007	30.09.2007	30.06.2007	31.03.2007
Christof Leiber	5,000	5,000	10,000	10,000	10,000

19. Convertible bonds

In the first three months of financial year 2008 some 9,000 convertible bonds were exercised. On March 31, 2008 there were 29,500 convertible bonds outstanding.

Details of outstanding convertible bonds held by board members and employees are summarized in the following table:

	Exercise price in €	Outstanding options	Contractual validity in years	Possible rights remaining to be exercised as of 31.03.08
Board members				
	6.18	5,000	3.2	5,000
Employees				
	3.52	2,000	2.5	2,000
	3.97	3,000	3.6	3,000
	6.18	19,500	3.2	19,500
Total		29,500		29,500

20. Notifiable participating interests

In the first three months of financial year 2008 the company received no notifications regarding changes in participating interests pursuant to §§ 21 ff. of the German Securities Trading Act.

21. Events after the balance sheet closing date

On April 1, 2008 the company realized losses amounting to € 434,415 on a hedging transaction. As of March 31, 2008 these losses were already covered by an appropriate provision. The position opened in connection with this hedging transaction is now closed. There are no further risks deriving from hedging transactions.

The General Meeting of ATOSS Software AG took place on April 29, 2008. The Meeting adopted the proposal by the management and approved a dividend of € 0.31 per share which was duly distributed on April 30, 2008. The total dividend payment amounted to € 1,238,812.

The General Meeting also adopted the remaining proposals put forward by the management. Existing members Mr. Peter Kirn and Rolf Baron Vielhauer von Hohenhau were re-elected to the Supervisory Board and Mr. Fritz Fleischmann was elected as a new member.

CORPORATE CALENDAR

CORPORATE CALENDAR DATES 2008

July 25, 2008	Press release – six months' statement
August 22, 2008	Publication – six months' statement
October 24, 2008	Press release – nine months' statement
November 10-12, 2008	Analysts' conference - Kongress Zentrum, Frankfurt
November 21, 2008	Publication – nine months' statement

DISCLAIMER

This report contains forward-looking statements that are based on the conviction of the Management Board of ATOSS Software AG and reflect current assumptions and estimations. These forward-looking statements are subject to risks and uncertainties. Many facts that cannot currently be predicted may mean that the actual performance and earnings of ATOSS Software AG develop in a different manner. This could for example include the non-acceptance of newly introduced products or services, changes in the general economic and business climate, a failure to achieve efficiency and cost-reduction targets or changes in business strategy.

The Management Board is firmly convinced that the expectations embodied in these forward-looking statements are sound and realistic. Should, however, the above-mentioned or other unforeseeable risks materialize, ATOSS Software AG cannot guarantee that the expressed expectations will prove to be correct.

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