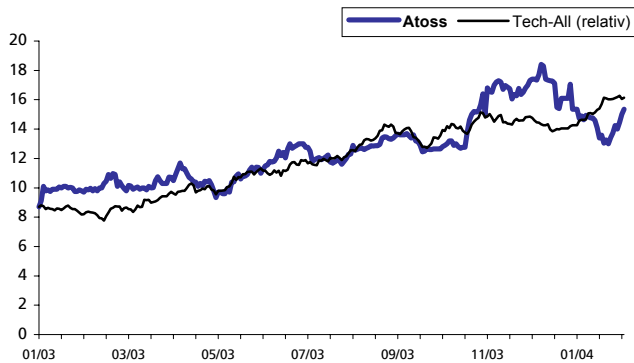


Rating: Market performer (unchanged)
Price: 15.35 Tech-AS: 735.59
 ISIN: DE0005104400
 Reuters: AOFG.F
 Bloomberg: AOF
 Internet: www.atoss.com
 Segment: Prime Standard
 Branch: Software/IT



Market capitalization: € 62.01 m
 High / Low 52 Weeks: € 18.50 / € 8.20
 No. of shares: (fully diluted) 4.07 m

Shareholders: Free Float 33.5 %
 Founders family 54.8 %
 Staff and management 6.1 %
 Own shares 5.6 %

Dates: Publication of annual figures 17/03/04
 2003
 AGM 22/04/04
 Publication of Q1/04 14/05/04

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Solid figures and dividend

Atoss Software AG published its provisional figures for 2003 on 30/01/04. The result (EPS) exactly met our forecasts. Sales and EBIT, however, were slightly less than our forecasts.

Within the business fields of software and consulting, € 5.5 million was earned with software licences, which corresponded with our expectations. The company earned € 7.3 m with software maintenance and € 4.9 m from IT services. These two were also in line with expectations. The shortfall compared to our forecasting is almost entirely due to the consulting division (€ 1.7 m). We expected earnings here to be € 2 m.

Overview of the annual results

in € m	Sales	EBIT	EBT
Published	23.4	2.4	0.50
Expected	24.5	2.6	0.50
Delta	-4.5 %	-7.7 %	0.0 %

Table 1 ; source : Atoss, SES Research

The Consulting division suffered from banks' and insurance companies' unwillingness to invest. Business with financial services institutions was considerably less in 2003, but is not representative of the development of Atoss Software AG's core business, which is why we do not this development as critical.

For 2004, Atoss expects "considerably stronger sales growth and further significant improvements in the results". This is why we assume that Atoss will achieve our sales and results forecasts for 2004.

Another significant aspect is the planned start of a long-term dividend policy in 2004. On 22 April (AGM), Atoss will formulate a proposal for the dividend (and thus also for implied indications for the dividend proportions for the coming year). For 2004, we expect a dividend of € 0.20 and over the long-term expect a dividend proportion of 30% to 40% of the net results.

Based on the solid business development, we leave our rating at Market Performer.

Business year end	12/02	12/03e	12/04e	12/05e	CAGR
Sales	23.3	24.5	26.2	28.7	7.3%
EBITDA	2.8	3.7	4.4	4.7	18.5%
<i>Margin</i>	12.22%	15.10%	16.58%	16.46%	
EBIT	1.4	2.6	3.2	3.5	37.4%
<i>Margin</i>	5.85%	10.65%	12.35%	12.29%	
Net result	1.3	2.0	2.5	2.7	29.2%
<i>Margin</i>	5.42%	8.24%	9.49%	9.47%	
EpA	0.31	0.50	0.60	0.64	27.3%
EPS in €, other figures in € m					
P/S	2.19	2.08	1.94	1.77	
P/CF	49.52	30.70	25.58	23.98	