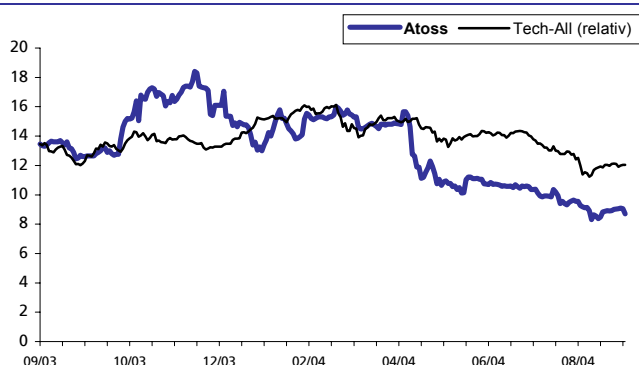


Rating: Outperformer (unchanged)
EquiRisk: A+ **Fair Value:** 12,00 €

ISIN: DE0005104400 Price: 8,90 €
 Reuters: AOFG.F Tech-AS: 577,33
 Bloomberg: AOF
 Internet: www.atoss.com
 Segment: Prime Standard
 Sector: Software/IT



Market capitalization: 36,22 m €
 High / Low 52 weeks: 18,50 € / 8,14 €
 No. of shares: (fully diluted) 4,07 million

Shareholders: Free float 33,5 %
 Founder family 54,8 %
 Staff and management 6,1 %
 Own shares 5,6 %

Calendar: Figures Q3/04 16.11.04

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Upside Potential

On 13th August 2004 ATOSS AG published the quarterly report for Q2 (comment please see News-Flash of 16.08.04). As already announced we adjust our prognoses in this context.

The board expects a sales decline of 5-6% (2003: 23,4 m€) for the whole fiscal year. The EBIT will be at c. 1,25 m€. The target for the earnings per share on this basis is 0,30 €. A strong sales growth for the year 2005 is yet again realistic and the guidance for the 2005er EBIT-margin is 10%.

The present market conditions are difficult and the customers' behaviour is still restrictive. The implementation of the restructuring introduced last year (see Update of 26.03.04 and News-Flash 23.07.04), does still burden the earnings. Opposed to the original expectation restructuring will not have a strong effect in the fiscal year 2004 and the size of influence by these measures is difficult to foresee. Therefore we reduce also our prognoses for the years 2005ff.

On basis of our new prognoses we reduce the DCF-value slightly from 14,20 € to now 12,00 €. Our calculations supply a 2005er EV/EBITDA multiple of 3,7. Looking at the track record of the ATOSS AG this is much to low. We reiterate our (Outperformer) rating for the ATOSS share.

End of fiscal year	12/03	12/04e	12/05e	12/06e	CAGR
Sales	23,4	22,2	23,8	25,5	2,9%
Sales (old)	23,4	24,5	26,8	28,6	
Delta		-9,4%	-11,1%	-11,0%	
EBITDA	3,4	2,2	3,6	4,2	7,1%
Margin	14,56%	10,09%	15,07%	16,43%	
EBITDA (old)		3,7	4,4	4,8	
Delta		-39,5%	-18,4%	-12,8%	
EBIT	2,4	1,3	2,6	3,1	9,2%
Margin	10,21%	6,04%	10,87%	12,23%	
EBIT (old)		2,7	3,3	3,6	
Delta		-50,4%	-21,5%	-13,5%	
Net profit	1,9	1,2	2,1	2,5	9,6%
Margin	8,07%	5,37%	9,00%	9,77%	
Net profit (old)		2,2	2,6	2,8	
Delta		-45,8%	-17,5%	-11,1%	
EpS	0,46	0,29	0,50	0,56	6,7%
EpS (old)		0,52	0,60	0,63	
Delta		-44,8%	-16,6%	-10,2%	
Dividend	1,50	0,15	0,20	0,23	-46,9%
ROI	16,85%	1,69%	2,26%	2,53%	
Dividend (old)		0,21	0,24	0,25	
Delta		-27,9%	-16,6%	-10,2%	
EpS in €, all other stated in m€, price: 8,90 €					
Price/sales	1,55	1,63	1,52	1,42	
P/E	19,19	30,97	17,72	15,81	
EV/Sales	0,53	0,56	0,52	0,49	
EV/EBITDA	3,65	5,55	3,46	2,97	