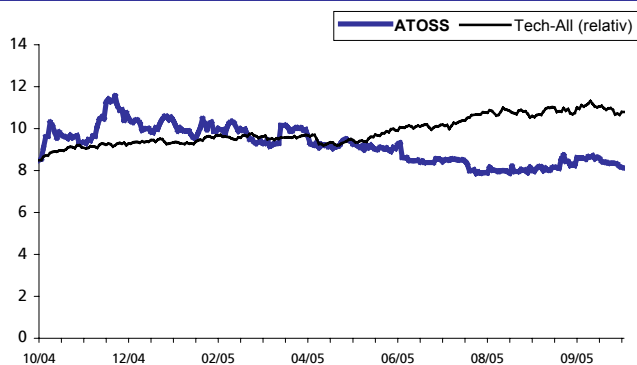


**Rating:** Outperformer (unchanged)  
**Fair Value:** 10,35 €

ISIN: DE0005104400 Price: 8,10 €  
Reuters: AOFG.F Tech-AS: 731,23  
Bloomberg: AOF  
Internet: www.ATOSS.com  
Segment: Prime Standard  
Sector: Software/IT



Market capitalisation: 32,64 €m  
High / Low 52 weeks: 11,60 € / 7,76 €  
No. of shares: (fully diluted) 4,03 million

Shareholders: Free float 40,0%  
Founders families 54,9%  
Own shares 5,1%

Calendar: Final figures Q3/05 17<sup>th</sup> November 05

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## Restructuring in good progress

The ATOSS Software AG announced the preliminary data for Q3/2005 on 25<sup>th</sup> October 2005. The company beat our expectations for sales and was on the net income and EBIT basis in line with our expectations around the break-even.

The strong-margin business in the segment hardware did take a good course, this line of business depends strongly on the development of the new customer trend. With sales in a size of 0,6 €m the company has topped our expectations for 0,3 €m strongly. The license business was also a bit higher than we had estimated.

### Quarterly Results at a Glance

| in € m          | Sales       | EBIT         | Net Inc.     |
|-----------------|-------------|--------------|--------------|
| <b>Reported</b> | <b>5,00</b> | <b>-0,27</b> | <b>-0,05</b> |
| Expected        | 4,58        | -0,13        | 0,01         |
| Delta           | 9%          | n.n.         | n.n.         |

As shown in the table above, the operative result is in the expected corridor around break-even. The ongoing restructuring – which was the main focus of our report of 15<sup>th</sup> September this year – and the involved investments into the tapping of this market, did have the expected effect on the earnings. According to the company, this should lead to a relief of c. 0,6 €m in the next fiscal year 2006.

The positive cash flow of 2,5 €m improved the liquid assets up to now 28,8 €m, representing cash assets of 7,55 € per share (in this calculation the number of shares has been reduced by the number of own shares). Due to the fact that the share is currently priced only slightly above the cash equivalent, due to the company's positive progress in restructuring and on grounds of the outlook given by the management, we see our prognoses on annual basis being confirmed. We reiterate the rating and leave the fair value for the share unchanged at 10,35 €.

| End fiscal year                                | 12/04 | 12/05e | 12/06e | 12/07e | CAGR  |
|--|-------|--------|--------|--------|-------|
| <b>Sales</b>                                   | 21,8  | 19,5   | 20,0   | 22,4   | 0,8%  |
| <b>EBITDA</b>                                  | 2,1   | 0,4    | 1,2    | 2,6    | 6,7%  |
| <i>Margin</i>                                  | 9,67% | 2,25%  | 5,95%  | 11,47% |       |
| <b>EBIT</b>                                    | 1,2   | -0,4   | 0,4    | 1,7    | 10,8% |
| <i>Margin</i>                                  | 5,63% | -1,85% | 1,95%  | 7,47%  |       |
| <b>Net profit</b>                              | 0,9   | 0,0    | 0,3    | 1,2    | 12,5% |
| <i>Margin</i>                                  | 4,02% | -0,14% | 1,67%  | 5,59%  |       |
| <b>EpS</b>                                     | 0,22  | -0,01  | 0,08   | 0,31   | 12,4% |
| <b>Dividend</b>                                | 0,11  | 0,00   | 0,03   | 0,12   | 3,7%  |
| <i>ROI</i>                                     | 1,36% | 0,00%  | 0,41%  | 1,51%  |       |
| EpS in €, all other stated in €, Price: 8,10 € |       |        |        |        |       |
| <b>Price/Sales</b>                             | 1,51  | 1,69   | 1,64   | 1,47   |       |
| <b>P/E</b>                                     | 37,50 | n.m.   | 98,48  | 26,44  |       |
| <b>EV/Sales</b>                                | 0,26  | 0,29   | 0,28   | 0,25   |       |
| <b>EV/EBITDA</b>                               | 2,66  | 12,78  | 4,72   | 2,19   |       |