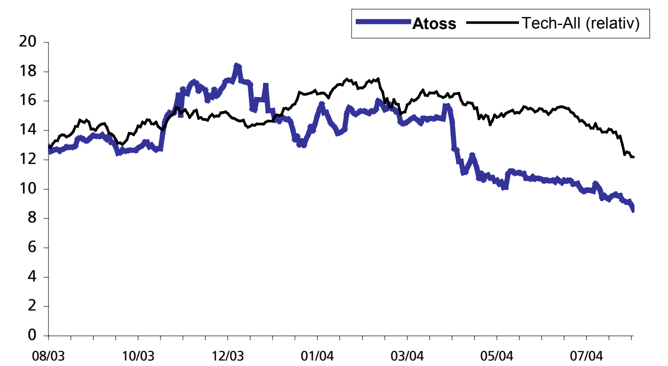
SES RESEARCH

Rating: Outperformer (unchanged)
EquiRisk: A- **Fair Value:** 14,20 €

ISIN:	DE0005104400	Price:	8,60 €
Reuters:	AOFG.F	Tech-AS:	541,72
Bloomberg:	AOF		
Internet:	www.atoss.com		
Segment:	Prime Standard		
Sector:	Software/IT		



Market capitalization:	35,00 m€
High / Low 52 weeks:	18,50 € / 8,79 €
No. of shares: (fully diluted)	4,07 million

Sharehold-ers:	Free float	33,5 %
	Founders families	54,8 %
	MA u. Management	6,1 %
	Own shares	5,6 %

Calendar:	Figures Q3/04	16.11.04

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Earnings dynamic only next year

With the quarterly report on 13.08.04 the company has confirmed the preliminary figures of 23.07.04. The earnings were a bit lower than we had expected (see also News-Flash of 23.7.04). Compared to the same period last year the sales total of 5,6 m€ means a decline of around 0,4 m€. Compared to the last quarter sales did yet rise by 0,4 m€. The EBIT in the now ended quarter was just below 0,5 m€ following 0,1 m € (q-o-q) and 0,8 m€ (y-o-y).. The improvement on quarterly basis was positively influenced by the major deal with EDEKA (personnel planning and time management for a staff of around 30.000, see also News-Flash 27.05.04). At the same time the license revenues rose by a pleasant 40% up to 1,4 m€. This overproportional rise of the EBIT – compared to sales – was achieved by a leaner organisational structure. The tapping of the new strategic fields (improvement of lead-generating and qualification, start of an integrated selling- and performance process, realisation of specially tailored solutions for customers, enforcement of the segment business process management) will presumably only cause a stronger earnings growth in the next fiscal year. The measures introduced for this task have not shown their full effect yet and their realisation still burdens the result. At present the company still has to face slow conditions in this market. The board expects sales in the fiscal year 2004 to be about 5-6% lower than last year (2003: 23,4 m€). The EBIT should be at c. 1,25 m€. On this basis the company intends up to 0,30 € for the earnings per share. For the next year we expect sales to rise again significantly and an EBIT-margin of 10% should be a realistic benchmark. During the past three years the company has lain the fundament for the planned development. In this period the competence in the segment consulting was build up and with this the company has reacted to a development on the software market towards a market of software solutions. Both segments had acted mainly independent previously, but are now meant to work together and to interact more strongly in the future. As the earnings dynamic will start later than we had expected originally we will slightly reduce our prognoses as already announced in our News-Flash on 23rd July. The rating remains at Outperformer.