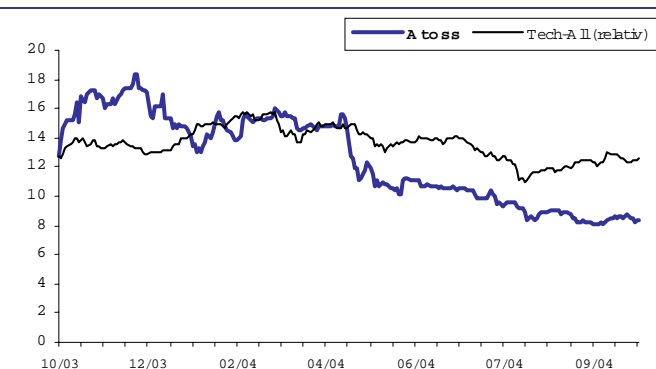


Rating: Outperformer (unchanged)
EquiRisk: A+ **Fair Value:** 12,00 €

ISIN: DE0005104400 Price: 8,40 €
 Reuters: AOFG.F Tech-AS: 617,88
 Bloomberg: AOF
 Internet: www.atoss.com
 Segment: Prime Standard
 Branche: Software/IT



Market capitalization: 33,82 €m
 High / Low 52 weeks: 18,50 € / 7,99 €
 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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New strategy works

The Atoss AG reported the figures for Q3 on 22nd October 2004.

Quarterly results at a glance

in €m, EPS in €	Sales	EBIT	Net Inc.
Reported	5,49	0,43	0,24
Expected	5,31	0,22	0,26
Delta	+ 3 %	+ 95 %	- 8 %

The company did top our expectations for both, sales, and the EBIT. The result on net income basis is yet lower than we had expected because the tax rate is higher than expected so far. The explanation for this is the fact that the stock option programme of ATOSS can be accounted as cost position according to IFRS, it is yet not tax deductible. At the end of the year this will lead to a higher marginal tax rate and to a lower EPS than expected up to now.

After the complete report will have been published we will adjust our earnings estimations accordingly. We anticipate an EPS in a range of 0,23 - 0,25 € (including the effects of the convertible bond). Without these effects the EPS would be 0,34 - 0,36 €.

As shown by the table the operative development (EBIT) was better than we had expected. In 2003 ATOSS had finally concluded its restructuring (please see also Update of 26.03.04 and the afterward News-Flashes). Especially the focussing on KMU took a very positive course. The number of new customers in this line of business has risen by more than 30%. The percentage of new customers in the software license business was 61% (previous year: 52%). The fact that ATOSS does manage to increase sales in the KMU-segment significantly is a very positive factor in our belief, as customers in this segment are particularly loyal to the vendor and because this segment does have a strong margin potential. Many companies are often not able to develop this segment.

Another element of the strategic orientation – a stronger tooting of the software solutions with consulting offers – is scheduled to be accomplished by the end of the year. The positive effects hereof can yet only be expected for 2005.

(continued on page 2 – p.t.o.)



For the fourth quarter the company expects sales on a level of 5,3 to 5,7 €m and an „according earnings trend“. As mentioned on the previous page, we expect earnings on a level of 0,23 € to 0,25 € per share for 2004 and we reiterate our sales expectation of 22 €m in 2004.

The dilution due to the stock option programme had already been part of our DCF-model and we will up our prognoses on EBIT-basis slightly as the EBIT in Q3 has been stoutly above our estimation.

Overall we see the fair value of the share unchanged at 12 € and we underline our Outperformer rating.