



ATOSS[®]
Software AG

n:evolution in time!

Quarterly report
2.2002



Andreas F.J. Obereder
(Chairman of the managing board)

Christiane Glöckler
(Head of Sales & Marketing)

Dr. Burkhard Scherf
(Head of Consulting & Development)

Economic situation: Economic environment remains negative
at ATOSS: Targets achieved in the 2nd Quarter,
Clear improvement in results, outlook remains positive

Contact:

ATOSS Software AG
Am Moosfeld 3
D-81829 Munich
Fon +49. 89. 4 27 71-0
Fax +49. 89. 4 27 71-100

info@atoss.com
www.atoss.com

**Dear shareholders,
ladies and gentlemen**

In the second quarter of the current financial year we have also managed to meet the expectations of the market and to generate sales and earnings that represent a considerable improvement compared to the previous year despite an environment that has remained difficult. With sales of € 5.4 million (Q2-2001: € 4.8 million) and a positive operating result (EBIT) of T€ 111 (Q2-2001: € -1.2 million) we have been able to continue the encouraging business developments of the last few quarters in the second quarter. Here the maintenance and services business sectors have continued to show very encouraging developments, while in the case of software and hardware the low tendency to invest has continued to make itself felt. Of crucial importance, in this respect, is that our well-balanced business model has, once again, stood the test.

**Overall in the second quarter, as well as in the first six months,
we have achieved a considerable improvement in results
compared to the previous year.**

As a result ATOSS has been on a successful stabilisation course for a whole year now and is very solidly financed with a shareholders' equity rate of 89% and a high positive operational cash flow. In the last four quarters we have offered impressive proof that we are also definitely putting the cost control system previously announced consistently into practice. Once again, as in the previous year, we voluntarily subjected ourselves to a review by our auditors on June 30, 2002. Thus we have made things easier for our company with regard to the audit which is pending for the turn of the year and have raised confidence in ATOSS as a very transparent company on the Neuer Markt.

Continuing problems in trade sector

The willingness of companies to invest has also not increased in the first half of 2002. The uncertainty as to how the economy will develop in the future is too great. After a better than expected first quarter many technology companies, particularly those from the USA, eventually had to go back on their forecasts concerning the further course of business. Obviously optimism had returned too quickly and the slight pick-up in business activity in the first quarter was misinterpreted as a definitive turning point.

Caution on the part of companies to invest in information technology continues unabated. As expected, this has resulted in even keener competition among manufacturers. Against this backdrop there is also no positive news coming out of the software sector, with many vendors of business software coming up against a situation of increasing market saturation, while there has been a discernable drop in the sales of new software licenses. A gradual recovery is not expected until next year.

ATOSS services still on the up and profit targets exceeded in the first half of the year

ATOSS has clearly faced these challenges. We offer our clients long-term investment security based on a solidly financed business model and rapid added value through the implementation of our products and services. Important follow-up commissions, the latest of which is a larger consulting contract from the Lufthansa subsidiary LSG Sky Chefs Deutschland, confirm the great opportunities that are available just now in a sector of the market in which the return on investment (ROI) is very carefully weighed up and high priority given to cost cutting measures.

We are also rather proud of the fact that our client, the hospital association in Ingolstadt and ATOSS Software AG were awarded the prize for creativity by the association of taxpayers on July 17, 2002. This distinction has only been awarded four times in the last few years for special services. The deciding factor was the exemplary commitment of the hospital association to the creation of a new business culture within the hospital sector. At the forefront of this were the efficient and effective use of human resources for the good of the employees as well as the business and the improvement of patient care. These high performance demands were met without any increase in costs.

The clinic, the largest facility of the hospital association in Ingolstadt, is the first hospital in Germany in which the automatic timetabling

and the resource management of the staff has been introduced through a time management system. This time management system can be used for all employee groups, starting with doctors and moving on to care staff and extending to include administration and technical staff. Among the most important results are the sustained optimization of patient care and a positive operating result for years to come despite tight financial resources.

We are particularly pleased at this distinction, since it proves that our idea that «we are shaping the revolution in the world of work for the benefit of companies, employees and society» is bearing fruit.

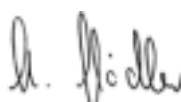
Outlook for the third quarter and the whole year remains positive

We are continuing to adhere to our plans for the financial year 2002. We are, moreover, expecting a clear improvement in profits compared to the previous year with a slight increase in sales. For the current third quarter we are, once again, assuming sales on a par with those of the first and second quarters and we expect the stabilisation of the operating result to continue. For the fourth quarter, on the other hand, we are expecting a higher level of sales. We are therefore confident that we will, furthermore, be able to keep to our targets for the current financial year despite the difficult conditions in this sector of the market.

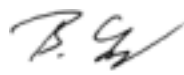
Yours faithfully



Andreas F.J. Obereder
(Chairman of the managing board)



Christiane Glöckler
(Head of Sales & Marketing)



Dr. Burkhard Scherf
(Head of Consulting & Development)

GROUP-OVERVIEW: COMPARISON OF THE FIRST SIX MONTHS OF 2002/2001

US-GAAP Sales (in T€)	from 01.01.2002 to 30.06.2002	from 01.01.2001 to 30.06.2001	Change in %	Year 2001
Sales	10.857	10.511	+3 %	21.234
Software	2.501	3.435	-27 %	6.289
Maintenance	3.389	2.755	+23 %	5.611
Services	3.259	2.581	+26 %	5.518
Hardware	1.137	1.175	-3 %	2.771
Miscellaneous	571	565	+1 %	1.045
EBITDA	803	-806	>100 %	-169
EBIT	237	-1.424	>100 %	-1.412
EBT	830	-639	>100 %	-177
Net Income	509	-507	>100 %	-206
Cash Flow	1.415	-109	>100 %	2.811
EPS (in €)	0,13	-0,13	>100 %	-0,05
EPS diluted (in €)	0,12	-0,12	>100 %	-0,05
Employees (as of 30.06.)	165	177	-7 %	175

GROUP-OVERVIEW: QUARTERLY COMPARISON IN ACCORDANCE WITH US-GAAP

In T€ (In accordance with US-GAAP)	Q2/2002	Q1/2002	Q4/2001	Q3/2001	Q2/2001	Q1/2001
Sales	5.418	5.439	5.661	5.061	4.839	5.673
Software	1.050	1.451	1.769	1.085	1.178	2.257
Maintenance	1.685	1.704	1.425	1.431	1.576	1.179
Services	1.890	1.370	1.543	1.394	1.292	1.289
Hardware	522	615	714	882	547	628
Miscellaneous	272	299	210	270	245	320
EBITDA	395	408	468	169	-936	129
EBIT	111	126	165	-153	-1.248	-176
EBT	568	262	549	-87	-728	89
Net Income	344	165	362	-61	-540	33
Cash Flow	362	1.053	1.623	1.296	1.880	-1.989
EPS (in €)	0,09	0,04	0,09	-0,02	-0,13	0,01
EPS diluted (in €)	0,08	0,04	0,09	-0,01	-0,13	0,01
Employees (at end of quarter)	165	165	167	170	177	185

Status report

Maintenance and services allow group sales to increase, with a clear improvement in profits

In the first six months of 2002 ATOSS AG managed to increase its sales slightly by 3% to €10.9 million compared to the comparable period last year. At the same time the individual business sectors developed in very different ways and this confirms in the result achieved that it was right to pursue a well-balanced business model. Whereas sales of software went down by 27% and sales of hardware by 3% compared to last year due to the continued low tendency of companies to invest, the maintenance (+23%) and services (+26%) business sectors managed to achieve discernable growth. Sales in the «miscellaneous» area increased slightly by 1%.

In a direct comparison with the second quarter of the previous year ATOSS came off significantly better, with the increase in total sales amounting to 12%. Here the rise in the sale of services made itself even more clearly felt with an improvement of 46% compared to the 2nd quarter of 2001.

The proportion of the turnover accounted for by foreign sales rose in the first half of 2002 to 14%, whereas it still stood at 9% in the previous year.

The development in profits also ran true to the business plan. There was a clear improvement in the result compared to the previous year, with all profit indices clearly lying in the positive area in the first and second quarters. Following the conclusion of the cost cutting measures begun early in 2000 top priority will continue to be given to the strict adherence to controlling costs. The success of these cost cutting measures was reflected in an increase in profits by T€ 884 compared to the 2nd quarter of last year and an increase in half-yearly profits from T€ -507 to T€ 509.

As of June 30, 2002 ATOSS had 165 employees on the payroll (177 last year).

Despite the current cost controls further targeted funds were put into the development of new products. Spending on research and development came to € 1.8 million, following a spend of € 1.5 million in the previous year.

Sales of software licenses further maintained – maintenance sales at a high level

OVERVIEW: QUARTERLY COMPARISON OF SOFTWARE AND MAINTENANCE

in accordance with US-GAAP in T€	Q2/2002	Q1/2002	Q4/2001	Q3/2001	Q2/2001	Q1/2001
Sales	5.418	5.439	5.661	5.061	4.839	5.673
Software	1.050	1.451	1.769	1.085	1.178	2.257
Maintenance	1.685	1.704	1.425	1.431	1.576	1.179

Status report

In the software license business sector sales of € 1.1 million were achieved in the second quarter, which was, therefore, only slightly behind the sales of software in the second quarter of 2001 (€ 1.2 million). In the first half of 2002 the fall in software was 27% compared to the previous year with sales of € 2.5 million (previous year € 3.4 million). As a result ATOSS was unable to escape the negative environment of this business sector. However, it must be borne in mind that at the start of the first half of 2001 a considerable backlog of orders resulting from December 2000, which was an extremely successful month, were fulfilled. Though distinctions such as being awarded the prize for our client, the special purpose hospital association in Ingolstadt, prove the high degree of acceptance that our products and services enjoy in the trade. Rapid amortization following the implementation of our software cuts ATOSS

off from the fragmented competition in a positive way. The proportion of group sales accounted for by software licenses therefore came to 23% (following 32% in the previous year).

In contrast, it proved possible to exceed the high sales level of the second quarter of 2001 in the maintenance business sector with a turnover of around € 1.7 million (+7%). All in all, with a turnover of € 3.4 million, a clearly discernible increase of 23% was achieved in the first six months compared with the first half of 2001. The proportion of group sales accounted for by sales in the maintenance business sector thereby reached 31% (following 26% in the previous year). This steady, positive development underpins the sustained profitability of ATOSS Software AG based on the maintenance contracts which run for several years.

Earnings from services continue to show strong growth

OVERVIEW: QUARTERLY COMPARISON OF SERVICES

in accordance with US-GAAP in T€	Q2/2002	Q1/2002	Q4/2001	Q3/2001	Q2/2001	Q1/2001
Sales	5.418	5.439	5.661	5.061	4.839	5.673
Services	1.890	1.370	1.543	1.394	1.292	1.289

Status report

There was a clear increase in earnings from services by comparison in the first quarter of 2002 as well as in the first six months. With sales of € 1.9 million the business sector was able to achieve an increase of 46% compared with the second quarter of the previous year (previous year € 1.3 million). In the first six months sales increased by 26% compared to the previous year, going up from € 2.6 million to € 3.3 million. The proportion of group sales accounted for by earnings from services reached 30% (following a figure of just under 25% in the previous year). The services business sector, which includes consulting and IT services, was able to land,

among others, an important contract from the Lufthansa subsidiary LSG Sky Chefs Deutschland in the second quarter of 2002. This involves a consulting contract for the development and the implementation of flexible working time models and basic shift cycles amounting to a total of € 0.5 million, with the project due to run until January 2003. With regard to this assignment it is crucial for ATOSS that we were able to put the broad-based and thoroughgoing efficiency of the consulting sector to the test once again by optimizing the processes surrounding personnel deployment.

The hardware sector continues to feel the disinclination to invest

OVERVIEW: QUARTERLY HARDWARE COMPARISON

in accordance with US-GAAP in T€	Q2/2002	Q1/2002	Q4/2001	Q3/2001	Q2/2001	Q1/2001
Sales	5,418	5,439	5,661	5,061	4,839	5,673
Hardware	522	615	714	882	547	628

We continue to detect clear signs that companies are holding back from investing in hardware. With sales of € 0.5 million in the second quarter of the current financial year, earnings from hardware were slightly down by 5% compared to the same quarter last year.

All in all, at € 1.1 million in the first six months the hardware sector made about 3% less compared to the first half of 2001, with the proportion made by this business sector to group sales amounting to 10% (following 11% in the previous year).

Status report

Decisive improvement in earnings situation following implementation of cost cutting measures

OVERVIEW: QUARTERLY COMPARISON OF KEY FIGURES FOR EARNINGS

in accordance with US-GAAP in T€	Q2/2002	Q1/2002	Q4/2001	Q3/2001	Q2/2001	Q1/2001
EBITDA	395	408	468	169	-936	129
EBIT	111	126	165	-153	-1,248	-176
EBT	568	262	549	-87	-728	89
Net Income	344	165	362	-61	-540	33
Cash Flow	362	1,053	1,623	1,296	1,880	-1,989

Operating result for first six months up by € 1,7 million, with cost cutting measures proving very successful

We were able to record a positive operating result (EBIT) of T€ 237 for the first half of the current financial year (previous year T€ -1,424), which is attributable, above all, to the outstanding performance in the consulting sector as well as to the strict cost cutting measures of the previous quarters. This alone led to an increase in the operating result (EBIT) in the second quarter from T€ -1,248 to T€ 111, which falls within the scope of our plans. Compared with the same period in the previous year the ATOSS Group reduced operating costs for the first half of 2002 by 15%. Therefore we have proved, once again, that, even in a sector of the market which is more than weak and which shows a very restrictive willingness to invest, ATOSS can produce figures that are in the black. The Group EBIT improved overall by nearly € 1,7 million up from T€ -1,424 as of June 30, 2002.

What is particularly encouraging is the earnings situation in the case of our subsidiary ATOSS CSD Software GmbH which, through a significant increase in its proceeds from sales of 25% and a reduction in its overall costs, was able to achieve a positive operating result. Proceeds from sales at our subsidiary ATOSS Software GmbH Vienna also rose by around 49%.

The period result of the Group as of June 30, 2002 stands at T€ 509, with the earnings per share (EPS) for the first half of 2002 amounting to € 0.13. Whereas a loss of T€ -540 was still made in the second quarter of the previous year, the result for the second quarter of 2002 stands at T€ 344.

We continued to hold the price level of our products steady in the period covered by this report that has just ended.

Situation with regard to assets and finances: Cash flow rises to € 1.4 million and balance sheet ratios remain unchanged and positive

As of June 30, 2002 the Group balance sheet shows very good balance-sheet ratios as it was already presenting on December 31, 2001. Hence, there are only small liabilities of € 1.4 million and provisions of € 2.2 million facing the cash position of around € 31.8 million, with the shareholders' equity quota standing at 89%, which is the level it was at on December 31, 2001. In a comparison with other companies in the sector there is only a very small number that are able to offer their shareholders such a high level of security underpinned by the balance sheet.

The cash flow resulting from current business operations gives an impressive illustration of the actual earning power of the business and its ability to generate liquidity. Thus the Group cash flow rose from € - 0.1 million in the period covered by the report that has just ended to € 1.4 million. The cash flow from investment activity came to € -1.1 million (previous year € -18.2 million), whilst the cash flow from financing operations amounted to € -1.1 million (previous year € -2,1).

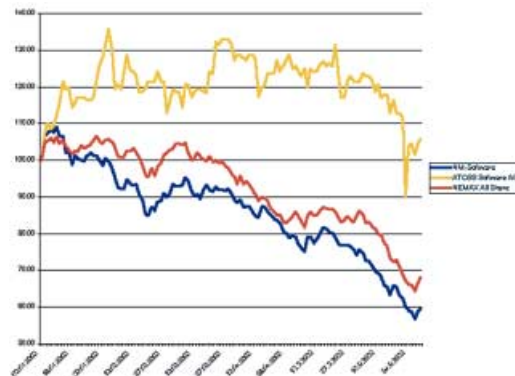
Our share price has also outperformed the market in the second quarter

The positive price development of the first quarter has continued for the moment. ATOSS has therefore managed to successfully break away from the very negative environment surrounding the sector. However, since the end of May there have been some rather large individual sales on some trading days, obviously from the institutional side, which have put the ATOSS share price under pressure. On June 21, in particular, the offloading of shares, in connection with generally strong trading, led to a clear slide in the share price, without any news or statements having been issued by ATOSS. As early as the next trading day the share price clearly rebounded. We can only explain these fluctuations that were not triggered by the fundamental business trend

by reference to the great degree of nervousness on the stock markets. Nevertheless, if one considers the period covered by the present report, from January 1 to June 30, 2002, ATOSS has been well able to keep its share price level and steady and to escape the very negative trend on the Neuer Markt. The ATOSS share price was even able to achieve a slight rise in value of around 4% in the first half of the year, while the NEMAX 50 Index slid by 47% in comparison and the NEMAX ALL SHARE Index dropped by 39%.

We will continue to counter the negative situation on the capital markets by adhering to our proactive and transparent information policy – now and in future.

Share price in first half of the year versus Nemax Software and/or Nemax All Share



Increased repurchase of company shares

On the basis of the resolution of our General meeting last year we have also acquired company shares through the stock market in the second quarter. These will continue to serve to underpin existing employee participation models. ATOSS will only speed up

repurchase in the event of it financing a concrete acquisition using its own shares. As of 30 June 2002 the number of company shares held was 166,091, which represents 4.1% of the capital stock.

Numerous recommendations to buy

In the first half of the year ATOSS shares were attracting increasing attention from analysts. A total of 18 recommendations to buy were issued in this connection by stockmarket letters, by independent research institutes and bank analysts. This demonstrates that our story is on solid footing. Unfortunately, however, the stock market environment, and especially the scandal ridden Neuer Markt, proved so nega-

tive that we simply had to content ourselves with an ATOSS share price that showed a high degree of stability on the whole, while discernible rises in the share price based on the large number of recommendations failed to materialize. However, unperturbed by this, we will continue to step up contacts with media representatives, analysts and investors.

General Meeting in Munich on May 22, 2002

The stockmarket sector was also the topic of conversation at our general meeting at the Haus der Bayerischen Wirtschaft. The shareholders discussed with the board of directors the question of whether ATOSS, as a solid business on the Neuer Markt, was still well advised to remain there. There was unanimous agreement, however, that a switch from one segment to another should only be made whenever there is a genuine alternative. We will wait and see whether the plans that the German Stock Exchange has to establish a quality segment in the Neuer Markt offers an option in this respect.

The shareholders were otherwise satisfied and the individual points on the agenda were passed unanimously, except for 275 adverse votes with regard to TOP 7. Bernhard Dorn, a business consultant, was newly elected onto the supervisory board.

The members of the board of management took the opportunity to not only report on the financial year 2001, but also to give the shareholders a detailed presentation of the ATOSS product portfolio and the services provided by ATOSS, as well as the sales strategy.

Outlook

The prospects for the development of the domestic economy remain unchanged. It is expected that the gross domestic product will increase by 0.6% in the current year. Accordingly, Germany will continue to bring up the rear in Europe, and any marked stimulation of investment activity is presently tentative at best.

stronger growth in the German economy. In connection with the previous wave of hype and hot air on stock exchanges, the boom in the so-called New Economy had, in our opinion, resulted in considerable over-capacity in many manufacturing sectors. On the other hand, extensive IT investments were committed by companies at the end of 1999 (also in connection with Y2 issues). Following three years of very low investment activity, comparatively speaking, the demand for hardware and software should accordingly pick up once again in the coming financial year within the context of a generally more positive economic situation. Our business, thanks to its innovative product portfolio as well as optimal personnel and organisation structures, is ideally positioned to benefit from these developments.

We continue to assume that the financial year 2002 will entail a slight increase in sales compared to the previous year. Moreover, we expect a definite positive cash flow from operational business activity and a considerable improvement in results. Thus we will reach our planned targets at the end of the year, even if the economy does not recover in the second half of the year.

For the coming year we are also planning higher growth rates in sales based on moderately

Consolidated Balance Statement

CONSOLIDATED BALANCE STATEMENT (in €)	30.06.2002	31.12.2001
ASSETS		
Current Assets		
Cash and Cash Equivalents	7.928.267	8.772.743
Short-term Investments / Marketable Securities	23.864.013	22.917.744
Trade accounts receivable	3.652.053	3.763.426
Accounts receivable due from related parties	0	0
Inventories	26.315	35.373
Deferred tax assets	0	0
Prepaid expenses and other current assets	1.270.147	1.276.302
Others	0	0
Total current assets	36.740.796	39.765.588
Non current assets		
Property, plant and equipment	994.354	1.162.492
Intangible assets	1.310.621	1.571.423
Investments	0	0
Notes receivables / loans	0	0
Goodwill	22.214	22.214
Deferred Taxes	895.530	1.108.844
Other assets	0	0
Others	0	0
Total non current assets	0	0
Total Assets	39.963.515	40.630.561
LIABILITIES AND SHAREHOLDER'S EQUITY (EUR)		
Current liabilities		
Current portion of capital lease obligation	0	0
Short term debt and current portion of long-term debt	2.556	3.196
Trade accounts payable	599.058	833.286
Advance payments received	0	0
Accrued expenses	1.939.312	1.973.378
Deferred revenues	669.316	331.112
Income tax payable	0	54.203
Deferred taxes	0	0
Other current liabilities	493.317	584.386
Others	0	0
Total current liabilities	3.703.559	3.779.561
Non-current liabilities		
Long-term debt, less current portion	276.117	173.777
Capital lease obligation, less current portion	0	0
Deferred revenues	0	0
Deferred taxes	0	0
Pension accrual	262.294	242.804
Others	0	0
Total non-current liabilities	538.411	416.581
Shareholder's equity		
Share Capital	4.025.667	4.025.667
Additional paid-in capital	33.178.108	33.172.808
Treasury Stock	-1.407.044	-421.086
Retained Earnings / Accumulated Deficit	362.753	-146.522
Accumulated other comprehensive income / loss	-446.939	-196.448
Others	0	0
Total Shareholder's equity	35.721.545	36.434.419
Total liabilities and Shareholder's equity	39.936.515	40.630.561

Consolidated Income Statement

INCOME STATEMENT (in €)	Quarterly report		6-Month report	
	Q2/2002	Q2/2001		
	01.04.2002	01.04.2001	01.01.2002	01.01.2001
	30.06.2002	30.06.2001	30.06.2002	30.06.2001
Revenues	5.417.579	4.838.845	10.856.641	10.511.362
Cost of revenues	-1.949.435	-1.926.266	-3.876.550	-3.887.383
Gross profit	3.468.143	2.912.579	6.980.091	6.623.979
Selling and Marketing expenses	-1.613.092	-2.045.208	-3.112.079	-4.165.717
General and administrative expenses	-820.545	-1.332.973	-1.865.875	-2.416.398
Research and development	-942.695	-734.351	-1.805.890	-1.451.304
Other operation income and expenses	19.462	-45.425	40.842	-9.235
Depreciation on Goodwill	0	-2.777	0	-5.554
Others	0	0	0	0
Operation income / loss	111.272	-1.248.154	237.088	-1.424.247
Interest income and expenditure	455.441	356.113	595.116	587.687
Other income / expense	1.344	163.885	-2.154	197.294
Others	0	0	0	0
Result before income taxes	568.057	-728.156	830.050	-639.266
Income tax	-224.265	187.834	-320.775	132.438
Extraordinary Income	0	0	0	0
Net income / loss	343.792	-540.322	509.275	-506.829
Net income per share (basic)	0,09	-0,14	0,13	-0,13
Net income per share (diluted)	0,08	-0,13	0,12	-0,12
Weighted average shares outstanding (basic)	3.899.781	3.993.567	3.935.174	3.993.567
Weighted average shares outstanding (diluted)	4.147.505	4.133.130	4.145.540	4.133.041

Consolidated Cash Flow Statement

CASH FLOW STATEMENT (in €)

	Quarterly Report (current year to date)	Quarterly Report (comparative period prev. year)
	from 01.01.2002 to 31.06.2002	from 01.01.2001 to 31.06.2001
Cash flows from operating activities		
Net profit/loss	509.275	-506.829
Adjustments for		
Minority Interest	0	0
Depreciation and amortisation	565.836	617.934
Increase/decrease in provisions and accruals	-165.337	-625.758
Losses/gains on the disposal of fixed assets	56.152	-57.640
Foreign exchange gains/losses	0	0
Others	309.872	-162.639
Change in net working capital	139.493	626.335
Net cash provided by operating activities	1.415.290	-108.597
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	0	0
Purchase of property, plant and equipment	-193.048	-258.885
Proceeds from sale of equipment	0	101.225
Others	-946.270	-18.059.080
Net cash used in investing activities	-1.139.317	-18.216.741
Cash flows from financing activities		
Proceeds from issuance of share capital	-1.222.149	-177.244
Proceeds from short or long-term borrowings	102.340	94.109
Cash repayments of amounts borrowed	-639	-1.977.007
Payment of capital lease liabilities	0	0
Others	0	0
Net cash provided by financing activities	-1.120.449	-2.060.142
Net effect of currency translation in cash and cash equivalents	0	0
Net increase in cash and cash equivalents		
Cash and cash equivalents at beginning of period	8.772.743	26.588.860
Cash and cash equivalents at end of period	7.926.267	6.203.380

Development in Group capital and reserves

	Individual share certificate	Subscribed capital	Acquisition of own shares	Capital reserves	Revenue reserve	Net profit for the year	Additions to equity without affect on earnings	Total equity
Status as of January 1, 2001	4.025.667	4.025.667	-272.850	33.197.087	0	59.479	33.654	37.043.038
Quarterly result	0	0	0	0	0	-506.829	0	-506.829
Acquisition of own shares	0	0	-48.150	0	0	0	0	-48.150
Withdrawals from capital reserves	0	0	0	-23.274	0	0	0	-23.274
Change in shareholders' equity without affect on earnings	0	0	0	0	0	0	-105.821	-105.821
Status as of June 30, 2001	4.025.667	4.025.667	-321.000	33.173.813	0	-447.350	-72.167	36.358.965
Status as of January 1, 2002	4.025.667	4.025.667	-421.086	33.172.808	0	-146.522	-196.448	36.434.419
Quarterly result	0	0	0	0	0	509.275	0	509.275
Acquisition of own shares	0	0	-965.958	0	0	0	0	-965.958
Addition to capital reserves	0	0	0	14.300	0	0	0	14.300
Addition to shareholders' equity without affect on earnings	0	0	0	0	0	0	-250.491	-250.491
Status as of June 30, 2002	4.025.667	4.025.667	-1.407.044	33.187.108	0	362.753	-446.839	35.721.545

1. General Information

The present quarter-end accounts have been prepared according to the provisions of the United States Generally Accepted Accounting Principles (US GAAP) for Interim Financial Reporting as well as in accordance with German Reporting Standard (DRS) No.6 concerning interim reporting. For this reason it does not contain all the information required for annual financial statements. However, the same accounting, valuation and consolidation methods have been applied as in the annual financial statement.

The management board is convinced that all statements and figures reflect the economic situation of the company according to the actual present conditions.

2. Currency

All figures have been stated in Euros.

3. Corporate Scope of Consolidation

In addition to the accounts of ATOSS Software AG, Munich, the consolidated financial statements include those of

ATOSS CSD Software GmbH, Cham
 ATOSS Software Ges.mbH, Wien
 ATOSS Software AG, Zürich
 ATOSS Software S.A.R.L., Paris

By way of full consolidation, the subsidiary companies are included in the consolidated financial statements of ATOSS Software AG, Munich.

4. Equity Development

The development in equity is shown in the statement of changes in equity capital accounts.

5. Company Shares

During the current financial period 117,091 shares in ATOSS Software AG were bought back. The purchasing costs of all the shares bought back during the present financial year were € 985,958.45. The repurchase of company shares was approved by the General Meeting on May 22,2001. As a result, ATOSS Software AG holds, as of June 30, 2002, 166,091 of its own shares.

6. Personnel Costs

PERSONNEL COSTS (in T€)

	30.06.2002	30.06.2001
Wages and Salaries	5.138	5.423
Social Security Contributions and Expenditure on Pension Provision and Support	803	977
Total	5.941	6.400

7. Segment Data

The company makes a distinction between product-related activities (sales of software and hardware as well as maintenance contracts) and services. These activities cover Germany as well as other other European countries.

SALES, EARNINGS (in T€)

	30.06.2002	30.06.2001
Maintenance, Care		
Sales	7.033	7.471
EBIT	-367	-1.216
Write-offs	453	500
Services		
Sales	3.824	3.040
EBIT	604	-208
Write-offs	113	118
Domestic Sales	9.354	9.530
Foreign Sales	1.503	981
Total Sales	10.857	10.511

The geographical allocation of sales refers to the location of the customer. The company does not divide its assets into segments.

Sales are broken down into the following sales types:

SALES TYPES (in T€)

	30.06.2002	30.06.2001
Software	2.501	3.435
Maintenance, Care	3.389	2.755
Services	3.259	2.581
Hardware	1.137	1.175
Others	571	565
Total Sales	10.857	10.511

8. Employees

As of the 30.06.2002 the Group employs 165 members of staff, whereas the number stood at 177 in the previous year. Of these 40 (42) are employed in product development, 44 (48) in the IT services and consulting areas and 44 (55) in sales and marketing.

9. Supervisory Board

As of the 30.06.2002 the supervisory board of ATOSS Software AG includes three members:

Peter Kinn, Chairman
Bernhard Dorn, Deputy Chairman
Rolf Baron Vielhauer von Hohenhau

10. Managing Board

As of the 30.06.2002 the board of directors of ATOSS Software AG includes three members:

Andreas F.J. Obereder: Chairman, Strategy, M&A, Finances and Personnel
Dr. Burkhard Scherf: Research & Development, IT Services und Consulting
Christiane Glöckler: Sales and Marketing

11. Share and convertible bond holdings of corporate officers

As of the respective cut-off date of the 30.06.2002 the corporate officers have the following holdings in ATOSS in the form of shares:

SHARES HELD BY CORPORATE OFFICERS

	30.06.2002	31.03.2002	31.12.2001
Andreas F.J. Obereder	1.967.905	1.967.905	1.967.905
Dr. Burkhard Scherf	78.108	78.308	78.308
Christiane Glöckler	0	0	0
Peter Kinn	11.260	11.260	11.260
Bernhard Dorn	1.000	1.000	1.000
Rolf Baron Vielhauer von Hohenhau	0	0	0

As of the respective cut-off date of the 30.06.2002 the corporate officers hold options on ATOSS shares by way of convertible bond subscriptions:

CONVERTIBLE BONDS

	30.06.2002	31.03.2002	31.12.2001
Andreas F.J. Obereder	15.864	864	864
Dr. Burkhard Scherf	15.864	864	864
Christiane Glöckler	65.000	50.000	50.000
Peter Kinn	0	0	0
Bernhard Dorn	0	0	0
Rolf Baron Vielhauer von Hohenhau	0	0	0

12. Information on securities transactions subject to reporting requirements

In the first six months of the year, in addition to the purchase of company shares by ATOSS Software AG, 200 shares in ATOSS Software AG were sold by Dr. Burkhard Scherf.

13. Convertible Bonds

In the first half of 2002 106,100 new convertible bonds were issued. 3,760 convertible bonds were returned due to the termination of employment relationships. As of June 30, 2002 there is a total of 276,117 convertible bonds outstanding.

14. Earnings per share

Earnings per share are calculated by dividing annual net earnings by the weighted average number of outstanding shares. From January 1, 2002 to June 30, 2002 an average of 3,935,174 shares have been in circulation. The earnings per share during this period has, therefore, been € 0,13, whereas in the previous year it was € -0,13.

For the purpose of calculating the diluted earnings per share the average number of outstanding shares has been increased by adding in the issue of potential shares on the basis of convertible bonds. From January 1, 2002 to June 30, 2002 an average of 210,366 convertible bonds have been in circulation. As a result the diluted earnings per share is € 0,12, whereas it was € -0,12 in the previous year.