



**ATOSS**<sup>®</sup>  
Software AG

n:evolution in time!

**Quarterly report**  
**1.2002**



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

Christiane Glöckler  
(Head of Sales & Marketing)

Dr. Burkhard Scherf  
(Head of Consulting & Development)

**The economic cycle:** Business climate remains difficult  
**ATOSS:** Targets attained in the first quarter  
**Branch outlook:** Expert opinions widely diverging  
**ATOSS:** Positive outlook

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**Dear shareholders,**

Throughout the first quarter of the ongoing 2002 business year corporate clients continued to show a low propensity to invest, whereby the business climate in Western industrial nations has brightened to a certain degree. The prevailing expectation of an imminent upswing is particularly fueled by the more positive sentiment prevailing in the United States. Whether the surge of optimism in the USA will actually result in any substantial expansion of investment plans remains to be seen. Moreover, the German economy in particular is hampered by the lack of impulses generated by domestic markets. Germany, the largest economy in Euroland, continues to lag behind market developments in other European countries.

**The IT sector: Considerable uncertainty concerning the course of the business cycle**

With regard to the technology markets the great deal of uncertainty with regard to developments over the next quarters is currently notable. The revised and more subdued assessment by IBM that was issued at the beginning of April may be taken as an example of the existing uncertainty.

Most experts augur that the IT branch will enjoy modest growth in the ongoing business year. Forrester Research, for example, is forecasting an increase by 3.9% for the current business year and predicts an increase of 10.4 % for the year 2003. By contrast, the market research firm Gartner Group holds the opinion that the internationally stagnating budgets for computers, software and associated technologies will not be rebounding before mid-2003. According to a current survey only 26.7% of the German companies polled were planning to increase their investments in information technology, while 28 % were even intending to curb their IT spending.

**Difficult markets also hold opportunities**

Corporate IT managers are currently investing only in the absolute necessities in hardware and software. The question as to whether and when the deployment of new technologies will make positive earnings contributions is closely scrutinized, as well as the issue of how quickly deployed capital will pay off. For vendors this entails an additional tightening of the competitive situation. In this environment successful companies will be those players who are innovative and offer rapid additional value, as well as a solid business model and are therefore capable of providing long-term investment security.

ATOSS is capable of meeting these challenges and is very well positioned to achieve profitable growth in this difficult market environment during the ongoing business year. We feel that our company is capable of tapping into great potential especially in markets in which return on investment is scrutinized very closely and cost reduction measures are taking high priority. Staff Efficiency Management enables companies to deploy their personnel resources with greater efficiency along the value creation chain. In this context, our products have a direct effect on what usually represents the largest cost factor, and thereby directly impact earnings and profitability of the entire company.

The last quarters have also shown that we have a good grip on costs and are able to achieve operational profitability even in a very difficult environment. Even without an economic upturn setting in, we are certain to considerably improve our performance by comparison with 2001.

As a company with a solid financial backing, ATOSS will, particularly in 2002, enjoy good opportunities to structure and position itself to benefit substantially from a general economic recovery in the year 2003.

**Sales and earnings targets attained in the first quarter of 2002; positive outlook**

In spite of the continuation of the difficult economic environment we have attained our targets for the first quarter of 2002. At € 5.44 million, sales were at the top end of our expectation bracket. Earnings also showed a positive development, although costs were exceptionally high due to our participation in the CeBit trade fair. At € 0.13 million, EBIT was slightly positive after € -0.18 in the first quarter of 2001. Earnings from ordinary business activities came in at € 0.26, marking an increase by +195% over Q1 performance of the year 2001. In posting these figures we have been able to prove that ATOSS Software AG, thanks to the measures initiated in the year 2000, has established a cost structure that is also viable in a difficult business environment and slower markets.

As of the beginning of the third quarter of 2001 all key earning figures have improved substantially and the sales of the individual business segments increased in spite of the difficult economic climate. Cash flow is markedly positive and strong liquidity of around € 32 million opens up opportunities to realize interesting cooperation and participation activities. ATOSS continues to operate in line with the corporate philosophy that has been lived and practiced since its inception in 1987, namely the concept of a profitable company financed by its own cash flow. The company currently regards itself as holding a good position to substantially enhance the value of the enterprise on the strength of its attractive business model.

**Positive response at this year's CeBit; agreement concluded with Bosch represents a notable success**

Not least due to our convincing analyses of the benefits that our solution offerings deliver, we met with especially lively interest shown by branch and trade visitors to this year's CeBit in Hanover. Particularly the quality of individual contacts improved appreciably over the previous year. Yet, we do not expect to be experiencing concrete and measurable sales gains resulting from the trade fair until the second half of the year.

The cooperation partnership forged with the Bosch security technology business, announced on March 22, 2002 at the CeBit, marks an especially notable development. We are expecting that the agreement concluded with Bosch will be generating significant sales contributions in the area of indirect sales in the ongoing business year.

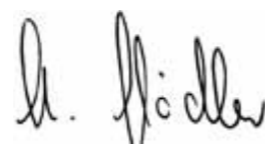
**Prospects for the second quarter: Stabilization in revenues and earnings**

In spite of the general continuation of weak investment confidence, we have been able to record a stabilization of the order situation. We expect to be achieving a sales level in the second quarter of 2002 that will be on par with the first quarter, in connection with a continuation of the stabilized earnings situation. All in all we expect to achieve a slight increase in sales in the ongoing business year over the previous year's sales of € 21.2 million. In view of the considerably optimized cost structure we also anticipate considerably improved earnings. Thus the foundation has been laid for a positive development of ATOSS Software AG in the 2002 business year.

In addition to cordially inviting our shareholders to continue to accompany the further development of our company, we would like to mention that we would be very pleased to welcome you personally at the General Meeting of Shareholders on May 22, 2002 in Munich.



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 QUARTERS 2002/2001 (US-GAAP)**

	from 01.01.2002 to 31.03.2002	from 01.01.2001 to 31.03.2001	Changes in percent
Sales (in T€)	5,439	5,673	-4 %
Software	1,451	2,257	-36 %
Maintenance	1,704	1,179	+45 %
Services	1,370	1,289	+6 %
Hardware	615	628	-2 %
Miscellaneous	299	320	-7 %
EBITDA	408	129	>100 %
EBIT	126	-176	>100 %
EBT	262	89	>100 %
Net Income	165	33	>100 %
Cash Flow (in T€)	1,053	-1,989	>100 %
EPS (in €)	0.04	0.01	>100 %
EPS diluted (in €)	0.04	0.01	>100 %
Employees (as of 31.03)	165	185	-11 %
Cash Equivalents and Marketable Securities	32,331	30,209	+7%

**GROUP OVERVIEW: COMPARISON OF QUARTERS (US-GAAP)**

	Q1/2002	Q4/2001	Q3/2001	Q2/2001	Q1/2001
Sales (in T€)	5,439	5,661	5,061	4,839	5,673
Software	1,451	1,769	1,085	1,178	2,257
Maintenance	1,704	1,425	1,431	1,576	1,179
Services	1,370	1,543	1,394	1,292	1,289
Hardware	615	714	882	547	628
Miscellaneous	299	210	270	245	320
EBITDA	408	468	169	-936	129
EBIT	126	165	-153	-1,248	-176
EBT	262	549	-87	-728	89
Net Income	165	362	-61	-540	33
Cash Flow (in T€)	1,053	1,623	1,296	1,880	-1,989
EPS (in €)	0.04	0.09	-0.02	-0.13	0.01
EPS diluted (in €)	0.04	0.09	-0.01	-0.13	0.01
Employees (at the end of the quarter)	165	167	170	177	185
Cash Equivalents and Marketable Securities	32,331	31,690	30,321	29,367	30,209

**Additional marked growth in the maintenance division; services and software stabilized**

In the first quarter of 2002 ATOSS Software AG posted sales of € 5.44 million which is almost on par with last year's quarter (01.10.-31.12.01: € 5.66 million) and is above the figures recorded in the second and third quarter of 2001. Against the background what continues to be a weak economy and the fact that the fourth quarter is usually subject to special economic activities, we are very satisfied by the performance achieved. We put special emphasis on stabilizing sales in our core business area of software licenses.

We have succeeded in achieving this objective. With a software sales volume of around € 1.45 million we have been able to perform according to our expectations for the first quarter. Moreover, we have concluded significant agreements with key companies such as Bosch or Swiss (formerly Crossair) in the first quarter.

In connection with our software sales success our clients' requirements for software maintenance have also increased and resulted in steady growth in this business area. The meantime this segment has advanced to become the most important sales performer, contributing a sales share of € 1.70 million, while the share of total sales amounts to 31%.

Consulting and IT-Services are grouped under the heading of the services division. Especially the consulting services performed within the entire personnel management area have fueled dynamic growth in this area. In Q1 sales amounted to € 1.37 million.

In times of low investment activities the hardware division is battling against a declining trend. Nevertheless, satisfactory sales figures of € 0.6 million were posted during the period under report.

Not only our sales proceeded according to planning, but our earnings also improved considerably over the same period during the previous year. The savings potentials that had been uncovered in all areas and the implementation of the respective measures have fully met our expectations. We have continued operating with more or less the same personnel capacity of 167 employees as of December 31, 2001. As of March 31, 2002 there were 165 members of staff employed at ATOSS Software AG (previous year: 185 employees).

Regardless of these developments we have continued to invest in the development of our products and this is reflected by increased research and development expenditures of € 0.86 by comparison with € 0.72 during the previous year.

**Software licenses sales stabilized, maintenance sales showing further marked growth**

**OVERVIEW: COMPARISON OF SOFTWARE AND MAINTENANCE BY QUARTERS (US-GAAP)**

T€	01/2002	Q4/2001	Q3/2001	Q2/2001	Q1/2001
Sales	5,439	5,661	5,061	4,839	5,673
Software	1,451	1,769	1,085	1,178	2,257
Maintenance	1,704	1,425	1,431	1,576	1,179

In the software license segment sales of € 1.45 million were recorded in the first three months of the year 2002. By comparison with previous year's sales of € 2.26 million, this represents a decline by 36%. In this context it must be considered that a considerable overhang of orders from the highly successful month December 2000 were processed in the first quarter of 2001. Moreover, the decisive factor is that our software sales are in a region that is well above the figures recorded in the second and third quarter of 2001.

As follow-up business resulting from the sale of software solutions the „maintenance“ business area continued to post marked gains. During the period under report a 45% sales increase from € 1.18 million to € 1.70 million was achieved over the previous year's position. This segment is now contributing a 31% share of total sales (previous year: 21%). This continued positive development secures the long-term earnings power of ATOSS Software AG, also in view of the several year duration of the maintenance agreements.

**Services earnings remain steady on high level**

**OVERVIEW: COMPARISON OF SERVICES SEGMENT BY QUARTERS (US-GAAP)**

T€	01/2002	Q4/2001	Q3/2001	Q2/2001	Q1/2001
Sales	5,439	5,661	5,061	4,839	5,673
Services	1,370	1,543	1,394	1,292	1,289

In the first quarter the services division that includes consulting and IT-services posted sales of € 1.37. Accounting for a sales share of 25% (previous year: 23%) this business area is contributing a decisive share of sales

at ATOSS Software AG. Customer demand for the development of process optimization and professional project management geared to enhancing corporate efficiency remains unbroken.

**The hardware area remains impacted by low investment confidence**

**OVERVIEW: COMPARISON OF HARDWARE SEGMENT BY QUARTERS (US-GAAP)**

T€	Q1/2002	Q4/2001	Q3/2001	Q2/2001	Q1/2001
Sales	5,439	5,661	5,061	4,839	5,673
Hardware	615	714	882	547	628

Company clients continue to curb their investments, especially in the hardware area. Spending focuses on the necessary replacement purchasing. In the hardware segment ATOSS Software AG recorded a slight decline in sales over the previous year's quarter. At € 0.62

million, sales during the same period last year were only undercut by -2%. The sales share contributed by the hardware segment amounted to 11%.

**Decisive improvement in earnings situation thanks to realized cost cutting measures**

**OVERVIEW: QUARTERLY COMPARISON OF KEY EARNINGS FIGURES (US-GAAP)**

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

The cost cutting measures that were initiated early in the 2000 business year have been exerting a positive effect on earnings for three quarters in a row. By taking these measures a foundation has been laid enabling the company to secure positive operational results even under modest business developments. Any improvements in investment confidence on the markets will therefore incur above average effects on results.

There were no changes over the previous year with regard to price policies.

The developments reported by our subsidiaries are also positive. ATOSS CSD Software GmbH and ATOSS Software GmbH Wien were both able to post positive operational results in the first quarter of 2002.

Our subsidiary in Zurich has achieved a balanced result. In view of the unsatisfactory business developments to date in France, we have decided to put any additional investments on hold for the time being and are assessing various approaches towards developing these markets.

**Assets, financial and earnings situation: Strong equity ratio**

The balance sheet total as of March 31, 2002 rose from € 40.6 million by € 1.6 million to € 42.2 million over the total as of December 31, 2001, while a decrease of € 0.5 million over the total as of March 31, 2001 has been recorded.

Fixed assets as of March 31, 2002 dropped as planned to € 2.5 million from € 2.76 million. As of the reporting cutoff date current assets of € 38.4 million are € +1.8 above the figures as per December 31, 2001 at € 36.6 million. We were able to increase our cash resources by € +0.6 million to € 32.3 million and continue to secure the long-term growth of our company.

The capital ratio as of March 31, 2002 stands at € 36.3 million (as of December 31, 2001 at € 36.4 million) or 86% (90% as of December 31, 2001).

As of March 31, 2002 liabilities rose slightly by comparison with the figures stated on December 31, 2002 by € 0.1 million to € 1.7 million, but have dropped by € -1.1 million or -39 % by comparison with the figures of March 31, 2001.

The developments in cash flow from business activities are especially gratifying. After € -1.9 million in the first quarter of 2001, cash flow of € +1.1 was recorded during the period under report. Cash flow from investment activity amounted to € -1.4 million (Q1 2001: € -16.2 million) and cash flow from financing activity stood at € -0.3 million (Q1 2001: € 0.6 million).

The positive reversal of trends we have achieved is clearly indicated in our performance. In the first quarter of 2002, EBIT of € 0.13 million was posted, by comparison with € -0.18 during the same period last year. The earnings for the period rose from € 0.03 in Q1 2001 to € 0.17 million Q1 2002. This yields net earnings per share - in terms of the shares actually outstanding - of € 0.04 by comparison with € 0.01 during the same period last year.

**Conclusion of new key partnerships; cooperation agreement with Bosch security technology business area represents a major success**

On March 22, 2002 we announced the conclusion of an extensive cooperation agreement with the Bosch business unit for security technology based in Ottobrunn, near Munich. Already in the ongoing business year we are expecting significant sales contributions in the area of indirect sales as well as considerable gains as of the upcoming business year.

We hope that the cooperation with Bosch will be instrumental in accessing new target groups in the security technology area. In future, Bosch will be marketing the ATOSS product „Time Solution“ (time management and access monitoring) under the name of BoTime 3 in three functionally different variants. In the event that Bosch customers make demands and requirements exceeding the performance scope of Bo Time 3, ATOSS will support Bosch on a project related basis in the implementation of additional modules, especially in the areas of personnel deployment planning and project management at Bosch customers.

Prior to this we had succeeded in garnering significant individual orders from clients, among others from the aerospace industry. In February the Swiss carrier Crossair, operating under the name Swiss since March 31, 2002, acquired an extended company license for the administration of up to 10,000 employees active in all Group companies, including the former Swissair locations. Thanks to the decentral and corporate-wide software deployment the Swiss carrier is very well equipped to meet increased security demands and rising demands made on increasingly efficient utilization of personnel resources.

**Our share has clearly outperformed the market**

During the past year we repeatedly emphasized our conviction that strong liquidity in connection with a successful business model that had proved its worth over years would ensure the performance of our share. In view of the low market capitalization the share was almost a give away – a situation that would have to change sooner or later.

The positive price development of the fourth quarter of 2001 has continued in the first months of the ongoing business year. At prices in excess of € 8 the markets have,

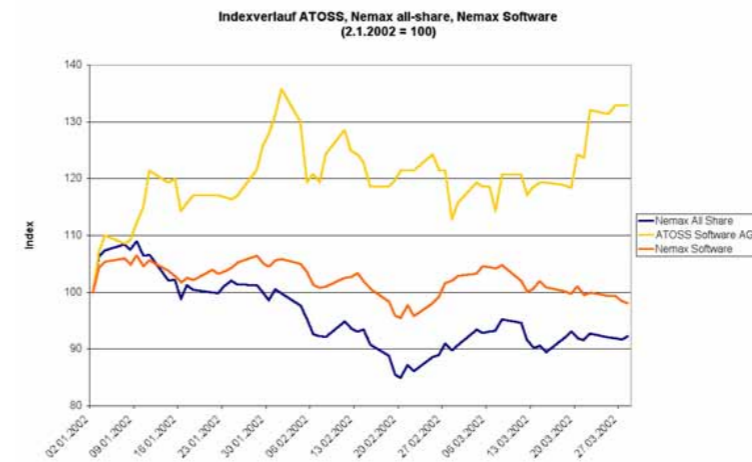
albeit tentatively, begun to acknowledge the value the company holds.

At the beginning of January our share was traded at € 7.00, and traded up to € 9.95, while concluding the quarter on March 28, 2002 at a price of € 9.30, a respectable performance representing a gain in excess of + 30 %. With these figures the price development of ATOSS shares have clearly outperformed the price developments of the NEMAX-All-Share-Index or NEMAX-Software-Index.

**Increased buyback of own stock**

Based on the resolution passed at our last annual general meeting we have continued by buy back our own stock via the stock exchange. This stock will be used to secure

existing employee participation models. It would only be expedient to accelerate repurchasing if we would require a larger volume for a specific acquisition.



**Numerous buy recommendations**

In the ongoing business year we are continuing to pursue our active investor relations policy. A host of interesting individual talks and discussions with journalists and analysts have resulted in recommendations to buy ATOSS stock. In January and in March 2002, Austria Börsenbrief rated ATOSS as a buy and in Janu-

ary Stock World also called attention to the undervalued shares (ATOSS virtually a give-away). In February, the Platow Brief and Wirtschaftswoche followed suit and both issued buy advice. Sharper.de and BetaFaktor also made positive assessments. In February, and as recent as the beginning of April, Bayerische Landesbank and GBC gave an overweighting to ATOSS shares.

**Outlook**

Based on the forecasts by renowned economic research institutes that were mentioned at the beginning of the report it is not possible to ascertain the concrete point in time when the next upturn in the business cycle will ensue. We continue to hold the opinion that an economic recovery will not be setting in before mid-year. In this context it must be considered that the overall IT branch lags behind the business cycle, given that clients hold back with investments until their own profits begin to move up again.

Against a backdrop of economic uncertainty, ATOSS Software AG is very well positioned thanks to a broad range of solutions and the excellent value for money that they offer. We provide companies with active support in enhancing their efficiency and earnings. The fact that our message is well received is aptly

documented by orders placed by internationally active corporations such as Sky Chef and Swiss (formerly Crossair) that are especially geared to achieving rapid return on investment. The convincing benefits argumentation also laid the cornerstone for the cooperation entered into with Bosch Sicherheitstechnik.

The figures of the first quarter of 2002 document our ability to operate successfully within a difficult environment. In view of this fact we assume that we will be able to achieve a similar sales level as in the first quarter and an additional stabilization of the earnings situation.

Based on our considerably enhanced cost structure and a light sales increase we anticipate a considerable improvement in earnings over the previous year and continue to expect a decidedly positive cash flow from operational business activities.

## Consolidated Balance Statement

CONSOLIDATED BALANCE SHEET (in €)	March 31, 2002	December 31, 2001
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	8,133,080	8,772,743
Short-term Investments/Marketable Securities	24,198,139	22,917,744
Trade accounts receivable	3,988,030	3,763,426
Accounts receivable due from related parties	0	0
Inventories	24,712	35,373
Deferred tax assets	0	0
Prepaid expenses and other current assets	2,285,823	1,276,302
Others	0	0
<b>Total current assets</b>	<b>36,629,784</b>	<b>39,765,588</b>
<b>Non current assets</b>		
Property, plant and equipment	1,087,855	1,162,492
Intangible assets	1,443,726	1,571,423
Investments	0	0
Notes receivables/loans	0	0
Goodwill	22,214	22,214
Deferred taxes	1,013,486	1,108,844
Other assets	0	0
Others	0	0
<b>Total non current assets</b>	<b>4,222,061</b>	<b>4,657,963</b>
<b>Total assets</b>	<b>42,197,065</b>	<b>40,630,561</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
<b>Current liabilities</b>		
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	649,559	833,286
Advance payments received	0	0
Accrued expenses	1,841,833	1,973,378
Deferred revenues	2,005,199	331,112
Income tax payable	83,544	54,203
Deferred taxes	0	0
Other current liabilities	888,808	584,386
Others	0	0
<b>Total current liabilities</b>	<b>5,471,499</b>	<b>3,779,561</b>
<b>Long-term liabilities</b>		
Long-term debt, less current portion	170,217	173,777
Capital lease obligation, less current portion	0	0
Deferred revenues	0	0
Deferred taxes	0	0
Pension accrual	252,549	242,804
Others	0	0
<b>Total long-term liabilities</b>	<b>422,766</b>	<b>416,581</b>
<b>Shareholder's equity</b>		
Share Capital	4,025,667	4,025,667
Additional paid-in capital	33,174,306	33,172,808
Treasury Stock	-741,591	-421,086
Retained Earnings/Accumulated Deficit	18,961	-146,522
Accumulated other comprehensive income/loss	-174,543	-196,448
Others	0	0
<b>Total Shareholder's equity</b>	<b>36,302,800</b>	<b>36,434,419</b>
<b>Total liabilities and Shareholder's equity</b>	<b>42,197,065</b>	<b>40,630,561</b>

## Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT (in €)	THREE-MONTH COMPARISON	
	from 01.01.2002 to 31.03.2002	from 01.01.2001 to 31.03.2001
Revenues	5,439,063	5,672,517
Cost of revenues	-1,927,115	-1,961,116
<b>Gross profit</b>	<b>3,511,948</b>	<b>3,711,401</b>
Selling and Marketing expenses	-1,498,987	-2,120,509
General and administrative expenses	-1,045,330	-1,083,426
Research and development	-863,195	-716,953
Other operation income and expenses	21,381	36,172
Amortization (and impairment) of goodwill	0	-2,777
Others	0	0
<b>Operation income/loss</b>	<b>125,816</b>	<b>-176,092</b>
Interest income and expenditure	139,675	231,574
Other income/expense	-3,498	33,408
Others	0	0
<b>Result before income taxes</b>	<b>261,993</b>	<b>88,890</b>
Income tax	-96,510	-55,397
Extraordinary Income	7,820	0
<b>Net income/loss</b>	<b>165,483</b>	<b>33,493</b>
Net income per share (basic)	0.04	0.01
Net income per share (diluted)	0.04	0.01
Weighted average shares outstanding (basic)	3,970,960	3,993,567
Weighted average shares outstanding (diluted)	4,143,768	4,073,237

## Consolidated Cash Flow Statement

### CONSOLIDATED CASH FLOW STATEMENT (in €)

	Quarterly Report (current year to date)	Quarterly Report (comparative period previous year)
	from <b>01.01.2002</b> to <b>31.03.2002</b>	from <b>01.01.2001</b> to <b>31.03.2001</b>
<b>Cash flows from operating activities</b>		
<b>Net profit/loss</b>	165,483	33,493
Adjustments for		
Depreciation and amortisation	282,293	305,506
Increase/decrease in provisions and accruals	-92,459	-753,622
Losses/gains on the disposal of fixed assets	30,972	-19,459
Other	95,360	2,440
Change in net working capital	571,317	-1,556,970
<b>Net cash provided by operating activities</b>	<b>1,052,966</b>	<b>-1,988,612</b>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries, net of cash acquired	0	0
Purchase of property, plant and equipment	-132,154	-134,907
Proceeds from sale of equipment	21,222	40,137
Other	-1,280,396	-16,066,034
<b>Net Cash used in investing activities</b>	<b>-1,391,328</b>	<b>-16,160,804</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital	-297,102	-65,529
Proceeds from short or long-term borrowings	-3,560	97,068
Cash repayments of amounts borrowed	-639	567,059
Payment of capital lease liabilities	0	0
Other	0	0
<b>Net Cash provided by financing activities</b>	<b>-301,301</b>	<b>598,598</b>
<b>Net increase in cash and cash equivalents</b>		
Cash and cash equivalents at beginning of period	8,772,743	26,588,860
Cash and cash equivalents at end of period	8,133,080	9,038,043

## Development in Group capital and reserves

### DEVELOPMENT IN GROUP CAPITAL AND RESERVES (in €)

	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
<b>Status as of January 1, 2001</b>	<b>4,025,667</b>	<b>4,025,667</b>	<b>-272,850</b>	<b>33,197,087</b>	<b>0</b>	<b>59,479</b>	<b>33,654</b>	<b>37,043,038</b>
Quarterly result	0	0	0	0	0	33,494	0	33,494
Acquisition of own shares	0	0	-48,150	0	0	0	0	-48,150
Entnahme aus der Kapitalrücklage	0	0	0	-27,400	0	0	0	-27,400
Withdrawals from addition to equity without affect on earnings	0	0	0	0	0	0	10,020	10,020
<b>Status as of March 31, 2001</b>	<b>4,025,667</b>	<b>4,025,667</b>	<b>-321,000</b>	<b>33,169,687</b>	<b>0</b>	<b>92,973</b>	<b>43,674</b>	<b>37,011,002</b>
<b>Status as of January 1, 2002</b>	<b>4,025,667</b>	<b>4,025,667</b>	<b>-421,086</b>	<b>33,172,808</b>	<b>0</b>	<b>-146,523</b>	<b>-196,447</b>	<b>36,434,419</b>
Quarterly result	0	0	0	0	0	165,483	0	165,483
Acquisition of own shares	0	0	-320,505	0	0	0	0	-320,505
Zuführung zur Kapitalrücklage	0	0	0	1,499	0	0	0	1,499
Addition to equity without affect on earnings	0	0	0	0	0	0	21,904	21,904
<b>Status as of March 31, 2002</b>	<b>4,025,667</b>	<b>4,025,667</b>	<b>-741,591</b>	<b>33,174,307</b>	<b>0</b>	<b>18,960</b>	<b>-174,543</b>	<b>36,302,800</b>

### 1. General information

The present quarter-end accounts have been prepared according to the provisions of United States Generally Accepted Accounting Principles (US GAAP) for Interim Financial Reporting. Therefore the current document does not contain all 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 present actual status and conditions.

### 2. Currency

All figures have been stated in Euro. The previous year figures have been stated according to the official conversion rate.

### 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, Vienna

ATOSS Software AG, Zurich

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 ongoing business year 35.805 shares of ATOSS Software AG were repurchased. The purchasing costs of all shares bought back during this business year stand at € 320,505.24. The repurchase of company shares was approved by the General Meeting as of May 22, 2001. As of March 31, 2002, ATOSS Software AG holds 84,805 of its own shares..

### 6. Personnel costs

#### PERSONNEL EXPENDITURES (in T€)

	March 31, 2002	December 31, 2001
Wages and salaries	2,731	2,885
Social security contributions and expenditure on pension provisioning and support	392	492
<b>Total</b>	<b>3,123</b>	<b>3,377</b>

### 7. Segment data

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

#### SALES, EARNINGS (in T€)

	March 31, 2002	March 31, 2001
<b>Products, maintenance</b>		
Sales	3,786	4,188
EBIT	52	-152
Write-offs	232	249
<b>Services</b>		
Sales	1,653	1,485
EBIT	74	-24
Write-offs	50	57
Domestic sales	4,297	5,194
Foreign sales	1,142	479
<b>Total sales</b>	<b>5,439</b>	<b>5,673</b>

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

Sales breakdown according to the following sales types:

#### SALES TYPE (in T€)

	March 31, 2002	March 31, 2001
Software	1,451	2,257
Maintenance	1,704	1,179
Services	1,370	1,289
Hardware	615	628
Miscellaneous	299	320
<b>Total Sales</b>	<b>5,439</b>	<b>5,673</b>

## 8. Employees

As of March 31, 2002 the Group employed 165 members of staff, while there were 185 employees on the payroll last year. A total of 41 (39) employees are active in Product Development, 44 (56) in the areas IT-Services and Consulting and 43 (58) in Sales and Marketing.

## 9. Supervisory board

As of March 31, 2002 the members of the Supervisory Board include:

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

## 10. Managing board

Dem Vorstand der ATOSS Software AG gehören zum 31.03.2002 drei Mitglieder an:

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

## 11. Share and convertible bond holdings of corporate officers

As of the respective cut-off date March 31, 2002 the corporate officers stated below held the following ATOSS shares:

### SHARES HELD BY CORPORATE OFFICERS

	March 31, 2002	December 31, 2001
Andreas F.J. Obereder	1,967,905	1,967,905
Dr. Burkhard Scherf	78,308	78,308
Christiane Glöckler	0	0
Peter Kirn	11,260	11,260
Bernhard Dorn	1,000	1,000
Rolf Baron Vielhauer von Hohenhau	0	0

As of the respective cut-off date March 31, 2002 the following corporate officers held options on ATOSS shares by way of convertible bond subscriptions:

## CONVERTIBLE BONDS

	March 31, 2002	December 31, 2001
Andreas F.J. Obereder	864	864
Dr. Burkhard Scherf	864	864
Christiane Glöckler	50,000	50,000
Peter Kirn	0	0
Bernhard Dorn	0	0
Rolf Baron Vielhauer von Hohenhau	0	0

## 12. Statements on securities transactions subject to reporting requirements

Apart from the repurchase of own shares by ATOSS Software AG corporate officers did not conduct any securities transactions subject to reporting requirements.

## 13. Convertible bonds

During the first quarter of 2002 no new convertible bonds were issued. Some 3,560 convertible bonds were returned due to the termination of employment relationships. As of March 31, 2002, there were 170,217 outstanding convertible bonds.

## 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 up to March 31, 2002 an average of 3,970,960 shares were outstanding. Earnings per share for this period stand at € 0.04, while the figure was recorded at € 0.01 in the previous year.

In order to calculate the diluted earnings per share the average number of outstanding shares is added to the potential number which might be issued on the basis of the convertible bonds. From January 1, 2002 through to March 31, 2002 an average of 172,808 convertible bonds were outstanding. The diluted earnings per share stands at € 0.04, whereas the previous year figure was at € 0.01.