



ATOSS

2007.1

QUARTERLY REPORT

LETTER TO SHAREHOLDERS

» ATOSS continues the growth course in its jubilee year «

Dear Shareholders,
Ladies and Gentlemen,

This year, ATOSS celebrates its 20th anniversary. Therefore, we are all the more delighted that the first quarter of this anniversary year has so seamlessly continued the trend evident in 2006, the most successful year in the company's history to date. The first quarter of 2007 is now the sixth quarter in succession in which ATOSS has recorded continuing growth.

Record results for the first quarter

In the first three months of this year we have recorded a disproportionate increase in profits. Our interim financial statements to March 31, 2007, show an operating profit (EBIT) of € 0.9 million, the best result since the company was first founded. We have achieved this despite the inclusion last year of extraordinary income from the sale of the software product AENEIS.

Sales revenues too improved strongly, rising by 12 percent. The further increase in software licensing in particular will have a sustained consolidating effect on our business, thanks to the associated rise in future maintenance fees.

Orders on hand increase still further

The increase in software licensing was achieved without diminishing the level of orders on hand recorded at the end of last year. The order book on March 31, 2007 stood at € 1.3 million, compared with the previous year's figure of € 0.6 million. We therefore remain in a position to forecast the development in sales in the coming quarters with some accuracy.

Strong cash flow, strong liquidity

The company's funding power is confirmed by our very strong cash flow of € 3.0 million (previous year: € 2.7 million), equivalent to 52 percent of sales.

As a result within the first three months we have increased available liquidity to € 13.6 million, a rise of 26 percent since December 31, 2006.

Products presented at CeBIT 2007

Our principal product improvements introduced in recent quarters were presented at this year's CeBIT in Hanover. The major additions to the ATOSS Staff Efficiency Suite are to be found in the area of reporting (ATOSS Ultimate Reporting), and to ATOSS Time Control Version 5.0 in the entirely new Java client.

Commitment to high levels of development input

ATOSS intends to continue its substantial expenditure on research and development with a further investment equal to 19 percent of sales. For our customers, that means continuous product improvements and extensions which contribute directly to the advancement of working time management and personnel resource planning, and thereby enhance the power of their own enterprise.

Demand continues to rise

Orders received for software licenses represent the most tangible measure of customer demand: In the first quarter of the year, our order intake rose by 21 percent.

What's more, in conjunction with the increased demand for software we have also booked a rising level of orders for consulting services, hardware and programming.

Positive response at the AGM

The highly satisfactory key data for the first three months were reported to our Shareholders at the Annual General Meeting on April 26, 2007.

Following on from the excellent results for both last year and the current year, the actions of the Management and Supervisory Boards received unanimous formal approval and a dividend of 24 cent was adopted.



Andreas F.J. Obereder

Christof Leiber

We should like at this point once again to thank you, our Shareholders, for the confidence you have shown in us.

Yours truly

Andreas F.J. Obereder
(Chief Executive Officer)

Christof Leiber
(Member of Management Board)

FACTS OVERVIEW

ECONOMIC BACKGROUND

Increasing signs of a sustained upturn Perceptibly stronger inclination to invest in information technology

THE COMPANY

ATOSS remains on course for success: Excellent Q1 results with strong sales growth New products are generating added momentum

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CONSOLIDATED OVERVIEW AS PER IFRS: 3-MONTH COMPARISON IN T EUR

	2007		2006		
	to	total	to	total	Change
	Mach	revenues	March	revenues	2007/2006
Software	3,373	59%	3,056	60%	10%
Software licenses	1,163	20%	1,074	21%	8%
Software maintenance	2,210	39%	1,982	39%	11%
Consulting	1,492	26%	1,346	26%	11%
Hardware	697	12%	587	11%	19%
Other	167	3%	129	3%	30%
Total sales revenues	5,729	100%	5,117	100%	12%
EBITDA	988	17%	811	16%	22%
EBITCB ¹	879	15%	755	15%	16%
EBIT	868	15%	706	14%	23%
EBT	960	17%	862	17%	11%
Net Income	580	10%	497	10%	17%
Cashflow	3,000	52%	2,650	52%	13%
Liquidity ^{2,3,4}	13,619		30,543		-55%
EPS (in €)	0.15		0.13		15%
Employees ⁴	180		165		9%

CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN T EUR

	2007				2006
	Q1	Q4	Q3	Q2	Q1
Software	3,373	3,459	3,346	3,068	3,056
Software licenses	1,163	1,252	1,248	1,038	1,074
Software maintenance	2,210	2,206	2,098	2,030	1,982
Consulting	1,492	1,489	1,361	1,362	1,346
Hardware	697	904	648	671	587
Other	167	209	184	173	129
Total sales revenues	5,729	6,061	5,538	5,275	5,117
EBITDA	988	798	910	692	811
EBITCB ¹	879	690	819	604	755
EBIT	868	684	802	587	706
EBT	960	809	856	666	862
Net Income	580	488	542	358	497
Cashflow	3,000	-1,045	2,600	107	2,650
Liquidity ^{2,3,4}	13,619	10,784	11,664	9,119	30,543
EPS (in €)	0.15	0.12	0.14	0.09	0.13
Employees ⁴	180	169	171	162	165

¹EBIT before costs of employees' convertible bonds participation scheme; ²Liquid assets and marketable securities; ³Dividend of EUR 5.50 per share paid on May 3, 2006; ⁴At the end of the quarter

MANAGEMENT REPORT

1. Business and conditions: Long term sustained growth
In April, the German government raised its growth forecast for 2007 from 1.7 percent to 2.3 percent, and the IFO business index of 108.6 is now approaching a 16-year high. Meanwhile at ATOSS, grounds for confidence became evident some time ago: The period ending March 31, 2007 was the six successive quarter in which we recorded continuous growth, proof positive of the sound and sustained development in our undertaking.

This demonstrates that business growth is largely dependent on the realization of our strategic objectives. The focus here is in particular on the consolidation of organic growth in all areas of business and relevant markets.

2. Earnings: Six successive growth quarter delivers record results

The growth we have been recording now for six quarters in succession extends to sales of all types: Sales revenues as a whole rose by 12 % from € 5.1 million last year to € 5.7 million.

Software sales climbed 10 % to € 3.4 million (previous year: € 3.1 million). Revenues from software licensing increased from € 1.1 million to € 1.2 million.

These figures were not least the product of an increase in orders received for software licenses, the value of which rose to € 1.2 million in the first quarter (previous year: € 1.0 million).

Orders on hand in Q1 were up by € 0.1 million. The order book now stands at € 1.3 million (previous year: € 0.6 million), with

the result that we are able to make reliable forecasts for the coming quarters.

Software maintenance revenues grew by 11 % to stand at € 2.2 million (previous year: € 2.0 million).

Similarly, the revenues generated by consulting services climbed by 11 % from € 1.3 million last year to € 1.5 million in the first quarter of this year.

Sales of hardware rose from € 0.6 million to € 0.7 million.

With sales revenues rising and our cost structure remaining constant, operating profits (EBIT) have been increased by a remarkable 23 % from € 0.7 million to € 0.9 million. Indeed this is all the more notable, given that last year's figure included some € 0.4 million in extraordinary income from the sale of the software product AENEIS effective January 1, 2006. After adjustment for this effect, the operating profit (EBIT) trebled. This is also the highest pre-tax profit (EBIT) we have yet achieved in a first quarter.

The result after tax now stands at € 0.6 million (previous year: € 0.5 million), representing earnings per share of € 0.15 (previous year: € 0.13).

3. Assets and financial situation

The excellent results and the diminution in accounts receivable in the first three months, coupled with the fact that invoices for software maintenance are issued in the first and third quarters of each year, have once again contributed to a healthy increase in cash flow from operating activities in Q1. The current cash flow of € 3.0 million is some 13 % higher than the previous year's figure of € 2.7 million.

As a result of the strong cash flow from business operations, liquidity also increased significantly in the first three months from € 10.8 million to € 13.6 million.

With funding power of this magnitude, the company remains well able to satisfy its liabilities.

Thanks to the excellent development in results and the associated increase in net profits, current equity at € 9.3 million has already outstripped the year-end figure of € 8.7 million.

Payments already received for future software maintenance and fixed-price projects have lifted deferred revenues from € 1.5 million to € 4.0 million, with the effect that the equity ratio in Q1 declined slightly in comparison with December 31, 2006, from 55 % to 52 %.

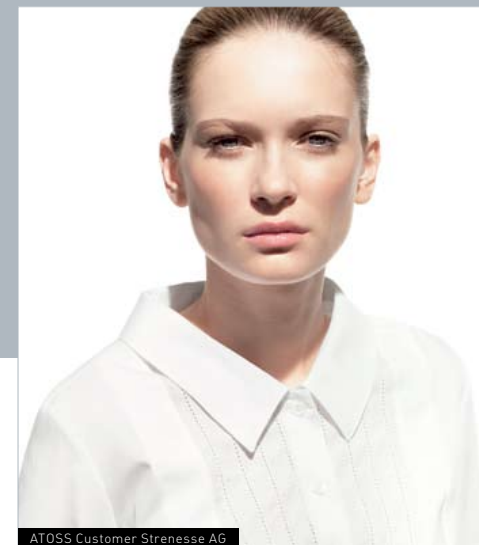
4. Product development

Our commitment to the development of new products remains substantial. Consequently in March this year at CeBIT 2007 we were able to introduce some significant innovations such as the ATOSS Ultimate Reporting feature now integrated into the ATOSS Staff Efficiency Suite and the entirely new Java client for ATOSS Time Control.

These advances were also reflected in product development expenditure which rose from € 0.9 million to € 1.1 million. The cost as a proportion of overall revenues accordingly increased from 18 % to 19 %.

5. Employees

ATOSS meanwhile employs 58 software developers (previous year: 49) engaged in the development of additional or



ATOSS Customer Strenesse AG

improved working time management and personnel resource planning software.

The total number of employees rose from 169 to 180 in the first quarter of 2007 (previous year: 165). Of these, 39 (previous year: 41) are engaged in sales and marketing and 51 (previous year: 43) as consultants.

6. Risks associated with future development

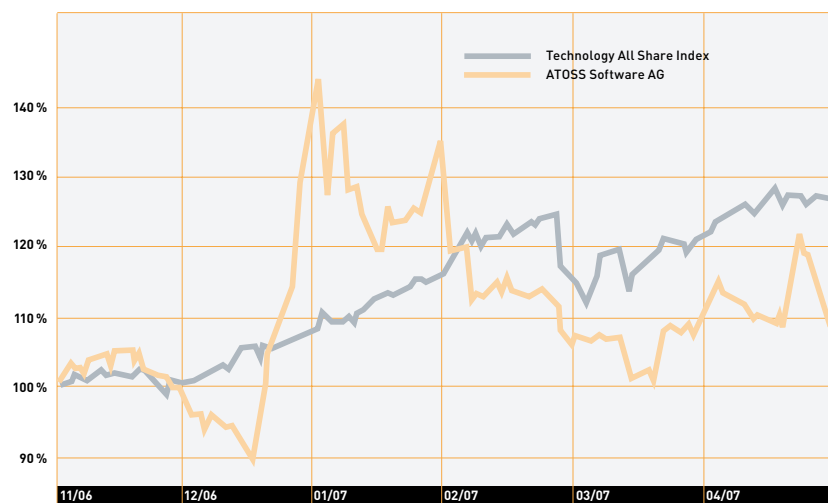
The company perceives no changes in the risk structure as outlined in the consolidated financial statements to December 31, 2006.

7. Outlook

The company stands by its customary conservative outlook for the current year 2007, which foresees moderate growth in sales with an increase in results for the year as a whole. After adjustment for miscellaneous income in 2006, an increase is expected in the order of 10 percent over the year before.

However, should buoyant customer demand continue, the Management Board considers that it maybe possible to adjust this forecast as the year progresses.

INVESTOR RELATIONS



KEY PER SHARE DATA

	2007				2006
	Q1	Q4	Q3	Q2	Q1
High	11.21	10.34	8.15	19.00	14.00
Low	8.00	6.76	6.65	6.69	8.57
Share price at end of quarter	8.58	10.34	7.00	6.85	13.85
Treasury stock	65,881	76,054	97,221	114,755	122,666
Dividend paid per share	0.00	0.00	0.00	5.50	0.00
Cash flow per share	0.76	-0.27	0.66	0.03	0.68
Liquidity per share	3.44	2.75	2.98	2.34	7.85
EPS	0.15	0.12	0.14	0.09	0.13
EPS (diluted)	0.14	0.12	0.13	0.09	0.12

A good start: Analysts' ambitious upside target met
The price of ATOSS stock developed strongly in the fourth quarter of 2006 and the price target of € 10.20 was duly achieved. Since then, however, it was not possible at this time to undertake an adjustment in our enterprise valuation, on January 8, 2007, analysts changed their rating from "buy" to "hold".

Given the company's moderate outlook, even after provisional figures for financial year 2006 were published on January 31, 2007, the valuation has not been increased despite the excellent results for the year.

Running ATOSS – Upside target increased

A detailed company analysis by SES Research GmbH caused analysts to increase their upside target price in February 2007 to € 11.00.

The attraction of ATOSS stock was communicated to a wider audience through the medium of the balance sheet press conference and via a company presentation delivered at the Small and Mid-cap Day at the CeBIT computer fair in Hannover on March 19, 2007.

ATOSS once again attractively priced

The increase in our rating on March 23, 2007, from "hold" to "buy" sparked renewed interest in ATOSS stock. Following publication of a news flash by SES Research GmbH, the share price rose steadily. Nevertheless the difference between the current share price and the upside target of € 11.00 still leaves scope for investors to profit.



ATOSS Customer Swiss International Air Lines Ltd.

ATOSS on course for growth

The ad hoc announcement on April 17, 2007, of the excellent figures for the first quarter did not initially have a significant effect on the share price, even though the results clearly exceeded analysts' expectations. However the subsequent publication of a full press release on April 24 triggered a gratifying demand for ATOSS stock.

Forecasting policy remains conservative

ATOSS has in past quarters established a conservative forecasting policy. As has been demonstrated, a stable development in the share price is dependent on the forecasts for coming quarters being of adequate reliability.

For this reason, once again at the Annual General Meeting on April 26, 2007, the Management Board adhered to this forecasting policy, while nevertheless offering the potential prospect of future improvements in results in the event that the gratifying trend in the first quarter is continued.

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET TO MARCH 31, 2007		
Assets EUR	March 31, 2007	Dec. 31, 2006
Current assets		
Cash	13,614,690	10,779,750
Marketable securities	4,573	4,573
Trade accounts receivable	2,893,372	3,675,459
Inventories	13,405	12,267
Other current assets	490,428	372,036
Total current assets	17,016,468	14,844,085
Non-current assets		
Tangible fixed assets (net)	441,388	373,373
Intangible assets (net)	116,766	125,284
Deferred taxes	386,957	395,271
Total non-current assets	945,111	893,928
Total assets	17,961,579	15,738,013

CONSOLIDATED BALANCE SHEET TO MARCH 31, 2007		
Equity and liabilities EUR	March 31, 2007	Dec. 31, 2006
Short-term liabilities		
Trade accounts payable	374,440	526,526
Short-term provisions	1,512,296	2,381,674
Deferred revenues	3,983,054	1,501,730
Tax provisions	759,944	504,061
Other short-term liabilities	465,207	552,705
Total short-term liabilities	7,094,941	5,466,696
Long-term liabilities		
Convertible bonds	71,666	81,421
Pension provisions	1,216,475	1,219,232
Deferred taxes	246,591	253,547
Total long-term liabilities	1,534,732	1,554,200
Equity		
Subscribed capital	4,025,667	4,025,667
Capital reserve	293,171	362,241
Treasury stock	-997,979	-1,102,252
Unappropriated retained earnings	6,011,047	5,431,461
Total equity	9,331,906	8,717,118
Total equity and liabilities	17,961,579	15,738,013

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM JAN. 1 TO MARCH 31 2007		
EUR	3 month report	
	Jan. 1 - March 31 2007	Jan. 1 - March 31 2007
Sales revenues	5,728,779	5,117,031
Cost of sales	-1,790,137	-1,687,223
Gross profit on sales	3,938,642	3,429,808
Marketing costs	-1,454,125	-1,686,789
Administration costs	-537,838	-575,377
Research and development costs	-1,082,903	-919,671
Other operating income	4,507	458,008
Operating profit (EBIT)	868,283	705,980
Interest and similar income	106,258	172,793
Interest and similar expenses	-14,191	-16,472
Earning before taxes	960,350	862,301
Taxes on income and earnings	-380,765	-365,389
Net income for the period	579,585	496,912
Earnings per share (undiluted)	0.15	0.13
Earnings per share (diluted)	0.14	0.12
Average number of shares in circulation (undiluted)	3,955,102	3,890,198
Average number of shares in circulation (diluted)	4,035,298	4,036,574



CONSOLIDATED CASH-FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM JAN. 1 TO MARCH 31 2007		
EUR	Jan. 1 - March 31 2007	Jan. 1 - March 31 2006
Net income for the period	579,585	496,912
Depreciation of fixed assets	120,187	104,835
Loss incurred on the disposal of fixed assets	72	15,253
Change in deferred taxes	1,358	29,656
Personnel costs arising from the convertible bonds program	10,890	48,719
Provisions for pension commitments	-2,757	1,695
Change in net current assets		
Trade accounts receivable	782,087	-19,735
Other current assets, prepayments and deferrals	-119,530	-458,426
Trade accounts payable	-152,085	-436,062
Short-term provisions	-869,378	128,786
Deferred revenues	2,481,324	2,569,172
Tax provisions	255,882	283,644
Other short-term liabilities	-87,498	-114,393
Cash flow generated through business operations	3,000,138	2,650,056
Cash flow from investment activities		
Fixed assets acquired	-179,757	-63,320
Cash flow generated through investment activities	-179,757	-63,320
Cash flow from financing activities		
Income from the sale of treasury stock	14,559	120,099
Unrealized exchange losses on financial resources	0	-114
Cash flow generated through financing activities	14,559	119,985

CHANGES IN CONSOLIDATED EQUITY



ATOSS Customer Holsten-Brauerei AG

CHANGES IN CONSOLIDATED EQUITY AS OF MARCH 31, 2007						
	Subscribed capital	Capital reserve	Treasury stock	Unappropriated income	Changes in equity not recognized in the income statement	Total
As of January 1, 2006	4,025,667	450,013	-1,670,304	25,013,111	18	27,818,505
Net income	0	0	0	496,912	0	496,912
Sales of treasury stock	0	-59,300	206,373	0	0	147,073
Additions deriving from convertible bonds	0	48,719	0	0	0	48,719
Unrealized exchange losses	0	0	0	0	-114	-114
As of March 31, 2006	4,025,667	439,431	-1,463,931	25,510,022	-95	28,511,094
As of March January 1, 2007	4,025,667	362,241	-1,102,252	5,431,461	0	8,717,117
Net income	0	0	0	579,585	0	579,585
Sales of treasury stock	0	-79,960	104,273	0	0	24,313
Additions deriving from convertible bonds	0	10,890	0	0	0	10,890
As of March 31, 2007	4,025,667	293,171	-997,979	6,011,047	0	9,331,906

NOTES

Notes to the consolidated financial statements to March 31, 2007

1. General

The present quarterly financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) in compliance with IAS 1.14. In particular these statements comply with the provisions contained in IAS 34 "Interim Financial Reporting".

In accordance with IAS 34.20, the present statements include a consolidated balance sheet, consolidated income statement, consolidated cash flow statement, consolidated statement of changes in equity and explanatory notes to the consolidated statements.

The requirements contained in German Accounting Standard (DRS) No. 6 regarding interim reporting have likewise been fulfilled.

The same financial accounting, valuation and computation methods have been applied as in the case of the annual financial statements.

The Management Board is satisfied that the impression of the economic situation of the company, its assets, financial and earnings position and cash flow conveyed by the present quarterly financial statements accords with the true facts.

2. Reporting period

The present quarterly financial statements were prepared to March 31, 2007, for the reporting period from January 1 to March 31, 2007.

3. Currency

All figures are stated in euro. Figures are rounded up to whole euro units.

4. Group of consolidated companies

In addition to the parent company ATOSS Software AG, Munich, the consolidated financial statements also include all subsidiary companies:

ATOSS CSD Software GmbH, Cham
ATOSS Software Ges.mbH, Wien
ATOSS Software AG, St. Gallen
ATOSS Software S.R.L., Timisoara

These companies are fully consolidated.

5. Changes in equity

The development in the consolidated equity situation is evident from the statement of changes in equity.

6. Treasury stock

On March 31, 2007, the company held 65,881 shares in treasury. Treasury stock is reported as a separate equity item at cost of acquisition.

7. Sales revenues

The company's sales revenues were composed as follows:

EUR	Jan. 1 - March 31 2007	Jan. 1 - March 31 2006
Sales revenues		
Software licenses	1,162,912	1,073,538
Software maintenance	2,209,595	1,982,216
Total Software	3,372,507	3,055,754
Consulting	1,491,845	1,345,645
Hardware	697,251	586,952
Others	167,176	128,680
Total sales revenues	5,728,779	5,117,031

The geographic breakdown of sales revenues was as follows:

EUR	Jan. 1 - March 31 2007	Jan. 1 - March 31 2006
Sales revenues		
Germany	5,272,082	4,680,069
Austria	332,121	316,978
Switzerland	92,516	77,747
German-speaking territories in total	5,696,719	5,047,794
Other countries	32,060	42,237
Total personnel costs	5,728,779	5,117,031

8. Segment reporting

The Company has only one uniform business segment within the meaning of IAS 14 which comprises the creation, sale and implementation of software solutions directed towards the efficient deployment of personnel. Similarly in geographic terms the German-speaking territories comprise a uniform segment within the meaning of IAS 14.

The individual software solutions comprise:

ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE):

ASES and ASE are working time management and personnel resource planning solutions for customers of all sizes in all industries. These software solutions are generally accompanied by other services covering implementation and training. In addition consulting services are rendered with the object of making meaningful use of the available scope and developing optimum solutions for the efficient deployment of personnel under specific operating conditions and in consideration of works agreements and industry-wide pay deals. The company also sells hardware components for time recording and access control purposes. ASES/ASE software is used in conjunction with all major standard system platforms and databases. Moreover thanks to the extensive facility to define customer-specific parameters these solutions are capable of satisfying even the most sophisticated requirements of customers irrespective of size and sector.

ATOSS Time Control (ATC):

ATC offers a software solution to working time management and personnel resource planning for small and medium-sized customers as well as large but decentrally organized clients. Likewise in conjunction with ATC, ATOSS offers software implementation and training as well as consulting services. Merchandise including hardware and recording media is also available. ATC software is installed on the Microsoft Windows system platform in association with standard SQL databases and is particularly user-friendly and convenient for small to medium-sized customers as well as large decentralized organizations.

AENEIS:

AENEIS is a software solution to business process management tasks. This product was transferred by ATOSS Software AG effective January 1, 2006, to Intellior AG.

EUR	Jan. 1 - March 31 2007	Jan. 1 - March 31 2006
Sales revenues		
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	5,316,202	4,813,042
ATOSS Time Control (ATC)	412,577	303,989
Total sales revenues	5,728,779	5,117,031
Operating profit (EBIT)		
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	771,721	239,801
ATOSS Time Control (ATC)	96,562	24,120
AENEIS	0	442,059
Total operating profit (EBIT),	868,283	705,980

9. Other operational income

Other operational income in financial year 2007 essentially includes the liquidation of reserves and allowances, whereas in 2006 this item also included income in the amount of € 435,000 from the software product AENEIS.

10. Tax expenses

Consolidated tax expenses to March 31, 2007, were composed as follows:

EUR	Jan. 1 - March 31 2007	Jan. 1 - March 31 2006
Pre-Tax profit as per IFRS	960,350	862,301
Anticipated tax charge (40,86%)	-392,399	-352,336
Non-deductible operating expenses	-4,563	-6,063
Permanent differences arising from convertible bonds	-4,450	-19,907
Differences in trade tax rates	20,647	12,917
Total tax expenses	-380,765	-365,389

11. Personnel costs

Consolidated tax expenses to March 31, 2007, were composed as follows:

EUR	Jan. 1 - March 31 2007	Jan. 1 - March 31 2006
Wages and salaries	2,310,511	2,457,799
Social security contributions and expenditure on retirement pensions and welfare	458,290	445,480
Effects arising from convertible bonds programs	10,890	48,719
Total personnel costs	2,779,691	2,951,998

12. Employees

On March 31, 2007, the company employed 180 staff, in comparison with 165 on March 31, 2006. Of these, 58 (previous year: 49) were engaged in product development, 51 (previous year: 43) in professional services and consulting and 39 (previous year: 41) in sales and marketing.

13. Management Board

The company's Management Board as of March 31, 2007, continued to comprise two members:

Andreas F.J. Obereder	Chief Executive Officer
Christof Leiber	Member of the Management Board

14. Supervisory Board

The company's Supervisory Board as of March 31, 2007, continued to comprise three members:

Peter Kirn	Chairman
Bernhard Dorn	Deputy Chairman
Rolf Baron Vielhauer von Hohenhau	Member of the Supervisory Board

15. Board member shareholdings

On the reporting date of March 31, 2007, board members held the following numbers of ATOSS shares:

	March 31, 2007	Dec. 31, 2006	Sept. 30, 2006	June 30, 2006	March 31, 2006
Andreas F.J. Obereder	1,981,184	1,981,184	1,976,184	1,976,184	1,971,184
Peter Kirn	23,760	23,760	23,760	17,760	13,760
Bernhard Dorn	19,000	19,000	19,000	13,000	13,000

Similarly on the qualifying date of March 31, 2007, board members having subscribed to convertible bonds held the following options on ATOSS shares:

	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007
Andreas F.J. Obereder	0	0	5,000	5,000	5,000
Christof Leiber	10,000	10,000	15,500	18,500	20,667
Peter Kirn	6,000	6,000	6,000	12,000	12,000
Bernhard Dorn	6,000	6,000	6,000	12,000	12,000
Rolf Baron Vielhauer von Hohenhau	12,000	12,000	12,000	12,000	12,000

NOTICES

16. Convertible bonds

In the first three months of financial year 2007 some 10,173 convertible bonds were exercised. On March 31, 2007, there were 75,500 convertible bonds outstanding.

Details of outstanding convertible bonds held by board members and employees as of March 31, 2007, are summarized in the following table:

	Exercise price in €	Outstanding options	Contractual validity in years	Possible rights remaining to be exercised as of March 31, 2700
Board members				
	4.01	24,000	4.4	6,000
	6.18	10,000	4.2	2,500
		34,000		8,500
Employees				
	3.52	13,000	3.5	13,000
	3.97	3,000	4.6	1,500
	6.18	25,500	4.2	11,500
		41,500		26,000
Total		75,500		34,500

17. Details of reportable securities transactions

In the first three months of financial year 2007 no reportable securities transactions were conducted.

18. Earnings per share

The figure for earnings per share is arrived at by dividing the result for the period in the amount of 579,585 € by the weighted average number of shares outstanding. From January 01 to March 31, 2007, there were an average of 3,955,102 shares in circulation. Thus earnings per share for this period amounted to 0.15 €, in comparison with 0.13 € in the first quarter for 2006.

In order to calculate diluted earnings per share, the result for the period must be adjusted to allow for the interest cost relating to convertible bonds in the amount of 452 €. In addition the average number of shares outstanding is increased with the addition of shares potentially issued as a result of convertible bonds. From January 01 to March 31, 2007, there were an average of 80,196 convertible bonds in circulation. Thus the diluted earnings per share for this period amounted to 0.14 €, in comparison with 0.12 € in the preceding year.

19. Events after the balance sheet closing date

There have been no reportable events of particular import subsequent to March 31, 2007.

DISCLAIMER

This report contains forward-looking statements that are based on the conviction of the Management Board of ATOSS Software AG and reflect current assumptions and estimations. These forward-looking statements are subject to risks and uncertainties. Many facts that cannot currently be predicted may mean that the actual performance and earnings of ATOSS Software AG develop in a different manner. This could for example include the non-acceptance of newly introduced products or services, changes in the general economic and business climate, a failure to achieve efficiency and cost-reduction targets or changes in business strategy.

The Management Board is firmly convinced that the expectations embodied in these forward-looking statements are sound and realistic. Should however the above-mentioned or other unforeseeable risks materialize, ATOSS Software AG cannot guarantee that the expressed expectations will prove to be correct.

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