



2008.2

**HALF-YEARLY REPORT
QUARTERLY REPORT 2008**

LETTER TO SHAREHOLDERS

**Dear Shareholders,
Ladies and Gentlemen,**

Once again in the second quarter ATOSS has continued to make excellent progress and is on course for new full-year record sales and results in 2008 for the third year in succession. The first-class development in business continues, and with this report to June 30, 2008, we are delighted to present to you the best half-year sales and earnings in our company's history.

Record sales in the first half-year

As a result of the continuing strong demand for our products and services, in the first six months of the year we have succeeded in increasing overall sales by 14% to €13.3 million. With growth in our enterprise accelerating still faster relative to the first quarter, we have again set a new record for a first half-year.

What's more, this time our growth has been very evenly spread across sales of all types. The growth in software licenses, which we regard as the driving force behind our business model, provides us with the basis for continuing future successes in consulting services and maintenance revenues. Our turnover in software licenses has increased by 12% to €2.8 million, with software maintenance sales rising 10% to €4.9 million.

However the strongest growth was once again recorded in consulting: With numbers of new staff joining our ranks and new customer projects increasing sharply, sales were up 23% at €3.7 million.

Best half-year result in the history of ATOSS

Our results were particularly gratifying: After a highly successful first quarter, with an operating profit (EBIT) of €2.7 million we are now able to report our best half-yearly result, up by 45% compared with the year before. What's more the EBIT margin in the first six months rose to 21% (previous year: 16%), a notably high level for the software industry.

All of the other key figures were also substantially improved.

Increase in orders on hand

Orders on hand for software licenses at June 30, 2008, were up by 32% over the year before at €2.0 million, providing a continuing guarantee that our sales targets for the coming quarters will be achieved.

Further expansion in research and development

Our growth strategy is based quite decisively on the sustained development of features which clearly distinguish our software from other products. The growth we have recorded in recent years has been driven to a substantial extent by the continuous expansion of our research and development expenditure which will remain a key element in the ATOSS strategy. As personnel resources have increased, expenditure on research and development has accordingly risen by 12% to €2.4 million.

» In view of the highly successful development in the first half of 2008, ATOSS expects to generate, yet again, record results in revenues and earnings for the full year. «

Sharp rise in the workforce

The number of staff employed by the ATOSS Group passed the 200 mark in the first half-year. On June 30, 2008, the total stood at 207 compared with 188 in the year before. ATOSS was very successful during the first half in recruiting highly qualified new colleagues and integrating them to professional effect into our organization.

Forecast raised for 2008

In view of the highly successful development in the first six months of the current financial year, we now expect to substantially exceed the result of "over € 4 million" that has been forecasted for the year-end to date. We therefore look forward to another record year for both sales and earnings.

Yours truly,



Andreas F.J. Obereder
(Chief Executive Officer)



Christof Leiber
(Member of the Management Board)



Christof Leiber

Andreas F.J. Obereder

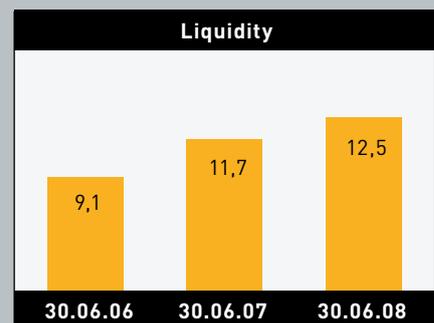
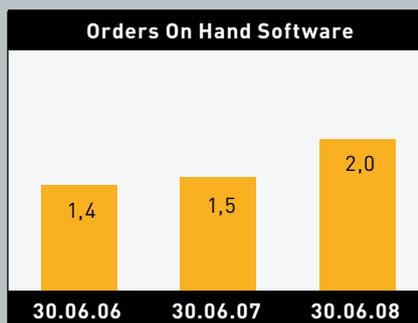
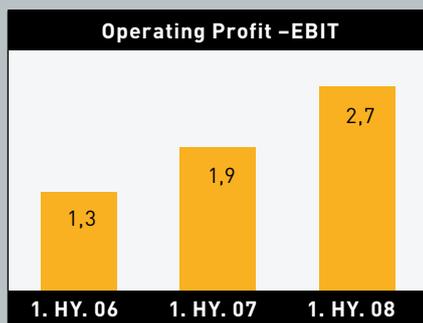
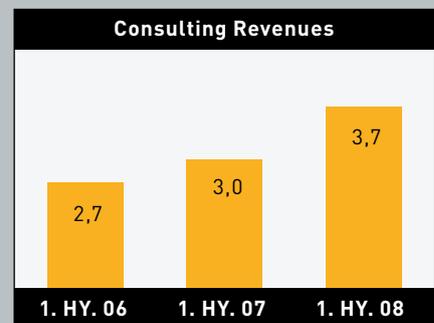
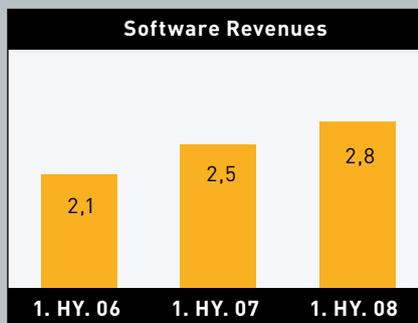
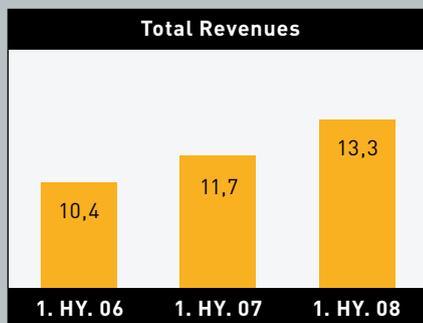
FACTS OVERVIEW

ECONOMIC BACKGROUND

High oil price and inflation put a damper on economic forecasts.
Expectations for the ICT industry clouding over.
ATOSS continues to record very strong demand.

ATOSS SOFTWARE AG

Strong growth earns ATOSS a continuing increase in market share.
Further record sales and results.

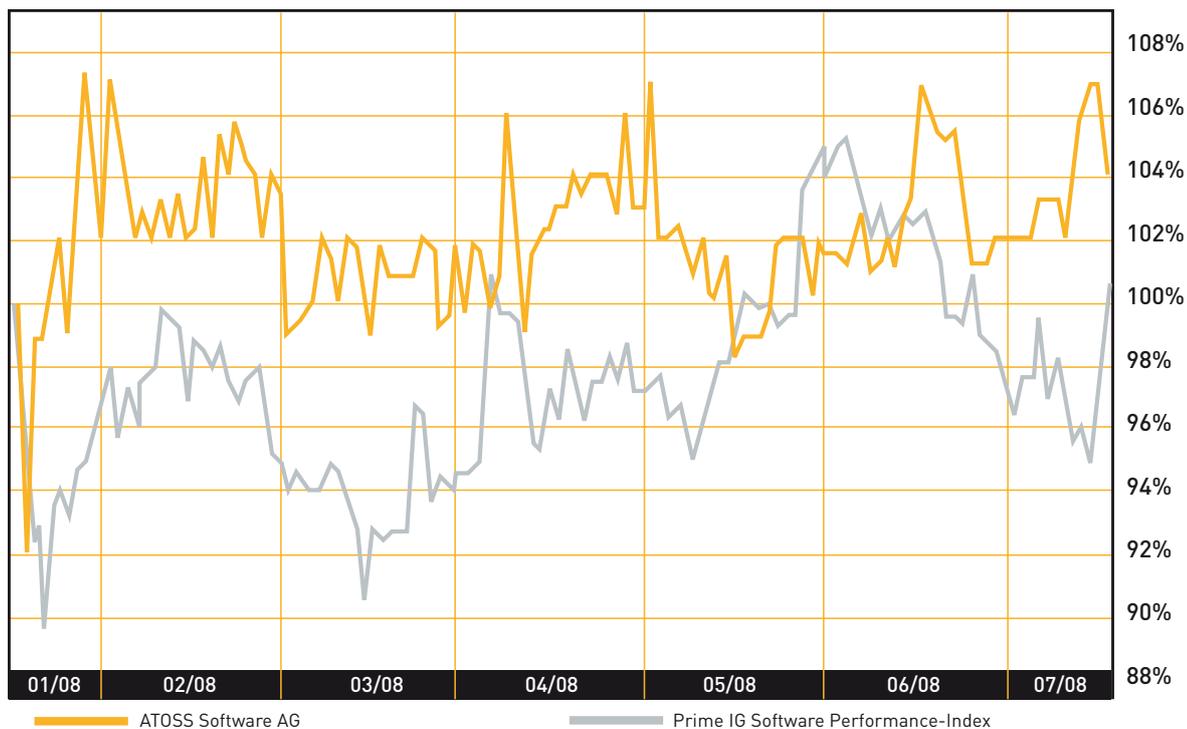


CONSOLIDATED OVERVIEW AS PER IFRS: 6-MONTH COMPARISON IN T EUR					
	2008		2007		Change 2008/2007
	to June	Proportion of total revenues	to June	Proportion of total revenues	
Software	7,713	58%	6,966	60%	11%
Software licenses	2,820	21%	2,508	22%	12%
Software maintenance	4,894	37%	4,459	38%	10%
Consulting	3,664	28%	2,978	26%	23%
Hardware	1,540	12%	1,361	12%	13%
Miscellaneous	403	3%	347	3%	16%
Total sales revenues	13,319	100%	11,653	100%	14%
EBITDA	2,916	22%	2,135	18%	37%
EBIT	2,735	21%	1,882	16%	45%
EBT	2,555	19%	2,069	18%	24%
Net income	1,731	13%	1,244	11%	39%
Cash flow	522	4%	2,239	19%	-77%
Liquidity ^{1,2}	12,472		11,743		6%
EPS (in €)	0.43		0.31		38%
Employees ³	207		188		10%

CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN T EUR					
		2008			2007
	Q2	Q1	Q4	Q3	Q2
Software	3,996	3,717	3,900	3,782	3,594
Software licenses	1,513	1,307	1,419	1,482	1,345
Software maintenance	2,484	2,410	2,481	2,300	2,249
Consulting	1,894	1,770	1,740	1,489	1,486
Hardware	814	725	678	644	664
Miscellaneous	216	186	352	184	180
Total sales revenues	6,921	6,399	6,670	6,099	5,924
EBITDA	1,521	1,395	1,050	1,020	1,147
EBIT	1,429	1,306	941	907	1,014
EBIT margin	21%	20%	14%	15%	17%
EBT	1,549	1,006	1,075	1,028	1,108
Net income	1,046	685	693	564	664
Cash flow	-2,513	3,035	-1,325	3,238	-762
Liquidity ^{1,2}	12,472	16,375	13,468	14,841	11,743
EPS (in €)	0.26	0.17	0.17	0.14	0.17
Employees ³	207	198	195	192	188

¹ Cash and marketable securities, ² Dividends of € 0.24 paid on April 24, 2007 and € 0.31 on April 30, 2008, ³ At the end of the quarter

INVESTOR RELATIONS



CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN EUR

	2008				2007
	Q2	Q1	Q4	Q3	Q2
High	8.40	8.40	9.35	9.63	9.70
Low	7.61	7.20	7.60	8.02	7.95
Share price at end of quarter	7.95	7.80	8.29	8.50	8.19
Treasury stock	29,500	29,500	31,881	65,881	65,881
Dividend paid per share	0.31	0.00	0.00	0.00	0.24
Cash flow per share	-0.63	0.76	-0.33	0.82	-0.19
Liquidity per share	3.12	4.10	3.39	3.75	2.97
EPS	0.26	0.17	0.17	0.14	0.17
EPS (diluted)	0.26	0.17	0.17	0.14	0.16

“Excellent figures”

ATOSS was prompt in presenting its figures for the financial year 2007. The excellent development in sales and earnings to the year-end, which essentially matched the latest forecast adjustment in December 2007, persuaded SES Research to stand by its buy recommendation for ATOSS stock. The target price initially remained unchanged at € 12.00.

“Strong figures prompt forecast adjustment”

The announcement of detailed figures on January 31, 2008, was cause enough for the SES Research analysts to raise the target price to € 12.50. The analysts reserved particular praise for the high level of net earnings that were ahead of expectations, as were the proposed dividend disbursements.

“Growth continues in Q1”

The provisional figures for the first quarter published on April 9, 2008, also exceeded analysts' expectations. Above all the substantial software licensing sales and very high operating profit (EBIT) in the first quarter were well ahead. In the view of the analysts at SES Research, this positive development was not reflected in the share price and the stock remained attractively priced: The analysts' model plotted the ratio of enterprise value to EBIT for 2008 at just over 4, which compares well with the substantially higher figures currently typical in the software sector. Their recommendation therefore remained to “buy”.

“A calm exception in stormy times”

In April, SES Research again turned its attention to ATOSS in an in-depth study that took a detailed look at our business model, products, references and customers, as well as technological aspects, market and competition. In addition to the specific factors which favor the success of ATOSS, such as our attractive and established positioning and the substantial barriers which deter others from entering



ATOSS Customer Strauss Innovation GmbH & Co. KG

our core market, as well as our stable business with high maintenance revenues and continuous growth in sales, SES also acknowledged the attractive price of our stock. There was particular praise for the “news flow”, that is to say our regular and reliable communication including intra-year forecast adjustments.

The analysts at SES Research perceive sales for the year 2008 reaching € 26.9 million with EBIT of € 4.5 million, prompting a new target share price of € 14.00.

AGM approves dividend

The General Meeting held on April 29, 2008 approved the proposal by the management to pay a dividend of € 0.31. The other management proposals were also adopted by a large majority. Of particular importance was the re-election of the Supervisory Board. Corporate consultant and Chairman of the Supervisory Board Mr. Peter Kirn of Böblingen and Board member Rolf Baron Vielhauer von Hohenhau, President of the Bund der Steuerzahler, of Augsburg were confirmed in office. Mr. Fritz Fleischmann of Grünwald was elected as a new member of the Supervisory Board. Mr. Fleischmann is Managing Director of Adobe Systems GmbH with responsibility for Adobe's Central and Eastern Europe business.

“ATOSS stands out from the crowd”

The publication of the figures for the first half-year moved SES Research to draw a comparison with the software sector in general, in which many companies have been forced to content themselves with mediocre figures in the current year. ATOSS, on the other hand, continues to develop strongly and can point to numbers of prominent new customers, an impressive proportion of whom are drawn from the retail sector. The sustained efficiency of our cost structure allows us to return high long-term margins.

CONSOLIDATED MANAGEMENT REPORT

1. Business and conditions: High oil price, inflation, prospects for growth clouding over

The once booming global economy fired by low interest rates contributed to the investment pressures on banks, and in doing so, ultimately itself became one of the catalysts which precipitated the subprime lending crisis, as the instruments invested in became increasingly fraught with risk. At the end of the first half of 2008, growth is slowing and the central banks are being forced to raise interest rates to combat inflation fuelled by rising oil prices. As a result, the ifo indicator for the global economy has fallen to its lowest level for six years.

The industry association BITKOM similarly expects further clouds to gather, even though demand for information and communications technology remains high. For example, 72 percent of software and IT service providers continue to expect rising sales, and more than half intend to hire additional staff.

2. Earnings situation: An outstanding first half

The continuing positive mood in the software field is also reflected in the figures recorded by ATOSS Software AG: Total sales were up 14 percent at € 13.3 million, compared with € 11.7 million in the year before. With this performance ATOSS has once again, as in the year before, achieved the highest half-year figures in its history.

Software license sales up 12 percent at € 2.8 million (previous year: € 2.5 million) remain the driving force behind our business model. Recurring maintenance revenues were increased by 10 percent from € 4.5 million to € 4.9 million.

Thanks to high levels of capacity utilization and the considerable commitment of our consultants, turnover in services again developed strongly. Consulting sales rose by 23 percent from € 3.0 million to € 3.7 million. The effects of the efforts made by ATOSS for some years now to broaden both staffing

levels and expertise are clearly evident.

Hardware sales, that is to say sales of peripheral recording equipment, also rose in the first half year, with 13 percent growth taking the total to € 1.5 million (previous year: € 1.4 million).

The operating profit (EBIT) in particular at € 2.7 million was a hefty 45 percent higher than the previous year's figure of € 1.9 million. This included a € 0.3 million lift resulting from the liquidation of overly generous provisions formed in previous years.

Earnings before taxes to June 30, 2008 came in at € 1.7 million, representing growth of 39 percent relative to the € 1.2 million recorded in the same period last year.

Earnings per share accordingly rose from € 0.31 to € 0.43.

Orders on hand for software licenses at the end of the first half amounted to € 2.0 million, up by 32 % over the previous year's figure of € 1.5 million. Against this background the company is confident that it will achieve its sales target for the financial year 2008.

3. Net assets and financial position

Liquidity (cash and marketable securities) at the end of the first half stood at € 12.5 million, compared with € 11.7 million on June 30, 2007. This was slightly down on the figure of € 13.5 million reported to December 31, 2007, due primarily to tax payments, an increase in receivables and the dividend distribution amounting to € 1.2 million.

Non-current assets increased as a result of investments in property, plant and equipment from € 1.0 million on December 31, 2007 to € 1.1 million. The rise in current assets from € 16.7 million to € 16.9 million was essentially due to the increase in receivables.

The increase in deferred taxes lifted non-current liabilities from € 1.4 million to € 1.5 million.

Current liabilities on the other hand declined from € 5.8 million at the end of 2007 to € 5.5 million due to the reduction in accruals.

As a result of the increase in net income for the period, equity rose from € 10.5 million to € 10.9 million, equating to 61 percent (previous year: 59 percent) of total capital.

Cash flow from operations to June 30, 2008 amounted to € 0.5 million (previous year: € 2.2 million) Whereas in the previous year the € 1.0 million reduction in receivables had a highly favorable effect on cash flow, the increase in receivables in the first half of this year had a € 1.1 million knock-on impact on cash flow. In addition, cash flow this year was also affected by the € 1.3 million reduction in accruals.

4. Product development

ATOSS continues to intensively pursue the development of both new and existing products. The costs of product development rose by twelve percent in the first half-year to stand at € 2.4 million, compared with € 2.2 million in the preceding year. Development costs thus represent a proportion of 18 percent of total sales, against 19 percent in the year before.

The company continues to refrain from capitalizing the expense of developing new products. All expenditure for this purpose is recognized in the income statement in the period in which it is incurred.



ATOSS Customer SportScheck GmbH

5. Employees

Over the past twelve months the number of employees has risen by 10% from 188 to 207. As of June 30, 2008 ATOSS employed 75 software developers (previous year: 61), with a further 59 staff employed in consulting (previous year: 57) and 40 in sales and marketing (previous year: 36).

Personnel costs for the first six months of the current financial year increased to € 6.6 million (previous year: € 5.8 million).

6. Risks associated with future development

There has been no change in the company's risk structure relative to the description contained in the consolidated financial statements to December 31, 2008

7. Events after the balance sheet closing date

There have been no reportable events of particular import subsequent to June 30, 2008.

8. Outlook

The company continues to enjoy strong demand from its customers. However, as clouds gather over the economic situation in general, there will be an increase in economic risks which may cause demand to decline in the medium term. Nevertheless, the Management Board remains highly confident that the positive development in business will continue in financial year 2008 and that the previous forecast for an operating profit in excess of € 4 million (previous year: € 3.7 million) will be substantially exceeded.

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET TO 30.06.08		
Assets (in EUR)	30.06.2008	31.12.2007
Non-current assets		
Tangible fixed assets (net)	610,280	529,798
Intangible assets (net)	149,171	149,841
Deferred taxes	300,829	295,319
Total non-current assets	1,060,280	974,958
Current assets		
Inventories	9,404	26,120
Trade accounts receivable (net)	3,927,486	2,833,419
Other current assets	442,969	340,627
Cash and cash equivalents	12,471,672	13,467,767
Total current assets	16,851,531	16,667,933
Total assets	17,911,811	17,642,891

CONSOLIDATED BALANCE SHEET TO 30.06.08		
Equity and liabilities (in EUR)	30.06.2008	31.12.2007
Equity		
Subscribed capital	4,025,667	4,025,667
Capital reserve	-212,770	-134,511
Treasury stock	-339,859	-406,608
Unappropriated net income	7,473,898	6,981,913
Total equity	10,946,936	10,466,461
Non-current liabilities		
Convertible bonds	29,500	35,922
Pension provisions	1,197,237	1,212,551
Deferred taxes	232,738	102,958
Total non-current liabilities	1,459,475	1,351,431
Current liabilities		
Trade accounts payable	342,260	446,476
Short-term accruals	1,696,710	3,012,888
Deferred revenues	1,623,315	1,005,811
Tax provisions	981,065	791,439
Other short-term liabilities	862,050	568,385
Total current liabilities	5,505,400	5,824,999
Total equity and liabilities	17,911,811	17,642,891

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT FROM 01.01. TO 30.06.2008				
	Quarterly report		6-months report	
	01.04.2008	01.04.2007	01.01.2008	01.0120.07
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
Sales revenues	6,920,720	5,924,052	13,319,337	11,652,831
Cost of sales	-2,251,430	-1,931,421	-4,420,423	-3,721,557
Gross profit on sales	4,669,290	3,992,631	8,898,914	7,931,273
Marketing costs	-1,359,161	-1,317,393	-2,717,409	-2,771,518
Administration costs	-717,328	-588,176	-1,324,269	-1,126,014
Research and development costs	-1,236,106	-1,095,280	-2,436,622	-2,178,183
Other operating income	72,189	21,730	313,950	26,237
Operating income (EBIT)	1,428,884	1,013,513	2,734,564	1,881,795
Interest and similar income	139,866	109,142	288,311	215,401
Interest and similar expenses	-19,891	-14,198	-467,523	-28,389
Income before taxes	1,548,859	1,108,457	2,555,352	2,068,807
Taxes on income and earnings	-502,729	-444,157	-824,556	-824,922
Net profit	1,046,130	664,300	1,730,796	1,243,885
Earnings per share (undiluted)	0.26	0.17	0.43	0.31
Earnings per share (diluted)	0.26	0.16	0.43	0.31
Average number of shares in circulation (undiluted)	3,996,167	3,959,786	3,995,586	3,957,457
Average number of shares in circulation (undiluted)	4,025,667	4,034,791	4,026,888	4,035,043



CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT FROM 01.01. TO 30.06.2008		
EUR	01.01.2008	01.01.2007
	30.06.2008	30.06.2007
Net profit	1,730,796	1,243,885
Depreciation of fixed assets	181,306	253,538
Loss (previous year, profit) incurred on the disposal of fixed assets	94	-9,496
Changes in deferred taxes	124,269	166,704
Personnel costs arising from the convertible bonds program	0	21,780
Provisions for pension commitments	-15,314	-6,015
Change in net current assets		
Trade accounts receivable	-1,094,067	992,184
Inventories and other current assets	-85,625	-64,115
Trade accounts payable	-104,238	-273,280
Short-term accruals	-1,316,178	-709,186
Deferred revenues	617,527	118,969
Tax provisions	189,626	409,463
Other short-term liabilities	293,665	94,079
Cash flow generated through business operations (1)	521,860	2,238,510
Cash flow from investment activities		
Acquisition of tangible and intangible assets	-261,212	-365,391
Disposal of tangible fixed assets	0	24,375
Cash flow generated through investment activities (2)	-261,212	-341,016
Cash flow from financing activities		
Expenditure for the purchase of treasury stock	-48,510	0
Disbursements resulting from the redemption of convertible bonds	0	-3,000
Income from the sale of treasury stock	30,579	14,977
Dividend payments	-1,238,812	-950,348
Cash flow generated through financing activities (3)	-1,256,743	-938,371
Changes in liquidity ¹ – total of (1) to (3)	-996,095	959,123
Liquidity ¹ at the beginning of the period	13,467,767	10,784,323
Liquidity ¹ at the end of the period	12,471,672	11,743,445

¹ Liquidity: Cash and marketable securities

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY



CHANGES IN CONSOLIDATED EQUITY AS OF 30.06.08					
EUR	Subscribed capital	Capital reserve	Treasury stock	Unappropriated net income	Total
As of 01.01.2007	4,025,667	362,241	-1,102,252	5,431,461	8,717,117
Net profit	0	0	0	1,243,885	1,243,885
Sale of treasury stock	0	-79,960	104,273	0	24,313
Additions deriving from convertible bonds	0	21,780	0	0	21,780
Dividende	0	0	0	-950,348	-950,348
As of 30.06.2007	4,025,667	304,061	-997,979	5,724,998	9,056,748
As of 01.01.2008	4,025,667	-134,511	-406,608	6,981,913	10,466,461
Net profit	0	0	0	1,730,796	1,730,796
Sale of treasury stock	0	-78,260	92,851	0	14,591
Purchase of treasury stock	0	0	-26,100	0	-26,100
Dividend	0	0	0	-1,238,812	-1,238,812
As of 30.06.2008	4,025,667	-212,770	-339,859	7,473,898	10,946,936

One share represents € 1 of subscribed capital

NOTES

Notes to the consolidated financial statements
to June 30, 2007

1. General

The present report has been prepared in accordance with International Financial Reporting Standards (IFRS) in compliance with IAS 1.14. In particular the report complies with the provisions contained in IAS 34 "Interim Financial Reporting". The requirements contained in German Accounting Standard (DRS) No. 6 regarding interim reporting have likewise been fulfilled.

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 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 net assets, financial position, earnings situation and cash flow conveyed by the present half-yearly financial statements accords with the true facts. This interim report has not undergone an auditors' inspection or statutory audit.

2. Reporting period

The present interim report was prepared to June 30, 2008, for the reporting period from January 1, 2008 to that date.

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 to June 30, 2008 also include all subsidiary companies:

ATOSS CSD Software GmbH, Cham
ATOSS Software Ges.mBH, Vienna, Austria
ATOSS Software AG, Zurich, Switzerland
ATOSS Software S.R.L., Timisoara, Romania

These companies are fully consolidated.

5. Changes in equity

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

6. Treasury stock

In the first six months of the financial year 9,000 treasury shares were dispensed in response to the exercise of convertible bonds and 6,619 shares were acquired to underpin the convertible bond program. On June 30, 2008 the company held 29,500 own shares acquired at an average price of € 11.52. 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	01.01.2008	01.01.2007
	30.06.2008	30.06.2007
Software licenses	2,819,569	2,507,700
Software maintenance	4,893,689	4,458,634
Total software	7,713,258	6,966,334
Consulting	3,663,822	2,977,717
Hardware	1,539,735	1,361,449
Miscellaneous	402,522	347,330
Total sales revenues	13,319,337	11,652,831

The geographic breakdown of sales revenues was as follows:

EUR	01.01.2008	01.01.2007
	30.06.2008	30.06.2007
Germany	11,827,235	10,738,898
Austria	1,064,157	676,706
Switzerland	365,717	197,255
German-speaking territories in total	13,257,109	11,612,859
Other countries	62,228	39,972
Total sales revenues	13,319,337	11,652,831

8. Personnel costs

The consolidated personnel costs to June 30, 2008 were composed as follows:

EUR	01.01.2008	01.01.2007
	30.06.2008	30.06.2007
Wages and salaries	5,531,291	4,772,471
Social security contributions and expenditure on retirement pensions and welfare	1,085,310	958,554
Effects arising from the convertible bonds program	0	21,780
Total personnel costs	6,616,601	5,752,805

9. Other operating income

In the first six months of the current financial year the company recorded other operating income in the amount of € 313,950 (previous year: € 26,237). This income essentially resulted from the liquidation of reserves formed in the previous year and valuation allowances.

10. Financial investment income and expenditure

In the first six months of the current financial year the company recorded income in the amount of € 288,311 (previous year: € 215,401) from financial investments. This was comprised of interest earnings on fixed-term and current account deposits.

The company also recorded expenses in the first half of 2008 amounting to € 467,523 (previous year: € 28,389). This figure basically included expenses in connection with a hedging transaction amounting to € 434,415 and financial costs in connection with pension provisions in the amount of € 30,139 (previous year: € 26,635).

11. Tax expenses

Consolidated tax expenses to June 30, 2008 were comprised as follows:

EUR	01.01.2008	01.01.2007
	30.06.2008	30.06.2007
Pre-tax earnings as per IFRS	2,555,352	2,068,807
Expected tax charge (2008: 32.98%, 2007: 40.86%)	-842,755	-845,315
Non-deductible operating expenses	-10,807	-9,827
Permanent differences arising from convertible bonds	0	-8,889
Differences in tax rates at consolidated companies	29,159	39,119
Tax refunds for previous years	-153	0
Actual Group tax charge	-824,556	-824,922

12. Earnings per share

The figure for earnings per share is arrived at by dividing the result for the period in the amount of € 1,730,796 by the weighted average number of shares outstanding. From January 1 to June 30, 2008 there were an average of 3,995,586 shares in circulation. Thus earnings per share for this period amounted to € 0.43, in comparison with € 0.31 in the first six months of the preceding year.

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 € 378. In addition the average number of shares outstanding is increased with the inclusion of shares potentially issued as a result of convertible bonds. From January 1 to June 30, 2008 there were an average of 31,302 convertible bonds in circulation. Thus the diluted earnings per share for this period amounted to € 0.43, in comparison with € 0.31 in the preceding year.

13. 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 of all sizes in all industries.

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.

EUR	01.01.2008	01.01.2007
	30.06.2008	30.06.2007
Sales revenues		
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	12,098,541	10,849,079
ATOSS Time Control (ATC)	1,220,796	803,752
Total sales revenues	13,319,337	11,652,831
Operating result (EBIT)		
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	2,626,065	1,751,136
ATOSS Time Control (ATC)	108,499	130,659
Total operating result (EBIT)	2,734,564	1,881,795

14. Employees

On June 30, 2008 the company employed 207 staff, in comparison with 188 on the same date in 2007.

	30.06.2008	30.06.2007
Development	75	61
Consulting	59	57
Sales and marketing	40	36
Administration	33	34
Total	207	188

15. Management Board

The company's Management Board continued to comprise two members:

Andreas F.J. Obereder	Chief Executive Officer
Christof Leiber	Management Board member

16. Supervisory Board

The company's Supervisory Board as of June 30, 2008 comprised three members:

Peter Kirn	Chairman
Fritz Fleischmann	Deputy Chairman
Rolf Baron Vielhauer von Hohenhau	Member of the Supervisory Board

Mr. Bernhard Dorn, Deputy Chairman of the Supervisory Board, passed away on February 10, 2008. By a resolution adopted by the Municipal Court of Munich, Mr. Winfried Wolf of St. Gallen was appointed as a member of the Supervisory Board on February 18, 2008. At the General Meeting held on April 29, 2008, Mr. Peter Kirn, Rolf Baron Vielhauer von Hohenhau and Mr. Fritz Fleischmann were appointed to form the new Supervisory Board. At the constituent meeting of the Supervisory Board that followed the General Meeting, Mr. Peter Kirn was elected as Chairman of the Supervisory Board and Mr. Fritz Fleischmann was chosen as his Deputy.

17. Board member shareholdings

On the reporting date of June 30, 2008, board members held the following numbers of ATOSS shares:

	30.06.2008	31.03.2008	31.12.2007	30.09.2007	30.06.2007
Andreas F.J. Obereder	1,981,184	1,981,184	1,981,184	1,981,184	1,981,184
Peter Kirn	29,760	29,760	29,760	23,760	23,760
Rolf Baron Vielhauer von Hohenhau	0	5,675	5,675	0	0

18. Convertible bonds held by board members

On June 30, 2008, board members held the following number of bonds convertible into ATOSS shares:

	30.06.2008	31.03.2008	31.12.2007	30.09.2007	30.06.2007
Christof Leiber	5,000	5,000	5,000	10,000	10,000

19. Convertible bonds

In the first six months of financial year 2008 some 9,000 convertible bonds were exercised. On June 30, 2008 there were 29,500 convertible bonds outstanding.

Details of outstanding convertible bonds held by board members and employees are summarized in the following table:

	Exercise price in €	Outstanding options	Contractual validity in years	Possible rights remaining to be exercised as of 30.06.2008
Board members				
	6.18	5,000	3.0	5,000
Employees				
	3.52	2,000	2.2	2,000
	3.97	3,000	3.4	3,000
	6.18	19,500	3.0	19,500
Total		29,500		29,500

20. Notifiable participating interests

In the first six months of financial year 2008 the company received no notifications regarding changes in participating interests pursuant to §§ 21 ff. of the German Securities Trading Act.

21. Business transactions with closely related persons

A business relationship exists with the wife of the Chief Executive Officer, from whom the company rents business premises in Meerbusch. The premises concerned comprise 1,176 m² of office space for rental costs in the amount of € 114,402 (previous year: € 114,402) were incurred which in the first six months of the year 2008.

Moreover the wife of the Chief Executive Officer provides services to the company. In the first six months of the year 2008 the value of these services amounted to € 3,120 (previous year: € 6,396).

The company is satisfied that the terms agreed for these transactions are standard market terms.

22. Dividend

By a resolution adopted by the General Meeting on April 29, 2008, in accordance with the proposal by the Management Board and Supervisory Board a dividend of € 0.31 per share was paid on April 30, 2008, representing a total distribution of € 1,238,812.

23. Events after the balance sheet closing date

There have been no reportable events of particular import subsequent to June 30, 2008.

ASSURANCE BY THE LEGAL REPRESENTATIVES

Assurance by the legal representatives

We hereby give an assurance to the best of our knowledge and belief that in accordance with the applicable interim reporting standards these interim consolidated financial statements convey an impression of the net assets, financial position and earnings situation of the Group which accords with the true facts; and that the development in business including the results and the situation of the Group are so described in the interim consolidated management report as to convey an impression which likewise accords with the true facts; and that the essential opportunities and risks associated with the anticipated development of the Group in the remainder of the financial year are so described.

Munich, August 22, 2008



Andreas F.J. Obereder
(Chief Executive Officer)



Christof Leiber
(Management Board member)

CORPORATE CALENDAR

DATES 2008	
October 24, 2008	Press release announcing the 9-monthly statements
November 11, 2008	Analysts' conference - Kongress Zentrum, Frankfurt
November 21, 2008	Publication of the 9-monthly financial statements
January 31, 2009	Press release announcing the annual financial statements for 2008

DISCLAIMER

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 cause the actual performance and earnings of ATOSS Software AG to 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.

IMPRINT

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