

LETTER TO SHAREHOLDERS

**Dear Shareholders,
Ladies and Gentlemen,**

in this year we marked the 20th anniversary of our undertaking with an appropriate celebration shared with our employees, customers, suppliers and business partners. And we are all the more delighted to be able to highlight this anniversary with some notable successes:

Just a few weeks after our birthday party at Munich's Park Café, we were able to make the surprise announcement that in view of the excellent third quarter we are raising our forecast for the year-end result from EUR 3.0 million to EUR 3.4 million. This will be another record result for ATOSS.

Eight quarters of uninterrupted growth

Once again in the third quarter of 2007, our sales growth continued unabated: We have now been recording uninterrupted rises in sales for eight consecutive quarters.

Over the first nine months of the financial year we are showing a solid increase of eleven percent, against nine percent in the year before. The rate of corporate growth has thus actually accelerated this year.

This development is driven by the sale of software licenses, which over the first nine months and in the third quarter increased by 19 %.

The growth we are recording in software licensing significantly outstrips the market as a whole, which according to various sources is growing at around 6 %. We are accordingly succeeding in increasing our market share in our key markets of working time management and personnel resource planning.

Orders on hand increased in 2007

Even though we have substantially increased our sales of software licenses, orders on hand still rose by eight percent over the past nine months.

It is this order book that underpins our forecast for coming quarters: On the basis of the projects we are currently implementing for our customers we are in a position to reliably predict sales and therefore also results in the coming quarters.

Further record results on the horizon

With such a high level of additional sales, while costs have risen marginally we have been able to realize substantial growth in revenues.

The figure by which we measure our success, our earnings from operations before interest and taxes (EBIT), rose by 33 % in the first nine months. By September 30, 2007, we had already overtaken our earnings (EBIT) in financial year 2006 as a whole.

We are therefore confident that we shall end the 20th year in the history of ATOSS with another record result.

Strong cash flow, strong liquidity

In the first nine months of the year ATOSS generated a cash flow of € 5.5 million from operations (previous year: € 5.4 million), equivalent to 31 % of sales. Despite paying a dividend amounting to € 1.0 million, liquidity accordingly rose from € 10.8 at the start of the year to € 14.8 million as of September 30, 2007.

» Record results in the jubilee year «

Thus ATOSS continues to dispose over first-class financial resources.

Continuing product development

The ongoing development of our range of products and services is of outstanding importance in underpinning our strategy of sustained and sustainable growth. We aim to continue to build upon the unique selling points represented by our products and services and in so doing lay the foundation for future growth. Our expenditure on research and development up to September 30, 2007, stood at €3.4 million (previous year: €2.8 million).

For our customers, this means continuing technical as well as functional improvements in working time management and personnel resource planning.

Year-end forecast raised once again

The excellent results in the first nine months coupled with the continuing high level of orders on hand have given us cause to raise our year-end EBIT forecast once again from €3.0 million to €3.4 million.

As in the past, we regard this target as entirely achievable even if the order situation should prove unfavorable.



Yours truly

A handwritten signature in blue ink, appearing to read 'A. Obereder'.

Andreas F.J. Obereder
(Chief Executive Officer)

A handwritten signature in blue ink, appearing to read 'C. Leiber'.

Christof Leiber
(Member of the Management Board)

FACTS OVERVIEW

ECONOMIC BACKGROUND

Stanch investment climate in Germany
Information technology remains the engine of growth

ATOSS SOFTWARE AG

ATOSS continues to post record results
Demand for ATOSS products remains strong
On course for continued growth

CONTACT

ATOSS Software AG
Am Moosfeld 3
D-81829 München

Fon +49.89.4 27 71-0
Fax +49.89.4 27 71-100
www.atoss.com
info@atoss.com

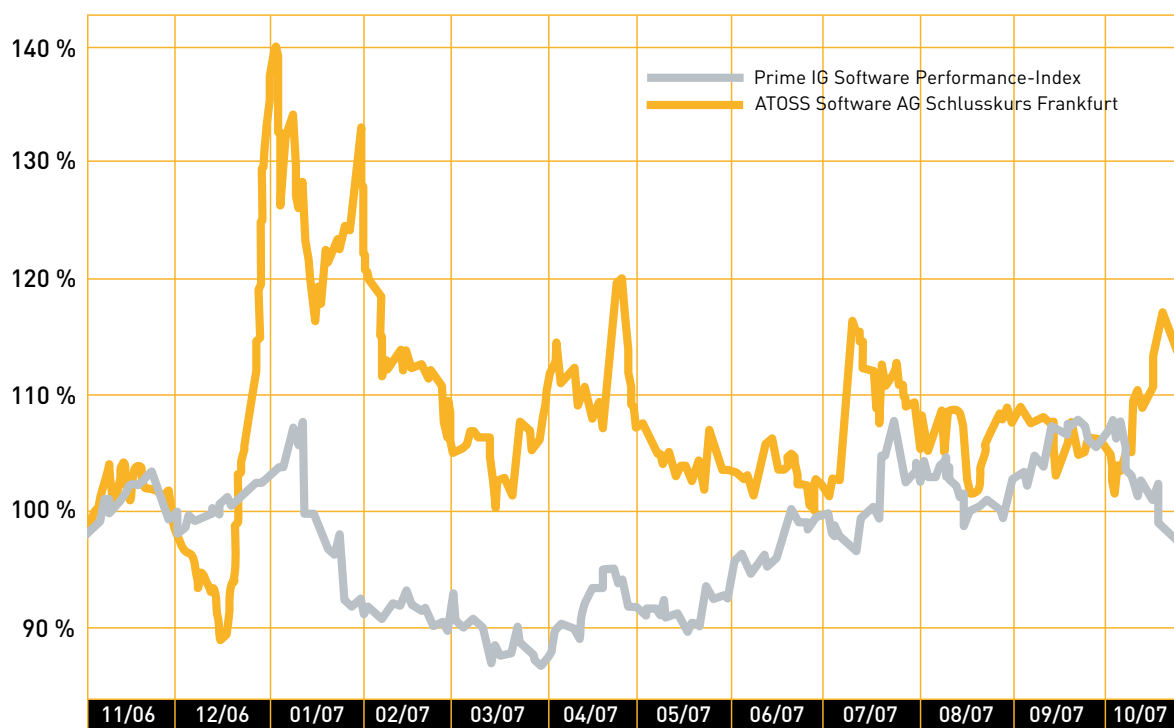
CONSOLIDATED OVERVIEW AS PER IFRS: 9-MONTH COMPARISON IN T EUR					
	2007		2006		Change 2007 / 2006
	to September	Proportion of total revenues	to September	Proportion of total revenues	
Software	10,748	61%	9,470	59%	13%
Software licences	3,990	22%	3,360	21%	19%
Software maintenance	6,758	38%	6,110	38%	11%
Consulting	4,467	25%	4,069	26%	10%
Hardware	2,005	11%	1,906	12%	5%
Other	532	3%	486	3%	9%
Total sales revenue	17,752	100%	15,930	100%	11%
EBITDA	3,155	18%	2,412	15%	31%
EBITCB ¹	2,822	16%	2,177	14%	30%
EBIT	2,789	16%	2,095	13%	33%
EBT	3,097	17%	2,385	15%	30%
Net Income	1,808	10%	1,396	9%	29%
Cashflow	5,477	31%	5,358	34%	2%
Liquidity ^{2,3,5}	14,841		11,664		27%
EPS (in €)	0.46		0.36		28%
Employees ⁴	192		171		12%

CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN T EUR					
	2007		2006		
	Q3	Q2	Q1	Q4	Q3
Software	3,782	3,594	3,373	3,459	3,346
Software licences	1,482	1,345	1,163	1,252	1,248
Software maintenance	2,300	2,249	2,210	2,206	2,098
Consulting	1,489	1,486	1,492	1,489	1,361
Hardware	644	664	697	904	648
Other	184	180	167	209	184
Total sales revenue	6,099	5,924	5,729	6,061	5,538
EBITDA	1,020	1,147	988	798	910
EBITCB ¹	918	1,024	879	690	819
EBIT	907	1,014	868	684	802
EBT	1,028	1,108	960	809	856
Net Income	564	664	580	488	542
Cashflow	3,238	-762	3,000	-1,045	2,600
Liquidity ^{2,3,4}	14,841	11,743	13,619	10,784	11,664
EPS (in €)	0.14	0.17	0.15	0.12	0.14
Employees ⁴	192	188	180	169	171

¹EBIT before costs of employees' convertible bonds participation scheme; ²Liquid assets and marketable securities;

³Dividend of € 0,24 paid on April 27, 2007; ⁴at the end of the quarter

INVESTOR RELATIONS



CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN T EUR

	2007				2006
	Q3	Q2	Q1	Q4	Q3
High	9.63	9.70	11.21	10.34	8.15
Low	8.02	7.95	8.00	6.76	6.65
Share price at end of quarter	8.50	8.19	8.58	10.34	7.00
Treasury stock	65,881	65,881	65,881	76,054	97,221
Dividend paid per share	0.00	0.24	0.00	0.00	0.00
Cash flow per share	0.82	-0.19	0.76	-0.27	0.66
Liquidity per share	3.75	2.97	3.44	2.75	2.98
EPS	0.14	0.17	0.15	0.12	0.14
EPS (diluted)	0.14	0.16	0.14	0.12	0.13

Strong start to the new year

Towards the end of 2006 the ATOSS stock price rose sharply to reach a high of over € 11 around the turn of the year.

However once ATOSS had achieved its forecast targets and begun the year, in line with its conservative forecasting policy, by predicting a moderate outlook for 2007, on January 8 analysts switched their rating from "buy" to "hold".

„Running ATOSS“

With the rating remaining unchanged, as part of a comprehensive analysis of the company in February 2007 the target price for our stock was lifted to € 11.00.

In view of the initially cautious outlook for the year-end, in the following weeks of the first quarter the share price declined steadily.

However the balance sheet press conference and our presentation on Small- and Mid-cap Day at the CeBIT computer fair on March 19, 2007, generated increasing interest and the downward trend was halted.

“Attractively priced”

On March 23, 2007, analysts at SES Research stood by the anticipated target share price and raised their rating to "buy". With the company's annual meeting pending and a dividend of € 0.24 proposed, the share price staged a recovery prior to the AGM.



ATOSS Customer Allgaier Werke GmbH

“ATOSS on course for growth”

Despite further buy recommendations, for example on April 17, 2007, and again when the full quarterly figures were presented on April 24, the share price once again lost ground during the second quarter.

“Outstanding Q2”

When the company made an ad hoc announcement on July 8 this year reporting excellent Q2 results, despite being underpinned by a welcome analysts' assessment, the stock price rose only briefly.

“Slight forecast adjustment”

Following publication of the complete Q2 figures and an adjustment in the company's forecast, SES Research also lifted its earnings target from € 0.48 to € 0.54 per share. Nevertheless the stock price continued to drift sideways in the third quarter.

“Excellent figures once again”

The further improvement in outlook notified in an ad hoc announcement on October 10, 2007, which lifted the forecast result to € 3.4 million prompted SES Research to hike earnings per share to € 0.57 and raise its target share price to € 11.50.

As a result the stock price has been rising since mid October.

MANAGEMENT REPORT

1. Business and conditions: Upturn on hold

According to the consensus of opinion among the leading economic research institutes, the upturn in the economy is currently on hold. With the financial markets in turmoil, fiscal policy is putting a damper on domestic demand. The situation is further exacerbated by the sharp rise in the oil price and the rising value of the euro. Nevertheless there are presently no signs of a downturn, since the German economy continues to enjoy fundamentally good conditions.

Indeed, it is these good conditions that underpin the strong and sustained order situation at ATOSS, leading to eight consecutive quarters of growth.

However, ATOSS attaches less importance to the economy per se than to successfully addressing its core markets with future-oriented products which bring customers the benefits of increased efficiency.

The focus here remains on the consolidation of organic growth in all areas of business and relevant markets.

2. Earnings situation: Continuing strong growth in 2007 – eight growth quarters in succession

In the first nine months of the year consolidated sales rose by 11 %, bringing the total to € 17.8 million, against € 15.9 million in the year before.

Once again this growth was driven by revenues from the sale of software licenses, which climbed 19 % from € 3.4 million to € 4.0 million. Software licenses are the central pillar supporting the company's business model, in that they are followed up by recurring maintenance revenues, services and hardware sales.

Orders received for software licenses declined slightly in the first nine months of the financial year to stand at € 4.1 million (previous year: € 4.3 million).

However in the same period, software licensing orders on hand rose by 8 % from € 1.3 million to € 1.4 million. Thus the order book continues to underpin the reliability of our forward planning for future quarters.

Software maintenance sales from January to September also increased from € 6.1 million to € 6.8 million, representing growth of 11 %.

Consulting revenues rose by 10 % from € 4.1 million to € 4.5 million in the first nine months of the year.

Hardware, too, showed an increase with sales to September 30, 2007, rising 5% to € 2.0 million (previous year: € 1.9 million).

Given that the increase in sales clearly outstripped the growth in costs, the company has achieved some substantial improvements in results: The operating profit (EBIT) of € 2.8 million (previous year: € 2.1 million) already exceeds the full-year figure for 2006 and as such represents the best 9-month result in the company's history.

The effects of the Enterprise Tax Reform 2008 have been considered in the third quarter – as far as deferred taxes are concerned which will turn in or after 2008.

By September 30, 2007, earnings after taxes had reached € 1.8 million, up by 29 % over the previous year's figure of € 1.4 million.

Earnings per share at the end of Q3 stood at 46 cent (previous year: 36 cent).

3. Net assets and financial position

The excellent results and in particular the decline in receivables from € 3.7 million to € 2.4 million helped to ensure strong cash flow from operations amounting to € 5.5 million, up by 2 % over the previous year's figure of € 5.4 million. Due in particular to maintenance invoiced on June 30, 2007, deferred revenues increased to € 3.4 million (December 31, 2006: € 1.5 million). As in the past, however, this figure will decline once more by the year end.

Despite the dividend payment totaling € 1.0 million approved by the Annual General Meeting on April 26, 2007, since the beginning of the year liquidity has nevertheless been increased from € 10.8 million to € 14.8 million.

The company thus continues to enjoy excellent funding and is in a position to fulfil its liabilities.

Similarly in this context equity increased from € 8.7 on December 31, 2006, to € 9.6 million as of September 30, 2007. The equity ratio now stands at 52 %, against 55 % at the end of 2006.

4. Product development

ATOSS is intensively engaged in the development of both new and existing products. Expenditure on product development in the current financial year has accordingly risen by 21 % to € 3.4 million (previous year: € 2.8 million), with the relative proportion of total sales rising from 18 % to 19 %.

5. Employees

ATOSS currently employs 64 software developers (previous year: 51) engaged in the development of our software products to support working time management and personnel resource planning. The total number of employees in 2007

has risen from 169 to 192 (previous year: 171). Of these, 38 (previous year: 41) are engaged in sales and marketing and 56 (previous year: 48) 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. Events after the balance sheet closing date

There have been no reportable events of particular import subsequent to September 30, 2007.

8. Outlook

In parallel with the announcement of key figures for the first nine months on October 10, 2007, the company again raised its forecast for the current year.

With moderate growth in sales, the Management Board now expects earnings before interest and taxes to be at least € 3.4 million, compared with its previous forecast of € 3.0 million for the current year.

The company envisages no change in its conservative forecasting policy.

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET TO SEPTEMBER 30, 2007		
Assets EUR	30.09.2007	31.12.2006
Current assets		
Cash	14,836,657	10,779,750
Marketable securities	4,573	4,573
Trade accounts receivables	2,402,235	3,675,459
Inventories	15,232	12,267
Other current assets	402,835	372,036
Total current assets	17,661,532	14,844,085
Non-current assets		
Tangible fixed assets (net)	510,569	373,373
Intangible assets (net)	110,956	125,284
Deferred taxes	299,416	395,271
Total non-current assets	920,941	893,928
Total assets	18,582,473	15,738,013

CONSOLIDATED BALANCE SHEET TO SEPTEMBER 30, 2007		
Equity and liabilities EUR	30.09.2007	31.12.2006
Short-term liabilities		
Trade accounts payable	341,246	526,526
Short-term provisions	2,229,181	2,381,674
Deferred revenues	3,384,175	1,501,730
Tax provisions	626,540	504,061
Other short-term liabilities	546,137	552,705
Total short-term liabilities	7,127,279	5,466,696
Long-term liabilities		
Convertible bonds	69,502	81,421
Pension provisions	1,218,010	1,219,232
Deferred taxes	535,847	253,547
Total long-term liabilities	1,823,359	1,554,200
Equity		
Subscribed capital	4,025,667	4,025,667
Capital reserve	314,951	362,241
Treasury stock	-997,979	-1,102,252
Unappropriated retained earnings	6,289,196	5,431,461
Total equity	9,631,835	8,717,117
Total equity and liabilities	18.582.473	15,738,013

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM JANUARY 01 TO SEPTEMBER 30, 2007				
EUR	Quarterly report		9-months report	
	01.07.2007 30.09.2007	01.07.2006 30.09.2006	01.01.2007 30.09.2007	01.01.2006 30.09.2006
Sales Revenues	6,099,154	5,538,262	17,751,985	15,930,378
Cost of sales	-1,906,836	-1,788,920	-5,628,394	-5,171,075
Gross profit on sales	4,192,318	3,749,341	12,123,591	10,759,303
Marketing costs	-1,470,614	-1,369,960	-4,242,132	-4,477,133
Administration costs	-675,394	-651,080	-1,801,408	-1,860,193
Research and development costs	-1,206,231	-920,912	-3,384,414	-2,788,917
Other operation income	67,137	-5,070	93,374	462,071
Operating profit (EBIT)	907,215	802,319	2,789,011	2,095,131
Interest and similar income	134,083	70,157	349,484	338,972
Interest and similar expenses	-13,144	-16,610	-41,534	-49,538
Earnings before taxes	1,028,154	855,866	3,096,961	2,384,565
Taxes	-463,957	-314,217	-1,288,879	-988,148
Net income for the period	564,197	541,648	1,808,082	1,396,416
Earnings per share (undiluted)	0.14	0.14	0.46	0.36
Earnings per share (diluted)	0.14	0.13	0.45	0.35
Average number of shares in circulation (undiluted)	3,959,786	3,924,859	3,958,242	3,907,678
Average number of shares in circulation (diluted)	4,032,286	4,039,408	4,034,114	4,037,745



CONSOLIDATED CASHFLOW STATEMENT

CONSOLIDATED CASHFLOW STATEMENT FOR THE PERIOD FROM JANUARY 01 TO SEPTEMBER 30, 2007		
EUR	01.01.2007	01.01.2006
	30.09.2007	30.09.2006
Net income for the period	1,808,082	1,396,416
Depreciation of fixed assets	366,438	317,213
Loss incurred on the disposal of fixed assets	-7,596	16,601
Change in deferred taxes	378,154	90,449
Personnel costs arising from convertible bonds program	32,670	82,358
Provisions for pension commitments	-1,223	5,083
Changes in net current assets		
Trade accounts receivables	1,273,224	1,141,155
Other current assets, prepayments and deferrals	-33,764	-9,167
Trade accounts payable	-185,279	-424,469
Short-term provisions	-152,493	443,946
Deferred revenues	1,882,445	2,332,160
Tax provisions	122,478	182,117
Other short-term liabilities	-6,568	-216,354
Cashflow generated through business operations	5,476,569	5,357,508
Cashflow from investment activities		
Fixed assets acquired	-481,710	-247,987
Cashflow generated through investment activities	-481,710	-247,987
Cashflow from financing activities		
Income from sale of treasury stock	15,396	185,336
Disbursement resulting from the redemption of convertible bonds	-3,000	0
Dividend payments	-950,348	-21,466,506
Unrealized exchange losses on financial resources	0	16
Cashflow generated through financing activities	-937,952	-21,281,154

CHANGES IN CONSOLIDATED EQUITY



ATOSS Customer EDEKA Minden-Hannover Holding GmbH

CHANGES IN CONSOLIDATED EQUITY AS OF SEPTEMBER 30, 2007

EUR	Subscribed capital	Capital reserve	Treasury stock	Unappropriated retained earnings	Changes in equity not recognized in the Income Statement	Total
As of Jan. 01, 2006	4,025,667	450,013	-1,670,304	25,013,111	18	27,818,505
Net income for the period	0	0	0	1,396,416	0	1,396,416
Sales of treasury stock	0	-142,355	379,273	0	0	236,918
Additions deriving from convertible bonds	0	82,358	0	0	0	82,358
Dividends	0	0	0	-21,466,506	0	-21,466,506
Unrealized exchange losses	0	0	0	0	16	16
As of 30.09.2006	4,025,667	390,016	-1,291,031	4,943,022	34	8,067,708
As of 01.01.2007	4,025,667	362,241	-1,102,252	5,431,461	0	8,717,117
Net income for the period	0	0	0	1,808,082	0	1,808,082
Sales of treasury stock	0	-79,960	104,273	0	0	24,313
Additions deriving from convertible bonds	0	32,670	0	0	0	32,670
Dividends	0	0	0	-950,348	0	-950,348
As of 30.09.2007	4,025,667	314,951	-997,979	6,289,196	0	9,631,835

NOTES

Notes to the consolidated financial statements
to September 30, 2007

1. General

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

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 quarterly 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 September 30, 2007, for the reporting period from January 01 to that date.

3. Currency

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

4. Group of consolidated companies

Der Konzernabschluss beinhaltet neben dem Mutterunternehmen, ATOSS Software AG, München, die Abschlüsse sämtlicher Tochtergesellschaften:

In addition to the parent company ATOSS Software AG, Munich, the interim report also includes all subsidiary companies:

ATOSS CSD Software GmbH, Cham
ATOSS Software Ges.mbH, Vienna
ATOSS Software AG, Zurich
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

As of September 30, 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	01.01.2007	01.01.2006
	30.09.2007	30.09.2006
Software licences	3,989,971	3,359,824
Software maintenance	6,758,284	6,110,271
Total Software	10,748,255	9,470,095
Consulting	4,466,952	4,068,570
Hardware	2,005,131	1,905,721
Other amounts	531,647	485,992
Total sales revenues	17,751,985	15,930,378

The geographic breakdown of sales revenues was as follows:

EUR	01.01.2007	01.01.2006
	30.09.2007	30.09.2006
Germany	16,374,578	14,629,366
Austria	1,013,932	948,261
Switzerland	288,951	250,674
German-speaking territories in total	17,677,461	15,828,301
Other countries	74,524	102,077
Total sales revenues	17,751,985	15,930,378

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	01.01.2007	01.01.2006
	30.09.2007	30.09.2006
Sales revenues		
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	16,470,481	14,817,252
ATOSS Time Control (ATC)	1,281,504	1,113,126
Total sales revenues	17,751,985	15,930,378
Operating profit (EBIT)		
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	2,535,430	1,411,283
ATOSS Time Control (ATC)	253,581	246,112
AENEIS	0	437,736
Total operating profit (EBIT)	2,789,011	2,095,131

9. Other operating income

Other operating 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 September 30, 2007, were composed as follows:

EUR	01.01.2007	01.01.2006
	30.09.2007	30.09.2006
Pre-Tax profit as per IFRS	3,096,961	2,384,565
Anticipated tax charge (40,86%)	-1,265,418	-974,333
Non-deductible operating expenses	-15,147	-18,642
Permanent differences arising from convertible bonds	-13,349	-33,652
Differences in tax rates at consolidated companies	5,035	38,479
Total tax expenses	-1,288,879	-988,148

11. Personnel costs

The consolidated personnel costs to September 30, 2007, were composed as follows:

EUR	01.01.2007	01.01.2006
	30.09.2007	30.09.2006
Wages and salaries	7,451,847	7,074,117
Social security contributions and expenditure on retirement pensions and welfare	1,482,610	1,288,165
Effects arising from convertible bonds programs	32,670	82,358
Total personnel costs	8,967,127	8,444,640

12. Employees

On September 30, 2007, the company employed 192 staff, in comparison with 171 on the same date in 2006. Of these, 64 (previous year: 51) were engaged in product development, 56 (previous year: 48) in consulting, services & support and 38 (previous year: 41) in sales and marketing.

13. Management Board

The company's Management Board as of September 30, 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 September 30, 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 September 30, 2007, board members held the following numbers of ATOSS shares:

	30.09.2007	30.06.2007	31.03.2007	31.12.2006	30.09.2006
Andreas F.J. Obereder	1,981,184	1,981,184	1,981,184	1,981,184	1,976,184
Peter Kirn	23,760	23,760	23,760	23,760	23,760
Bernhard Dorn	19,000	19,000	19,000	19,000	19,000

Similarly on the qualifying date of September 30, 2007, board members having subscribed to convertible bonds held the following options on ATOSS shares:

	30.09.2007	30.06.2007	31.03.2007	31.12.2006	30.09.2006
Andreas F.J. Obereder	0	0	0	0	0
Christof Leiber	10,000	10,000	10,000	10,000	15,500
Peter Kirn	6,000	6,000	6,000	6,000	6,000
Bernhard Dorn	6,000	6,000	6,000	6,000	6,000
Rolf Baron Vielhauer von Hohenhau	12,000	12,000	12,000	12,000	12,000

16. Convertible bonds

In the first nine months of financial year 2007 some 10,173 convertible bonds were exercised and 3,000 such bonds were returned. On September 30, 2007, there were 72,500 convertible bonds outstanding.

Details of outstanding convertible bonds held by board members and employees as of September 30, 2007, are summarized in the following table:

	Exercise price in EUR	Outstanding options	Contractual validity in years	Possible rights remaining to be exercised as of 30.09.2006
Board members				
	4.01	24,000	3.9	24,000
	6.18	10,000	3.7	10,000
		34,000		34,000
Staff members				
	3.52	13,000	3.0	13,000
	3.97	3,000	4.1	1,500
	6.18	22,500	3.7	22,500
		38,500		37,000
Total		72,500		71,000

17. Details of reportable securities transactions

In the first nine months of the 2007 financial year 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 € 1,808,082 by the weighted average number of shares outstanding. From January 01 to September 30, 2007, there were an average of 3,958,242 shares in circulation. Thus earnings per share for this period amounted to € 0.46, in comparison with € 0.36 in the first nine months of 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 € 1,340. 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 01 to September 30, 2007, there were an average of 75,872 convertible bonds in circulation. Thus the diluted earnings per share for this period amounted to € 0.45, in comparison with € 0.35 in the preceding year.

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.

IMPRINT

RESPONSIBLE

ATOSS Software AG
Am Moosfeld 3
D-81829 München
Fon +49.89.4 27 71-0
Fax +49.89.4 27 71-100
www.atoss.com

CONTACT INVESTOR RELATIONS

ATOSS Software AG
Investor Relations
Christof Leiber
Fon +49.89.4 27 71-265
Fax +49.89.4 27 71-100
Christof.Leiber@atoss.com

DESIGN

designfactory-munich.de

REPRESENTATIVES

Germany

ATOSS Düsseldorf
+49.2150.9 65-0

ATOSS Frankfurt
+49.69.66 05 99-0

ATOSS Hamburg
+49.40.27 81 63-0

ATOSS Stuttgart
+49.711.7 28 73 20-0

AFFILIATED COMPANIES

ATOSS CSD Software GmbH, Cham
+49.99 71. 85 18-0

Austria

ATOSS Ges.mbH, Vienna
+43.1.7 17 28-334

Switzerland

ATOSS Software AG, Zurich
+41.44.3 08 39-56

