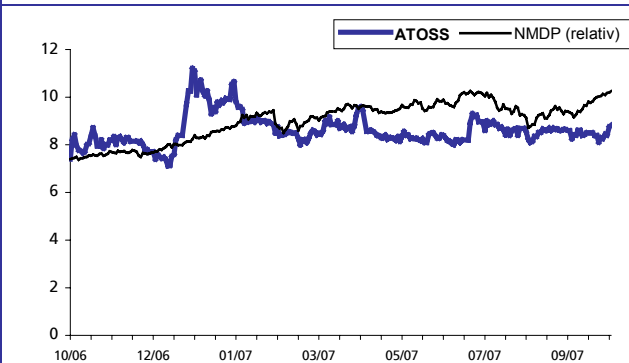


**Buy** Risk: **Target:** **EUR 11.50**  
(old: buy) medium

**Very strong figures again**

Bloomberg: DE0005104400 Price: EUR 8.82  
Reuters: AOFG.DE Tech-AS: 1.097,26  
ISIN: AOF  
Internet: www.ATOSS.com  
Segment: Prime Standard  
Sector: Software/IT



Price data: Bloomberg 11.10.2007/ closing price

High / Low 52 W: EUR 11.80 / EUR 6.99  
Market capitalisation: EUR 35.54 m  
No. of shares: 4.03 m

Sharehold- Free float 41.5%  
Founder's family 55.5%  
Own shares 3.0%

Termine:

**Analysis: SES Research**

**Published on: October 12, 2007**  
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The ATOSS Software AG announced the preliminary figures for the third quarter of this financial year on October 10, 2007. The figures have excelled our expectations.

Q3 2007				
	reported	expected	delta	previous year value
<b>Sales</b>	<b>6.10</b>	<b>5.80</b>	<b>5.1%</b>	5.5
<b>EBITDA</b>	-	-	-	-
<i>Margin</i>	-	-	-	-
<b>EBIT</b>	<b>0.90</b>	<b>0.78</b>	<b>14.9%</b>	0.8
<i>Margin</i>	14.8%	13.5%		14.5%
<b>EBT</b>	-	-	-	-
<i>Margin</i>	-	-	-	-
<b>EpS</b>	-	-	-	-

EpS in €, all other stated in EURm

Growth in the license business in particular proved to be very strong (+19% up to a level of 1.5 EUR m in Q3/07). Our estimate of 1.1 EURm was clearly topped and this had a positive effect on the earnings.

In this context ATOSS raises its guidance for this financial year once again. The company now anticipates an EBIT in a minimum of 3.4 EUR m for this financial year and has thus arrived on the level of our hitherto estimate.

End financial year	12/05	12/06	12/07e	12/08e	12/09e
Key data per share in EUR, all other in EURm, price: 8.82 EUR					
<b>Sales</b>	20.4	22.0	24.2	25.6	27.3
Sales (old)			23.6	25.1	26.9
Delta			3.0%	1.8%	1.7%
<b>EBITDA</b>	1.2	3.2	4.1	4.1	4.4
<i>Margin</i>	5.83%	14.60%	16.83%	16.04%	16.05%
EBITDA (old)			3.9	4.0	4.3
Delta			5.5%	1.9%	1.7%
<b>EBIT</b>	0.6	2.8	3.6	3.6	3.8
<i>Margin</i>	2.77%	12.64%	14.83%	14.04%	14.05%
EBIT (alt)			3.4	3.5	3.8
Delta			5.9%	1.9%	1.7%
<b>Net earnings</b>	0.5	1.9	2.3	2.5	2.7
<i>Margin</i>	2.23%	8.57%	9.52%	9.84%	9.89%
Net earnings (old)			2.2	2.5	2.7
Delta			5.5%	1.7%	1.6%
<b>Earnings per share</b>	0.11	0.46	0.57	0.61	0.66
Earnings per share (old)			0.54	0.60	0.65
Delta			5.6%	1.7%	1.5%
<b>Cash flow per share</b>	0.42	1.06	0.68	0.74	0.79
Cash-Flow je Aktie (alt)			0.65	0.73	0.78
Delta			4.6%	1.4%	1.3%
<b>Dividend per share</b>	5.50	0.24	0.28	0.30	0.32
<i>Dividend yield</i>	62.36%	2.72%	3.17%	3.40%	3.63%
Dividend (old)			0.27	0.30	0.32
Delta			3.7%	0.0%	0.0%
<b>EV/SALES</b>	1.18	1.09	0.99	0.94	0.88
<b>EV/EBITDA</b>	20.22	7.50	5.90	5.86	5.49
<b>EV/EBIT</b>	42.60	8.66	6.69	6.69	6.27
<b>PER</b>	80.18	19.17	15.47	14.46	13.36
<b>ROCE</b>	1.8%	12.7%	26.7%	24.5%	24.0%
<b>Adj. free cash flow yield</b>	28.4%	11.4%	15.9%	16.0%	17.1%



On the background of an EBIT at already 2.8 EURm for the first nine months of this year, this estimate now seems to be a bit too conservative as Q4 would traditionally be an exceptionally strong quarter within the software industry.

We adjust our estimates slightly upwards and we raise our price target to 11.50 EUR. The rating remains at "Buy".

## Key figures (ATOSS Software)

P&L (EUR m)	2006	2007e	2008e	2009e	Price Data	
Sales	22.0	24.2	25.6	27.3	Share Price (EUR)	8.82
Cost of Sales	7.2	7.6	8.7	9.3	Market Cap. (EUR m)	36
Gross Profit	14.8	16.6	16.9	18.0	Enterprise Value (EUR m)	24
Marketing and Administrative exp.	6.0	5.6	5.8	6.2		
R&D	3.9	4.5	4.5	4.8	<b>Share Key Data</b>	
Other Operating Income	-0.5	0.0	0.0	0.0	Earnings per Share (EUR)	0.46 0.57 0.61 0.66
EBITDA	3.2	4.1	4.1	4.4	Sales per Share (EUR)	5.40 5.94 6.25 6.66
Depreciation and Amortisation	0.4	0.5	0.5	0.5	Free Cash Flow per Share (EUR)	0.98 1.03 0.63 0.67
- thereof Goodwill Amortisation	0.0	0.0	0.0	0.0	Dividend per Share (EUR)	0.24 0.28 0.30 0.32
EBIT	2.8	3.6	3.6	3.8	<b>Valuation Key Data</b>	
Financial Result	0.4	0.3	0.3	0.3	P/E	19.17 15.47 14.46 13.36
Extraordinary Result	0.0	0.0	0.0	0.0	P/Sales	1.63 1.48 1.41 1.32
EBT	3.2	3.8	3.9	4.2	EV/Sales	1.09 0.99 0.94 0.88
Taxes	1.3	1.5	1.4	1.5	EV/EBITDA	7.50 5.90 5.86 5.49
Net Profit before Minorities	1.9	2.3	2.5	2.7	EV/EBIT	8.66 6.69 6.69 6.27
Net Profit	1.9	2.3	2.5	2.7	P/Book	4.09 3.61 3.20 2.85
Dividend Payout	1.0	1.1	1.2	1.3	Dividend Yield	2.7% 3.2% 3.4% 3.6%
					<b>No. of shares (million)</b>	
<b>Cash-Flow</b>	<b>2006</b>	<b>2007e</b>	<b>2008e</b>	<b>2009e</b>	Ordinary shares out	4.07 4.08 4.10 4.10
Cash Flow from Operations	2.3	2.8	3.0	3.2		
Free Cash Flow	4.0	4.2	2.6	2.8	<b>Profitability</b>	
Capex	0.3	0.4	0.4	0.4	EBITDA-margin	14.6% 16.8% 16.0% 16.0%
					EBIT-margin	12.6% 14.8% 14.0% 14.0%
<b>Balance sheet (EUR m)</b>	<b>2006</b>	<b>2007e</b>	<b>2008e</b>	<b>2009e</b>	EBT-margin	14.5% 15.9% 15.1% 15.2%
Fixed Assets	0.4	0.4	0.5	0.5	Net Profit-margin	8.6% 9.5% 9.8% 9.9%
Intangible Assets	0.1	-0.1	-0.2	-0.4	ROE	21.6% 23.4% 22.6% 21.7%
Net Working Capital	3.2	1.4	1.5	1.6	ROA	12.0% 12.2% 12.4% 12.3%
Current Assets	15.2	18.7	20.2	21.9	ROCE	12.7% 26.7% 24.5% 24.0%
Cash and Cash Equivalents	10.8	13.9	15.2	16.6		
Equity	8.7	9.9	11.1	12.5	<b>Company profile</b>	
Provisions	4.1	4.1	4.1	4.1	The ATOSS Software AG is one of the leading providers of time management in Germany. The software of the company founded in 1987 was introduced to the market in 1991 and covers with its mature products all demands of a professional personnel management. ATOSS has the typical formation of a IT product company (sales of software, maintenance and service, hardware) and has currently roughly 171 employees.	
Financial Liabilities	0.1	0.1	0.1	0.1		
Net Cash	10.7	13.8	15.1	16.5		
Total	15.7	19.0	20.4	22.0		
Reporting standard	IFRS	IFRS	IFRS	IFRS		
Fiscal year end	31.12.2006	31.12.2007	31.12.2008	31.12.2009		
<b>Growth rates</b>	<b>2006</b>	<b>2007e</b>	<b>2008e</b>	<b>2009e</b>		
Sales	7.7%	10.3%	5.6%	6.7%		
EBITDA	169.7%	27.1%	0.7%	6.7%		
EBIT	391.8%	29.4%	0.0%	6.7%		
EBT	186.6%	20.5%	0.7%	7.3%		
Net Profit	314.0%	22.5%	9.1%	7.3%		
Dividend	-95.6%	17.9%	6.0%	6.7%		
<b>Cost intensities</b>	<b>2006</b>	<b>2007e</b>	<b>2008e</b>	<b>2009e</b>	<b>Management</b>	
COGS	32.6%	31.5%	34.0%	34.0%	Andreas Obereder, Christof Leiber	
Marketing & Administrative / Sales	27.4%	23.0%	22.7%	22.7%		
R&D / Sales	17.9%	18.7%	17.7%	17.7%		
					<b>Shareholders</b>	
					Streubesitz	44.56%
					Familie Obereder	55.44%

Sources: company (reporting), SES Research (estimates and key figures), Bloomberg (share price data)

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