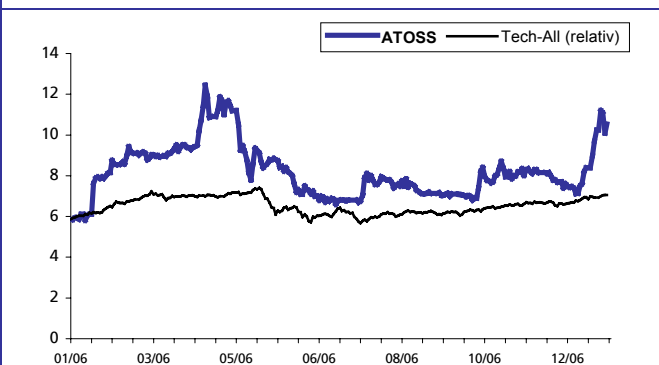


Hold Risk: **Target price: EUR 10.20**
(old: Hold) medium

Strong figures – high dividend

Bloomberg: DE0005104400 Price: EUR 10.64
Reuters: AOFG.DE Tech-AS: 1,009.36
ISIN: AOF
Internet: www.ATOSS.com
Segment: Prime Standard
Sector: Software/IT



Share data: Bloomberg 30.01.2007/ closing price

High / Low 52 W: EUR 12.89 / EUR 6.60
Market capitalisation: EUR 42.84 m
Shares out: 4.03 m

Shareholders: Free Float 42.7%
Founders family 55.4%
Own shares 1.9%

Calendar:

Analysis: SES Research

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ATOSS Software AG presented the figures for the fiscal year 2006 on Jan 31, 2007. The reported sales size was in line with our estimates and the EBIT was slightly higher. The earnings per share were noticeably above our expectations due to a good financial result.

	Fiscal Year 2006			previous year-value
	reported	expected	delta	
Sales	21.99	22.01	-0.1%	20.4
EBITDA	3.21	3.15	2.1%	1.2
<i>Margin</i>	14.6%	14.3%		5.8%
EBIT	2.78	2.70	2.8%	0.6
<i>Margin</i>	12.6%	12.3%		2.8%
Net income	1.89	1.71	10.0%	0.5
<i>Margin</i>	8.6%	7.8%		2.3%
EpS	0.48	0.42	14.0%	0.12

EpS in EUR, all other in EUR m

Table 1; source: ATOSS Software AG, SES Research

The dividend was also better than our projection and with EUR 0.24 per share (dividend payout for 2006) it is on the upper end of the notified payout rate of 30%-50% of the annual net profit. On the basis of a more conservative dividend policy we assumed the payout to be on a lower level and had anticipated a dividend of EUR 0.15. The higher dividend pays account to the fact that the company has considerable financial funds in a size of EUR 11 m respectively of EUR 2.75 per share. It still would have to be mentioned that the company is still slightly overfunded.

Atoss looks back to a very successful year and the vendor of working time management software was able to record strong license proceeds. Even though the guidance was raised two times, Atoss has still exceeded its own targets.

The company expects to achieve a slight earnings growth next year. The reference size is an EBIT of EUR 2.4 m, which is adjusted by one-off effects of EUR 0.4 m from the selling of ANEIS. Our current EBIT estimate of EUR 3.0 m seems therefore ambitious but manageable. In our next publication we will revise our estimates based on the figures supplied today.

At present we see no reason to change our rating ("Hold").



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