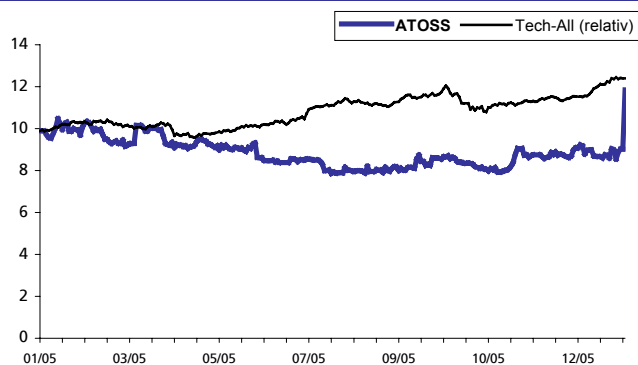


Rating: Buy (unchanged)**Target Price:** 10,35 €

ISIN: DE0005104400 Price: 11,95 €
 Reuters: AOFG.F Tech-AS: 825,17
 Bloomberg: AOF
 Internet: www.ATOSS.com
 Segment: Prime Standard
 Sector: Software/IT



Price quote/date+time: 24.01.06 / 13:08 CET
 Market capitalisation: 48,11 Mio. €
 High / Low 52 weeks: 10,62€ / 7,76 €
 No. Of shares: (fully diluted) 4,03 Mio.

Shareholders: Free float 40,0%
 Founder's family 54,9%
 Own shares 5,1%

Calendar: Figures 2005 31.01.2006
 Annual report 2005 17.03.2006

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ATOSS in fit of generosity

On 24th January 2006 the ATOSS Software AG announced to propose the distribution of an extra dividend in an amount of 5,50 € per share to the general meeting taking place on 2nd May this year. We assume that this will be accepted.

The company's actual liquid assets amounted to c. 28,8 €m per 30.09.05 – this being c. 7,55 € per share. The liquid funds generally decrease at the end of a year, but at the end of 2005 it should still have been clearly above 7,00 € per share.

Operative Cash Flow in th€

1997	1998	1999	2000	2001	2002	2003	2004	2005e
598	741	1.710	-4.487	2.811	4.065	3.504	1.640	1.650

table 1; source: ATOSS

Except for the year of its IPO in 2000, ATOSS has always generated strongly positive cash flows. We believe that the company will be able to keep or even to increase this level in the future and this should provide for further organic growth. After the special distribution of fund the equity capital quota should still be at 55-60% (previous quota c. 80%).

Under balance sheet aspects and the operative considerations the payment of 5,50 € per share is a positive move in our belief. It is also proving that ATOSS starts the new fiscal year with a strong assertiveness.

Due to this background we will revise our prognoses and most likely raise the hitherto price target of 10,35€ once the figures for the fiscal year 2005 will be published.

End fiscal year	12/04	12/05e	12/06e	12/07e	CAGR
Sales	21,8	19,5	20,0	22,4	0,8%
EBITDA	2,1	0,4	1,2	2,6	6,7%
<i>Margin</i>	9,67%	2,25%	5,95%	11,47%	
EBIT	1,2	-0,4	0,4	1,7	10,8%
<i>Margin</i>	5,63%	-1,85%	1,95%	7,47%	
Net profit	0,9	0,0	0,3	1,2	12,5%
<i>Margin</i>	4,02%	-0,14%	1,67%	5,59%	
EpS	0,22	-0,01	0,08	0,31	12,4%
Dividend	0,11	0,00	0,03	0,12	3,7%
<i>ROI</i>	0,92%	0,00%	0,28%	1,03%	
EpS in €, all other in €, Price: 11,95 €					
Price/Sales	2,21	2,47	2,40	2,15	
P/E	55,33	n.m.	145,29	39,01	
EV/Sales	0,96	1,07	1,04	0,93	
EV/EBITDA	9,88	47,43	17,50	8,13	