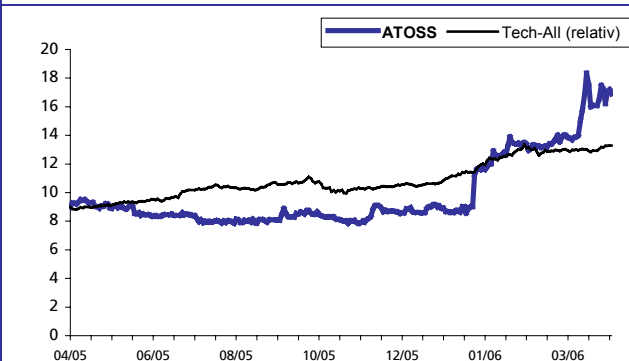


Hold Risk: **Target: 15,00 €** **Strong Q1**
(old: Hold) medium

Bloomberg: DE0005104400 Price: 16,90 €
Reuters: AOFG.DE Tech-AS: 935,75
ISIN: AOF
Internet: www.ATOSS.com
Segment: Prime Standard
Sector: Software/IT



Price data: Bloomberg 26.04.2006 / closing price

High / Low 52 W: 19,00 € / 7,80 €
Market capitalisation: 68,04 €m
No. of shares: 4,03 million

Shareholders: Free float 40,0%
Founders family 54,9%
Own shares 5,1%

Calendar: AGM 02.05.2006
Figures Q1/06 25.05.2006
Figures Q2/06 23.08.2006

Analysis: SES Research

Published: 27.04.2006
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Atoss Software AG announced the figures for Q1 2006 on 27th April 2006. The figures were in line with expectations (see table), but it must be mentioned that the figures include an extraordinary effect in a size of +0,4 €m). This effect is caused by the selling of AENEIS (please also read our News-Flash dated 23.12.06).

	Q1 2006			Y-o-Y
	reported	prognosis	delta	
Sales	5,12	5,15	-0,64%	5,0
EBITDA	0,81	0,87	-6,78%	0,2
Margin	-	16,89%		3,42%
EBIT	0,71	0,66	6,97%	0,0
Margin	-	12,82%		n.m.
Net income	0,50	0,46	8,04%	0,0
Margin	-	8,93%		n.m.
EpS	0,13	0,11	18,18%	0,00

EpS in €, all other in €m

Table 1; source: ATOSS, SES Research

The crucial point of today's figures was yet the outlook. The company plans to achieve an EBIT-margin of at least 8% respectively an EBIT of 1,7 €m.

End fiscal year	12/05	12/06e	12/07e	12/08e	CAGR
Sales	20,4	21,6	23,5	25,5	7,7%
Sales (old)		21,4	23,2	-	
Delta		0,9%	1,1%		
EBITDA	1,2	2,9	3,4	4,1	51,1%
Margin	5,83%	13,43%	14,52%	16,07%	
EBITDA (old)		2,3	3,1	-	
Delta		26,1%	9,9%	n.a.	
EBIT	0,6	2,0	2,5	3,1	76,0%
Margin	2,77%	9,43%	10,52%	12,07%	
EBIT (old)		1,5	2,2	-	
Delta		35,8%	12,2%	n.a.	
Net income	0,5	1,3	1,5	1,9	59,7%
Marge	2,23%	6,07%	6,41%	7,26%	
Net income (old)		1,0	1,3	-	
Delta		31,2%	15,6%	n.a.	
EpS	0,11	0,32	0,37	0,45	59,2%
EpS (old)		0,24	0,31	-	
Delta		34,3%	18,8%	n.a.	
Dividend	0,11	5,50	0,13	0,16	12,9%
Yield	0,65%	32,54%	0,76%	0,94%	
Dividend (old)		5,50	0,10	0,13	
Delta		0,0%	31,8%	26,2%	

EpS in €, all other in €m, price: 16,90 €

With this statement the company upped its own prognosis and also beat our expectations so far. The described one-off effect, a good utilisation ratio, and the acquisition of several new interesting customers makes us believe that the new guidance will rather describe the lower end of the companies possibilities. In this context the company also underlined its „conservative prognosis policy“.

ATOSS sees further potential arising from continuing the positive trend of the two recent quarters. The premium-market (higher end of the mid-size enterprise market and also major clients) could also continue to pick up speed. The ending personnel expenses from the staff participation programme will probably also have a positive effect on the earnings upon mid-term view.

We assume that the sales revenues will stay on an almost equal level despite the selling of the AENEIS software – but we believe that the result will be improved. Our prognoses are thus slightly more optimistic than the company guidance.

In this context we raise our price target to 15,00 € (respectively 9,50 € after payout). Our rating maintains at Hold Rating.

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