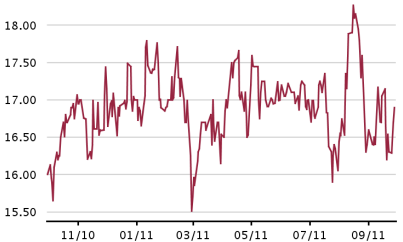


Buy (old: Buy)

PT EUR 22.00 (old: 22.00)

Price EUR 16.90
 Bloomberg AOF GR
 Reuters AOFG
 Sector Software/IT

Software solutions provider for the workforce management with typical sales split between licenses, services, maintenance



Share data: 13.10.2011 / Closing price

Market cap: EUR 67.2 m
 Enterprise Value (EV): EUR 48.3 m
 Book value: EUR 20.2 m
 No. of shares: 4.0 m
 Trading volume Ø: EUR 28.6 th

Shareholders:
 Founding Family 55.7 %
 Free Float 42.5 %
 own shares 1.8 %

Calendar:
 Pre. figures Q3 10/24/11
 Figures Q3 11/14/11

Change	2011E		2012E		2013E	
	old	Δ%	old	Δ%	old	Δ%
Sales	31.1	0	33.3	0.0	35.6	0
EBIT	7.0	0	7.5	0.0	8.1	0
EPS	1.22	9.0	1.31	5.3	1.40	5.0

Analysis: Warburg Research
 Date of publication: 14.10.2011
 Analyst: Felix Ellmann
 +49 (0)40-309537-120
 fellmann@warburg-research.com

Another set of record figures

On October 13, 2011 ATOSS Software AG posted **key figures for Q3** and the first nine months of FY 2011 respectively:

Figures in EUR m	Q3/11	Q3/11e	Q3/10	yoy	9M/11	9M/11e	9M/10	yoy
Sales	7.5	7.7	7.2	4.8%	23.3	23.5	21.4	8.7%
EBIT	1.6	1.8	1.8	-13.5%	5.5	5.7	5.3	3.4%
margin	21.2%	23.4%	25.7%		23.5%	24.2%	24.7%	
EBT	2.3	2.0	1.8	24.3%	6.6	6.3	5.3	24.1%
margin	30.5%	26.0%	25.7%		28.2%	26.8%	24.7%	
EPS in EUR	0.45	0.38	0.34	n.a.	1.13	1.06	0.95	n.a.

Sources: ATOSS Software (historical data), Warburg Research (estimates)

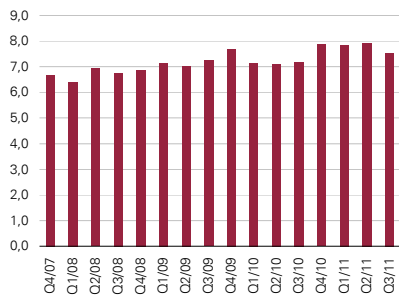
The reported figures are more or less in line with expectations and reach **new record highs** driven by continuous growth. Net earnings were particularly strong. This is attributable to the good financial result. Based on the solid operating development and the strong financial result, net earnings estimates can be slightly increased.

- **Solid overall development:** the quarter can basically be characterised by another good overall development. Order entry and order backlog also developed pleasantly and provide the basis for further growth in the next few quarters.
- **New promising interface technology:** first growth momentum was also provided by the new ATOSS Connector for the SAP time management (ATOSS Connector for SAP ERP HCM PT), which synchronises shared master data and variable data "online" between the SAP time management and the ATOSS personnel resource planning software. **As such ATOSS systematically taps the large market of SAP time management customers for personnel resource planning for the first time.** Data is exchanged via modern web service technology.

The estimates are slightly increased on the basis of the presented figures. **The PT of EUR 22 is kept unchanged. Buy rating reiterated.**

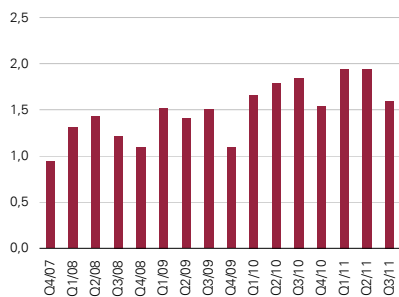
Fiscal year ending: 31.12.	2007	2008	2009	2010	2011E	2012E	2013E
in EUR m							
Sales	24.4	26.9	29.1	29.3	31.1	33.3	35.6
Change Sales yoy	11.1 %	10.3 %	8.0 %	0.8 %	6.2 %	7.0 %	7.0 %
Gross balance	16.5	18.1	19.4	20.0	20.9	22.3	23.9
Gross margin	67.7 %	67.1 %	66.7 %	68.1 %	67.0 %	67.0 %	67.0 %
EBITDA	4.2	5.4	5.9	7.3	7.4	8.0	8.5
EBITDA-margin	17.2 %	20.1 %	20.3 %	24.9 %	23.9 %	23.9 %	23.9 %
EBIT	3.7	5.0	5.5	6.8	7.0	7.5	8.1
EBIT-margin	15.3 %	18.7 %	19.0 %	23.3 %	22.6 %	22.6 %	22.6 %
Net income	2.5	3.5	4.0	4.8	5.3	5.5	5.8
EPS	0.63	0.88	1.00	1.21	1.33	1.38	1.47
Free Cash Flow per share	0.87	0.51	1.77	0.83	0.62	1.36	1.43
Dividend	0.31	0.44	0.50	0.60	0.67	0.69	0.74
Dividend Yield	1.8 %	2.6 %	3.0 %	3.6 %	4.0 %	4.1 %	4.4 %
EV/Sales	2.0	1.8	1.7	1.6	1.6	1.4	1.2
EV/EBITDA	11.5	8.9	8.2	6.6	6.5	5.7	5.0
EV/EBIT	13.0	9.6	8.8	7.1	6.9	6.0	5.3
PER	26.8	19.2	16.9	14.0	12.7	12.2	11.5
ROCE	34.3 %	39.8 %	36.5 %	38.0 %	34.0 %	32.1 %	30.4 %
Adj. Free Cash Flow Yield	8.0 %	10.5 %	11.5 %	14.2 %	14.5 %	16.5 %	19.0 %

Sales development
in EUR m



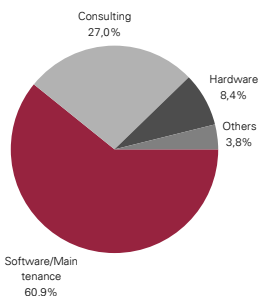
Source: ATOSS Software

EBIT development
in EUR m



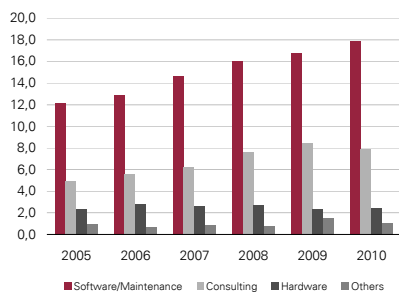
Source: ATOSS Software

Sales by segments
2010



Source: ATOSS Software

Sales Split according to segments
in EUR m



Source: ATOSS Software

Company background

ATOSS Software AG is a provider of software and services to optimise the deployment. With its solutions ATOSS optimises personnel processes and thus improves the service level, the efficiency as well as the employee and customer satisfaction. The company has assumed a leading position particularly in the German speaking area: 4,000 companies and approx. 2.5 m employees use ATOSS solutions from SMEs to blue chip companies.

Competitive quality

As to competition ATOSS primarily benefits from the following strengths:

- ATOSS has a leading software product (state-of-the-art Java technology)
- ATOSS is specialised in regions and sectors (country-specific employment conditions in the DACH region and reproduction of working processes in the core sectors)
- ATOSS is independent of manufacturers (no commitment to hardware of large software manufacturers)
- The solutions of ATOSS are highly compatible (e.g. seamless integration in ERP systems possible)
- The financial stability and balance sheet quality of ATOSS are excellent.
- ATOSS is a relatively large supplier (compared to competitors who are often considerably smaller; this is quite important for ATOSS)

Consolidated Profit & Loss ATOSS							
in EUR m							
	2007	2008	2009	2010	2011E	2012E	2013E
Sales	24.4	26.9	29.1	29.3	31.1	33.3	35.6
Cost of sales	7.9	8.9	9.7	9.4	10.3	11.0	11.8
Gross balance	16.5	18.1	19.4	20.0	20.9	22.3	23.9
Research and development	4.6	5.1	5.6	6.0	5.9	6.3	6.8
Sales and marketing	5.8	5.6	5.8	4.8	5.6	6.0	6.4
General and administration	2.5	2.7	2.5	2.5	2.6	2.8	3.0
Other operating income/expenses	0.1	0.3	0.0	0.1	0.3	0.3	0.4
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	4.2	5.4	5.9	7.3	7.4	8.0	8.5
Depreciation of fixed assets	0.3	0.3	0.3	0.4	0.3	0.4	0.4
EBITA	3.9	5.1	5.6	6.9	7.1	7.6	8.1
Amortisation of intangible fixed assets	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Impairment charges and amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	3.7	5.0	5.5	6.8	7.0	7.5	8.1
Interest income	0.5	0.6	0.4	0.2	0.8	0.6	0.6
Interest expenses	0.1	0.5	0.0	0.1	0.1	0.1	0.1
Financial result	0.4	0.1	0.3	0.1	0.7	0.5	0.5
Recurring pretax income from cont. operations	4.2	5.1	5.9	7.0	7.7	8.0	8.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	4.2	5.1	5.9	7.0	7.7	8.0	8.6
Taxes total	1.7	1.6	1.9	2.2	2.5	2.6	2.7
Net income from continuing operations	2.5	3.5	4.0	4.8	5.3	5.5	5.8
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	2.5	3.5	4.0	4.8	5.3	5.5	5.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	2.5	3.5	4.0	4.8	5.3	5.5	5.8

Sources: ATOSS (historical data), Warburg Research (forecasts)

Consolidated Profit & Loss ATOSS							
in % of Sales							
	2007	2008	2009	2010	2011E	2012E	2013E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	32.3 %	32.9 %	33.3 %	31.9 %	33.0 %	33.0 %	33.0 %
Gross balance	67.7 %	67.1 %	66.7 %	68.1 %	67.0 %	67.0 %	67.0 %
Research and development	19.0 %	19.0 %	19.4 %	20.3 %	19.0 %	19.0 %	19.0 %
Sales and marketing	23.6 %	20.7 %	19.9 %	16.2 %	18.0 %	18.0 %	18.0 %
General and administration	10.4 %	9.8 %	8.5 %	8.7 %	8.4 %	8.4 %	8.4 %
Other operating income/expenses	0.5 %	1.2 %	0.1 %	0.5 %	1.0 %	1.0 %	1.0 %
Unfrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	17.2 %	20.2 %	20.3 %	24.9 %	23.9 %	23.9 %	23.9 %
Depreciation of fixed assets	1.4 %	1.1 %	1.0 %	1.2 %	1.1 %	1.1 %	1.1 %
EBITA	15.9 %	19.1 %	19.3 %	23.6 %	22.8 %	22.8 %	22.8 %
Amortisation of intangible fixed assets	0.6 %	0.3 %	0.3 %	0.3 %	0.2 %	0.2 %	0.2 %
Impairment charges and amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	15.3 %	18.7 %	19.0 %	23.3 %	22.6 %	22.6 %	22.6 %
Interest income	2.0 %	2.3 %	1.3 %	0.7 %	2.6 %	1.8 %	1.7 %
Interest expenses	0.2 %	2.0 %	0.1 %	0.3 %	0.3 %	0.3 %	0.3 %
Financial result	1.8 %	0.3 %	1.2 %	0.4 %	2.3 %	1.5 %	1.4 %
Recurring pretax income from cont. operations	17.1 %	19.0 %	20.1 %	23.7 %	24.9 %	24.1 %	24.0 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBT	17.1 %	19.0 %	20.1 %	23.7 %	24.9 %	24.1 %	24.0 %
Taxes total	6.8 %	6.0 %	6.5 %	7.4 %	8.0 %	7.7 %	7.7 %
Net income from continuing operations	10.2 %	13.0 %	13.6 %	16.4 %	16.9 %	16.4 %	16.3 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income before minorities	10.2 %	13.0 %	13.6 %	16.4 %	16.9 %	16.4 %	16.3 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	10.2 %	13.0 %	13.6 %	16.4 %	16.9 %	16.4 %	16.3 %

Sources: ATOSS (historical data), Warburg Research (forecasts)

Balance sheet ATOSS

in EUR m

	2007	2008	2009	2010	2011E	2012E	2013E
Assets							
Intangible assets	0.2	0.1	0.1	0.1	0.1	0.0	-0.1
thereof other intangible assets	0.2	0.1	0.1	0.1	0.1	0.0	-0.1
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.5	0.6	0.8	2.8	5.0	5.0	5.0
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	0.7	0.7	0.9	2.9	5.0	5.0	4.9
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	2.8	3.5	4.3	3.1	3.8	4.0	4.3
Other Assets	0.6	1.3	1.2	1.1	1.7	1.9	2.1
Liquid assets	13.5	14.0	19.3	20.7	20.8	23.5	26.5
Current assets	17.0	18.7	24.8	24.8	26.3	29.4	32.9
Total assets	17.6	19.4	25.7	27.8	31.3	34.4	37.8
Liabilities and shareholders' equity							
Subscribed capital	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Additional paid-in capital	-0.1	-0.2	-0.3	-0.4	-0.4	-0.4	-0.4
Surplus capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other equity components	6.6	8.7	11.0	13.9	16.5	19.4	22.6
Book value	10.5	12.5	14.7	17.6	20.2	23.1	26.2
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	10.5	12.5	14.7	17.6	20.2	23.1	26.2
Provision for pensions and similar obligations	1.2	1.2	1.9	1.7	1.7	1.7	1.7
Provisions	5.0	4.5	5.7	2.8	2.9	3.0	3.1
Financial liabilities	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Accounts payable	0.4	0.2	0.7	0.8	0.8	0.9	1.0
Other liabilities	1.7	2.2	4.6	6.6	7.4	7.4	7.4
Liabilities	7.2	7.0	11.0	10.3	11.2	11.4	11.6
Total liabilities and shareholders' equity	17.6	19.4	25.7	27.8	31.3	34.4	37.8

Sources: ATOSS (historical data), Warburg Research (forecasts)

Balance sheet ATOSS

in % of Balance Sheet Total

	2007	2008	2009	2010	2011E	2012E	2013E
Assets							
Intangible assets	0.9 %	0.7 %	0.4 %	0.5 %	0.2 %	0.0 %	-0.2 %
thereof other intangible assets	0.9 %	0.7 %	0.4 %	0.5 %	0.2 %	0.0 %	-0.2 %
thereof Goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Property, plant and equipment	3.0 %	2.9 %	3.1 %	10.1 %	15.9 %	14.5 %	13.2 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Fixed assets	3.9 %	3.6 %	3.5 %	10.6 %	16.1 %	14.5 %	13.1 %
Inventories	0.2 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	16.1 %	17.8 %	16.7 %	11.0 %	12.1 %	11.6 %	11.4 %
Other Assets	3.6 %	6.6 %	4.6 %	3.8 %	5.4 %	5.5 %	5.6 %
Liquid assets	76.5 %	72.2 %	75.2 %	74.4 %	66.4 %	68.3 %	70.0 %
Current assets	96.4 %	96.6 %	96.5 %	89.3 %	83.9 %	85.5 %	86.9 %
Total assets	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Liabilities and shareholders' equity							
Subscribed capital	22.9 %	20.8 %	15.7 %	14.5 %	12.9 %	11.7 %	10.7 %
Additional paid-in capital	-0.8 %	-1.3 %	-1.2 %	-1.4 %	-1.2 %	-1.1 %	-1.0 %
Surplus capital	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other equity components	37.4 %	44.8 %	42.8 %	50.1 %	52.7 %	56.4 %	59.8 %
Book value	59.5 %	64.3 %	57.2 %	63.2 %	64.4 %	67.0 %	69.4 %
Minority Interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total equity	59.5 %	64.3 %	57.2 %	63.2 %	64.4 %	67.0 %	69.4 %
Provision for pensions and similar obligations	6.9 %	6.1 %	7.3 %	6.3 %	5.6 %	5.1 %	4.6 %
Provisions	28.5 %	23.2 %	22.3 %	10.1 %	9.3 %	8.8 %	8.3 %
Financial liabilities	0.2 %	0.1 %	0.1 %	0.3 %	0.2 %	0.2 %	0.2 %
Accounts payable	2.5 %	1.2 %	2.7 %	2.8 %	2.6 %	2.6 %	2.7 %
Other liabilities	9.5 %	11.5 %	17.8 %	23.7 %	23.6 %	21.5 %	19.6 %
Liabilities	40.8 %	36.0 %	42.8 %	36.9 %	35.7 %	33.1 %	30.6 %
Total liabilities and shareholders' equity	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Sources: ATOSS (historical data), Warburg Research (forecasts)

Statement of Cash Flows ATOSS

in EUR m

	2007	2008	2009	2010	2011E	2012E	2013E
Net income	2.5	3.5	4.0	4.8	5.3	5.5	5.8
Depreciation of fixed assets	0.3	0.3	0.3	0.4	0.3	0.4	0.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Increase/decrease in long-term provisions	0.0	0.0	0.7	-0.1	0.0	0.0	0.0
Other costs affecting income / expenses	0.0	0.1	2.9	0.0	0.0	0.0	0.0
Cash Flow	2.9	4.0	8.0	5.1	5.7	5.9	6.3
Increase / decrease in inventory	0.0	-0.6	0.1	0.1	0.0	0.0	0.0
Increase / decrease in accounts receivable	0.8	-0.6	-0.8	1.2	-0.7	-0.2	-0.3
Increase / decrease in accounts payable	-0.1	-0.2	0.5	0.1	0.0	0.1	0.1
Increase / decrease in other working capital positions	0.4	-0.1	-0.1	-0.7	0.0	0.0	0.0
Increase / decrease in working capital	1.2	-1.5	-0.4	0.7	-0.7	-0.1	-0.2
Cash flow from operating activities	4.2	2.5	7.6	5.8	4.9	5.8	6.1
CAPEX	-0.7	-0.4	-0.6	-2.5	-2.5	-0.4	-0.4
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-0.7	-0.4	-0.6	-2.5	-2.5	-0.4	-0.4
Change in financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	-1.0	-1.2	-1.7	-2.0	-2.4	-2.7	-2.7
Purchase of own shares	0.0	-0.3	0.0	0.0	0.0	0.0	0.0
Capital measures	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	-0.8	-1.5	-1.7	-1.9	-2.4	-2.7	-2.7
Change in liquid funds	2.7	0.6	5.3	1.4	0.1	2.7	2.9
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets at end of period	13.5	14.0	19.3	20.7	20.8	23.5	26.5

Sources: ATOSS (historical data), Warburg Research (forecasts)

Financial Ratios ATOSS

	2007	2008	2009	2010	2011E	2012E	2013E
Operational Efficiency							
Total Operating Costs / Sales	52.5 %	48.4 %	47.7 %	44.8 %	44.4 %	44.4 %	44.4 %
Sales per Employee	125,241	125,902	128,137	120,634	121,992	124,315	126,683
EBITDA per Employee	21,569	25,369	26,004	29,992	29,156	29,711	30,277
EBIT-margin	15.3 %	18.7 %	19.0 %	23.3 %	22.6 %	22.6 %	22.6 %
EBITDA / Operating Assets	142.9 %	143.2 %	134.2 %	143.0 %	93.4 %	98.3 %	102.6 %
ROA	367.8 %	505.8 %	437.3 %	162.7 %	104.5 %	109.1 %	117.8 %
Efficiency of Capital Employment							
Plant Turnover	46.1	48.7	36.6	10.4	6.3	6.7	7.1
Operating Assets Turnover	8.3	7.1	6.6	5.8	3.9	4.1	4.3
Capital Employed Turnover	2.1	2.0	1.8	1.5	1.4	1.3	1.3
Return on Capital							
ROCE	34.3 %	39.8 %	36.5 %	38.0 %	34.0 %	32.1 %	30.4 %
EBITDA / Avg. Capital Employed	38.7 %	42.8 %	39.0 %	40.5 %	36.0 %	34.0 %	32.2 %
ROE	23.9 %	28.2 %	27.0 %	27.3 %	26.1 %	23.7 %	22.2 %
Net Profit / Avg. Equity	26.1 %	30.6 %	29.2 %	29.7 %	27.9 %	25.3 %	23.6 %
Recurring Net Profit / Avg. Equity	26.1 %	30.6 %	29.2 %	29.7 %	27.9 %	25.3 %	23.6 %
ROIC	15.1 %	18.8 %	16.3 %	21.0 %	20.6 %	19.1 %	18.3 %
Solvency							
Net Debt	-13.4	-14.0	-19.3	-20.6	-20.7	-23.4	-26.4
Net Gearing	-128.3 %	-112.1 %	-131.2 %	-117.4 %	-102.7 %	-101.7 %	-100.6 %
Book Value of Equity / Book Value of Debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Current ratio	8.0	7.6	4.7	3.4	3.2	3.5	3.9
Acid Test Ratio	2.4	2.7	2.3	2.4	2.4	2.6	2.9
EBITDA / Interest Paid	79.4	10.0	178.9	81.0	74.4	79.6	85.2
Interest Cover	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cash Flow							
Free Cash Flow	3.5	2.1	7.0	3.3	2.5	5.4	5.7
Free Cash Flow / Sales	14.2 %	7.6 %	24.1 %	11.3 %	7.9 %	16.2 %	15.9 %
Adj. Free Cash Flow	3.9	5.1	5.6	6.9	7.0	7.5	8.1
Adj. Free Cash Flow / Sales	8.5 %	10.9 %	12.5 %	15.7 %	14.2 %	14.6 %	14.7 %
Free Cash Flow / Net Profit	139.0 %	58.5 %	176.8 %	68.8 %	46.7 %	98.8 %	97.6 %
Interest Received / Avg. Cash	4.1 %	4.5 %	2.2 %	1.0 %	3.9 %	2.7 %	2.4 %
Interest Paid / Avg. Debt	90.6 %	1816.7 %	137.5 %	191.5 %	142.9 %	142.9 %	142.9 %
Dividend Payout Ratio	49.3 %	50.0 %	49.9 %	49.6 %	50.5 %	50.1 %	50.4 %
Fund Management							
Investment ratio	2.8 %	1.7 %	2.1 %	8.5 %	8.0 %	1.2 %	1.1 %
Maint. Capex / Sales	1.4 %	1.3 %	1.2 %	1.5 %	1.4 %	1.3 %	1.2 %
Capex / Dep	141.6 %	117.0 %	156.1 %	553.6 %	615.6 %	92.4 %	86.3 %
Avg. Working Capital / Sales	11.4 %	10.5 %	11.8 %	10.0 %	8.5 %	9.2 %	9.0 %
Trade Creditors / Trade Debtors	635.2 %	1528.8 %	625.0 %	388.8 %	475.0 %	444.4 %	430.0 %
Inventory turnover (days)	0.4	0.1	0.1	0.1	0.3	0.3	0.3
Receivables collection period (DSOs)	42.3	46.8	53.7	38.2	44.0	44.0	44.0
Payables collection period (days)	6.7	3.1	8.6	9.8	9.8	9.8	9.8
Cash conversion cycle (days)	36.1	43.9	45.2	28.5	34.5	34.5	34.5
Valuation							
Dividend Yield	1.8 %	2.6 %	3.0 %	3.6 %	4.0 %	4.1 %	4.4 %
P/B	6.4	5.4	4.6	3.8	3.3	2.9	2.6
EV/sales	2.0	1.8	1.7	1.6	1.6	1.4	1.2
EV/EBITDA	11.5	8.9	8.2	6.6	6.5	5.7	5.0
EV/EBIT	13.0	9.6	8.8	7.1	6.9	6.0	5.3
EV/FCF	13.9	23.5	6.9	14.6	19.6	8.4	7.5
P/E	26.8	19.2	16.9	14.0	12.7	12.2	11.5
P/CF	22.9	16.9	8.4	13.2	11.9	11.4	10.7
Adj. Free Cash Flow Yield	6.1 %	8.2 %	16.5 %	10.5 %	11.7 %	12.9 %	14.8 %

Sources: ATOSS (historical data), Warburg Research (forecasts)

Free Cash Flow Yield - ATOSS Software

Figures in EUR m	2007	2008	2009	2010	2011e	2012e	2013e	
Net Income	2.5	3.5	4.0	4.8	5.3	5.5	5.8	
+ Depreciation + Amortisation	0.5	0.4	0.4	0.5	0.4	0.4	0.5	
- Net Interest Income	0.4	0.1	0.3	0.1	0.7	0.5	0.5	
+ Taxes	1.7	1.6	1.9	2.2	2.5	2.6	2.7	
- Maintenance Capex	0.4	0.4	0.4	0.4	0.4	0.4	0.4	
+ Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Adjusted Free Cash Flow	3.9	5.1	5.6	6.9	7.0	7.5	8.1	
Adjusted Free Cash Flow Yield	8.0%	10.5%	11.5%	14.2%	14.5%	16.5%	19.0%	
Hurdle rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
= Enterprise Value	48.3	48.3	48.3	48.3	48.2	45.5	42.6	
= Fair Enterprise Value	38.6	50.8	55.5	68.6	70.1	75.3	80.9	
- Net Debt (Cash)	-20.6	-20.6	-20.6	-20.6	-20.7	-23.4	-26.4	
- Pension Liabilities	1.7	1.7	1.7	1.7	1.7	1.7	1.7	
- Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	57.4	69.7	74.4	87.5	89.0	97.0	105.5	
No. of shares (m)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	
= Fair value per share (EUR)	14.44	17.52	18.71	21.99	22.39	24.39	26.53	
premium (-) / discount (+) in %	-14.5%	3.7%	10.7%	30.1%	32.5%	44.3%	57.0%	
Sensitivity Fair value per Share (EUR)								
	13.0%	12.21	14.57	15.49	18.01	18.33	20.02	21.84
	12.0%	12.83	15.39	16.38	19.12	19.46	21.23	23.14
	11.0%	13.56	16.36	17.44	20.43	20.79	22.67	24.68
Hurdle rate	10.0%	14.44	17.52	18.71	21.99	22.39	24.39	26.53
	9.0%	15.52	18.94	20.26	23.91	24.35	26.49	28.79
	8.0%	16.87	20.71	22.20	26.30	26.80	29.12	31.62
	7.0%	18.60	22.99	24.70	29.38	29.95	32.51	35.25

Sources: ATOSS Software (historical data), Warburg Research (estimates)

DCF Model - ATOSS Software

Figures in EUR m	2011e	2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e
Sales	31.1	33.3	35.6	37.4	39.3	41.3	43.3	45.5	47.8	50.1	51.6	53.2	54.8	56.4
Change	6.2%	7.0%	7.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%
EBIT	7.0	7.5	8.1	8.2	8.6	9.1	9.5	10.0	10.5	11.0	11.4	11.7	12.1	12.4
EBIT-Margin	22.6%	22.6%	22.6%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Tax rate	32.0%	32.0%	32.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
NOPAT	4.8	5.1	5.5	5.4	5.6	5.9	6.2	6.5	6.8	7.2	7.4	7.6	7.8	8.1
Depreciation	0.4	0.4	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.8	0.8	0.8	0.8	0.8
in % of Sales	1.3%	1.3%	1.3%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Change in Liquidity from														
- Working Capital	-0.7	-0.1	-0.2	-0.4	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
- Capex	-2.5	-0.4	-0.4	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8	-0.8	-0.8	-0.8
Capex in % of Sales	8.0%	1.2%	1.1%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow (WACC-Model)	2.0	5.1	5.3	4.9	5.4	5.7	6.0	6.3	6.6	6.9	7.2	7.4	7.7	7.9

Model parameter

Debt ratio	0.00%	Beta	1.25
Costs of Debt	n.a.	WACC	10.19%
Market return	9.00%		
Risk free rate	4.25%	Terminal Growth	2.00%

Valuation (mln)

Present values 2024e	42.4		
Terminal Value	26.3		
Liabilities	-1.8		
Liquidity	20.7	No. of shares (mln)	3.98
Equity Value	87.6	Value per share (EUR)	22.02

Sensitivity Value per Share (EUR)

Terminal Growth

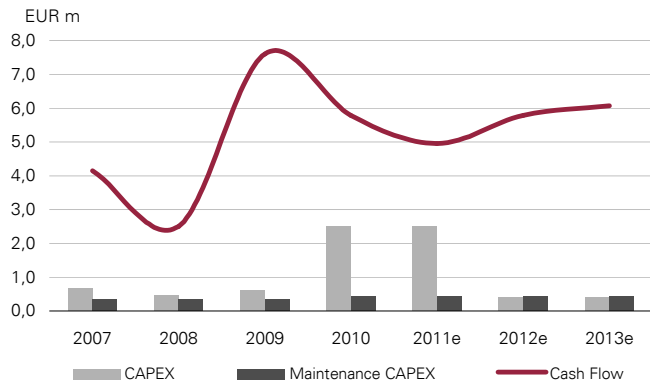
WACC	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%
11.19%	19.64	19.77	19.90	20.04	20.18	20.34	20.50
10.69%	20.50	20.65	20.81	20.97	21.14	21.33	21.52
10.44%	20.97	21.13	21.30	21.48	21.67	21.87	22.08
10.19%	21.46	21.64	21.82	22.02	22.23	22.45	22.68
9.94%	21.99	22.18	22.38	22.59	22.82	23.06	23.32
9.69%	22.54	22.75	22.97	23.20	23.46	23.72	24.01
9.19%	23.76	24.01	24.27	24.56	24.86	25.19	25.55

Delta EBIT-margin

WACC	-1.5 pp	-1.0 pp	-0.5 pp	0.0	+0.5 pp	+1.0 pp	+1.5 pp
11.19%	18.92	19.30	19.67	20.04	20.41	20.78	21.15
10.69%	19.79	20.18	20.58	20.97	21.36	21.75	22.15
10.44%	20.26	20.67	21.07	21.48	21.88	22.29	22.69
10.19%	20.77	21.18	21.60	22.02	22.43	22.85	23.27
9.94%	21.30	21.73	22.16	22.59	23.02	23.45	23.88
9.69%	21.87	22.31	22.76	23.20	23.65	24.09	24.54
9.19%	23.13	23.61	24.08	24.56	25.03	25.51	25.99

Source: Warburg Research

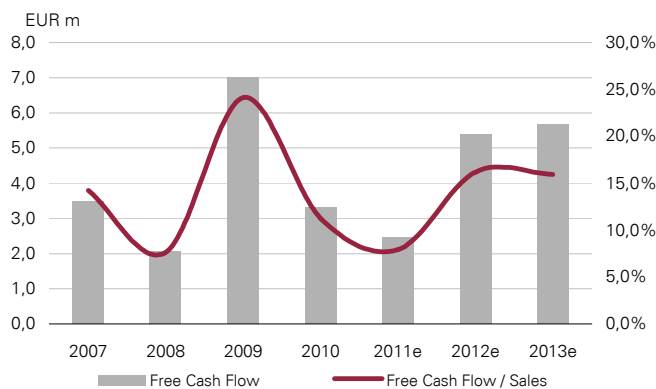
CAPEX and Cash Flow - ATOSS Software



Sources: ATOSS Software (historical data), Warburg Research (forecasts)

- CAPEX and maintenance capex play a subordinate role
- Software business with low investments
- Cash flow develops solidly

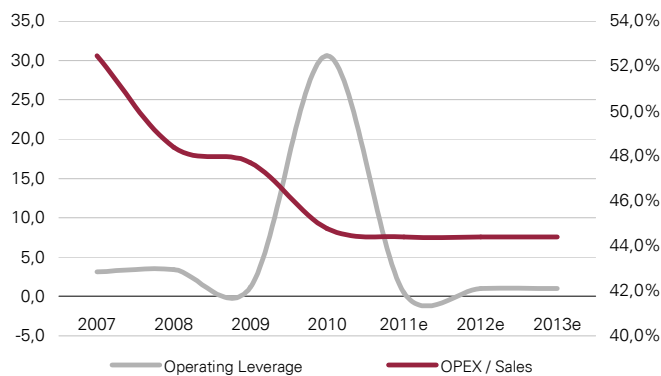
Free Cash Flow Generation - ATOSS Software



Sources: ATOSS Software (historical data), Warburg Research (forecasts)

- ATOSS generates solid and stable FCF
- FCF high as measured by sales
- Fluctuations are normal and due to project payments

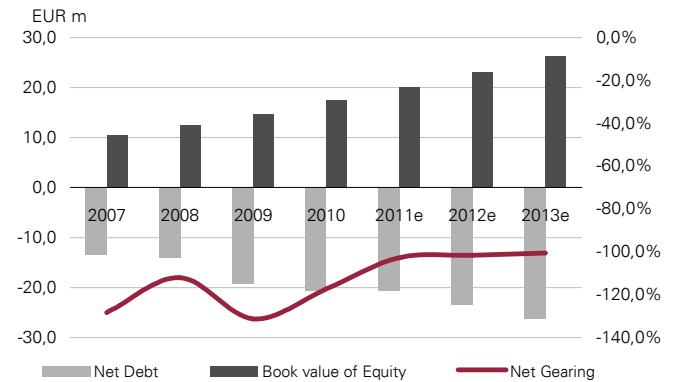
Operating Leverage - ATOSS Software



Sources: ATOSS Software (historical data), Warburg Research (forecasts)

- Operating expenses are high with over 40% of sales
- Reason: High personal costs

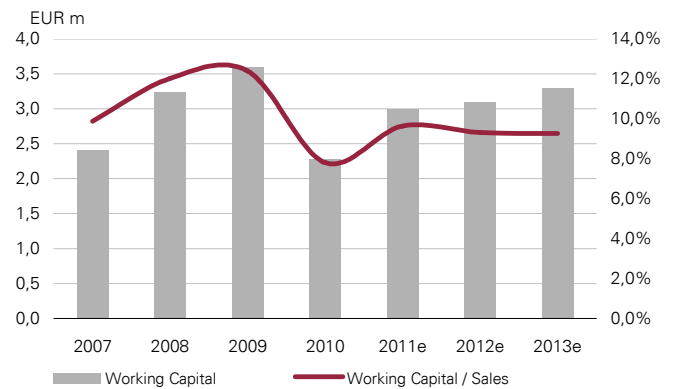
Balance Sheet Quality - ATOSS Software



Sources: ATOSS Software (historical data), Warburg Research (forecasts)

- ATOSS has high net cash
- This results in a negative net gearing

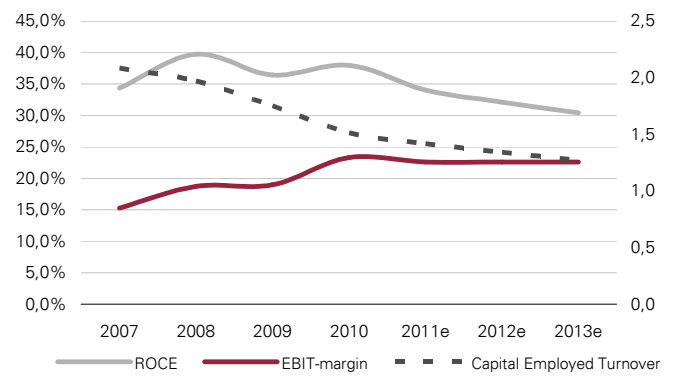
Working Capital - ATOSS Software



Sources: ATOSS Software (historical data), Warburg Research (forecasts)

- Working Capital is relatively constant
- It is between EUR 2.5m and EUR 3.5m

ROCE Development - ATOSS Software



Sources: ATOSS Software (historical data), Warburg Research (forecasts)

- EBIT margin develops positively in a long-term upward trend
- Good earnings development is generally reflected

Legal Disclaimer

This research report was prepared by the Warburg Research GmbH, a subsidiary of the M.M.Warburg & CO KGaA. It contains selected information and does not purport to be complete. The report bases on publicly available information and data ("the Information") believed to be accurate and complete. Warburg Research GmbH neither does examine the Information to be accurate and complete, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the Information do not constitute grounds for liability, neither with regard to indirect nor to direct or consequential damages. In particular, neither M.M.Warburg & CO KGaA nor the Warburg Research GmbH are liable for the statements, plans or other details contained in the Information concerning the examined companies, their associated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this research report, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the Information contained in this document. Provided any research report is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO KGaA and Warburg Research GmbH shall be restricted to gross negligence and willful misconduct. Only in case of failure in essential tasks, M.M.Warburg & CO KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO KGaA and Warburg Research GmbH is limited to typical, expectable damages and the liability for any indirect damages is excluded. This research report does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO KGaA or Warburg Research GmbH may serve on the board of directors of companies mentioned in a report. Opinions expressed in this report are subject to change without notice. All rights reserved.

Copyright Notice

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

Disclosure according to Section 34b of the German Securities Trading Act and FinAnV

Section 34 b of the German Securities Trading Act in combination with the FinAnV requires an enterprise preparing a securities analysis to point out possible conflicts of interest with respect to the company that is the subject of the analysis. In this connection, we point out that:

- M.M.Warburg & CO KGaA or Warburg Research GmbH is party to an agreement with this company relating to the production of research recommendations.

This report has been made accessible to the company analysed and was modified thereafter

The valuation underlying the rating of the equity security analysed in this report is based on generally accepted and widely used methods of fundamental valuation, such as DCF model, Peer group comparison and – where applicable – a Sum-of-the-parts model.

M.M.Warburg & CO KGaA and Warburg Research GmbH have set up effective organisational and administrative arrangements to prevent and avoid possible conflicts of interest and, where applicable, to disclose them.

Valuations, ratings and target prices for the companies analysed by M.M.Warburg & CO KGaA and Warburg Research GmbH are subject to constant reviews and may therefore change, if any of the fundamental factors underlying these items do change.

All share prices given in this equity analysis are closing prices, except where stated otherwise.

Neither M.M.Warburg & CO KGaA's analysts nor Warburg Research GmbH's analysts do receive any payments directly or indirectly from any affiliates' investment banking activity.

M.M.Warburg & CO KGaA and Warburg Research GmbH are under supervision of the BaFin – German Federal Financial Supervisory Authority.

Investment recommendation: expected direction of the share price development for equity security up to the given Target price in the opinion of the analyst who covers the issue.

- B **Buy**: The price of the analysed equity security is expected to rise over the next 12 months.
- H **Hold**: The price of the analysed equity security is expected to remain mostly flat over the next 12 months.
- S **Sell**: The price of the analysed equity security is expected to fall over the next 12 months.
- “-“ **Rating suspended**: The available information does not currently permit an evaluation of the company.

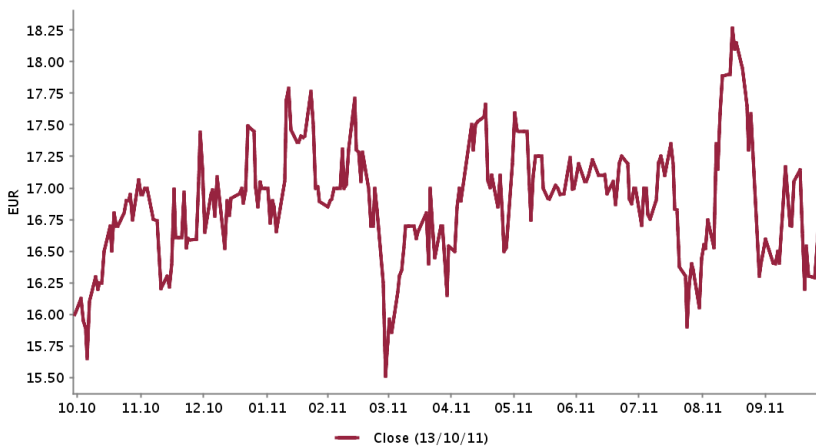
M.M.Warburg & CO KGaA and Warburg Research GmbH research universe by rating:

Rating	Number of stocks	% of Universe
Buy	128	72%
Hold	44	25%
Sell	5	3%
Rating suspended	0	0%
Total	177	

M.M.Warburg & CO KGaA and Warburg Research GmbH research universe by rating, looking only at companies for which a disclosure according to section 34b German Securities Trading Act has to be made:

Rating	Number of stocks	% of Universe
Buy	105	76%
Hold	34	24%
Sell	0	0%
Rating suspended	0	0%
Total	139	

Price and Rating History
ATOSS Software AG as of 14/10/11



The charts have markings if Warburg Research GmbH changed its rating in the last 12 months. Every marking represents the date and closing price on the day of the rating change.

Warburg Research GmbH

Hermannstraße 9 | 20095 Hamburg | www.warburg-research.com
 Tel.: +49 40 309537-0 | Fax: +49 40 309537-110 | info@warburg-research.com



WARBURG RESEARCH

Christian Bruns +49 40 309537-253
 Head of Research cbruns@warburg-research.com
Christian Cohrs +49 40 309537-175
 ccohrs@warburg-research.com
Felix Ellmann +49 40 309537-120
 fellmann@warburg-research.com
Jörg Philipp Frey +49 40 309537-258
 jfrey@warburg-research.com
Ulrich Huwald +49 40 309537-255
 uhuwald@warburg-research.com
Thilo Kleibauer +49 40 309537-257
 tkleibauer@warburg-research.com
Torsten Klingner +49 40 309537-260
 tklingner@warburg-research.com
Eggert Kuls +49 40 309537-256
 ekuls@warburg-research.com
Frank Laser +49 40 309537-235
 flaser@warburg-research.com
Andreas Pläsier +49 40 309537-246
 aplasier@warburg-research.com
Thomas Rau +49 40 309537-220
 trau@warburg-research.com

Henner Rüschemier +49 40 309537-270
 Head of Research hrueschmeier@warburg-research.com
Jochen Reichert +49 40 309537-130
 jreichert@warburg-research.com
Christopher Rodler +49 40 309537-290
 crodler@warburg-research.com
Malte Schaumann +49 40 309537-170
 mschaumann@warburg-research.com
Susanne Schwartz +49 40 309537-155
 ssschwartz@warburg-research.com
Oliver Schwarz +49 40 309537-250
 oschwarz@warburg-research.com
Marc-René Tonn +49 40 309537-259
 mtonn@warburg-research.com
Björn Voss +49 40 309537-254
 bvoss@warburg-research.com
Andreas Wolf +49 40 309537-140
 awolf@warburg-research.com
Stephan Wulf +49 40 309537-150
 swulf@warburg-research.com

Björn Blunck +49 40 309537-160
 Business Support bblunck@warburg-research.com
Daniel Bonn +49 40 309537-205
 Business Support dbonn@warburg-research.com
Annika Boysen +49 40 309537-202
 Business Support aboyesen@warburg-research.com

Markus Pähler +49 40 309537-221
 Business Support mpaehler@warburg-research.com
Katrin Wauker +49 40 309537-200
 Business Support kwauker@warburg-research.com
Claudia Vedder +49 40 309537-105
 Business Support cvedder@warburg-research.com

M.M. Warburg & CO KGaA

Ferdinandstraße 75 | 20095 Hamburg | www.mmwarburg.com
 Tel.: +49 40 3282-0 | Fax: +49 40 3618-1000 | info@mmwarburg.com



M. M. WARBURG & CO
 1798

Oliver Merckel +49 40 3282-2634
 Head of Sales Trading omerckel@mmwarburg.com
Thekla Struve +49 40 3282-2668
 Sales Trading tstruve@mmwarburg.com
Gudrun Bolsen +49 40 3282-2679
 Sales Trading gbolsen@mmwarburg.com
Bastian Quast +49 40 3282-2701
 Sales Trading bqast@mmwarburg.com
Patrick Schepelmann +49 40 3282-2700
 Sales Trading pschepelmann@mmwarburg.com
Jörg Treptow +49 40 3282-2658
 Sales Trading jtreptow@mmwarburg.com

Holger Nass +49 40 3282-2669
 Head of Equity Sales hnass@mmwarburg.com
Christian Alisch +49 40 3282-2667
 Equity Sales calisch@mmwarburg.com
Cynthia Chavanon +49 40 3282-2630
 Equity Sales cchavanon@mmwarburg.com
Robert Conredel +49 40 3282-2633
 Equity Sales rconredel@mmwarburg.com
Matthias Fritsch +49 40 3282-2696
 Equity Sales mfritsch@mmwarburg.com
Michael Kriszun +49 40 3282-2695
 Equity Sales mkriszun@mmwarburg.com
Marc Niemann +49 40 3282-2660
 Equity Sales mniemann@mmwarburg.com
Dirk Rosenfelder +49 40 3282-2692
 Equity Sales drosenfelder@mmwarburg.com
Marco Schumann +49 40 3282-2665
 Equity Sales mschumann@mmwarburg.com
Julian Straube +49 40 3282-2666
 Equity Sales jstraube@mmwarburg.com
Philipp Stumpfegger +49 40 3282-2635
 Equity Sales pstumpfegger@mmwarburg.com

Andrea Carstensen +49 40 3282-2632
 Sales Assistance acarstensen@mmwarburg.com
Kerstin Tscherner +49 40 3282-2703
 Sales Assistance ktscherner@mmwarburg.com
Katharina Bruns +49 40 3282-2694
 Roadshow / Marketing kbruns@mmwarburg.com