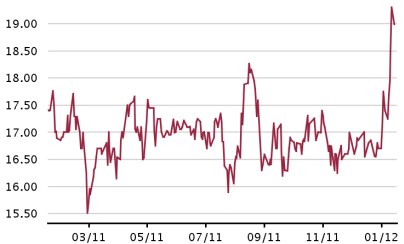


**Buy** (old: Buy)

**PT EUR 24.50** (old: 22.00)

**Price** EUR 18.99  
**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: 30.01.2012 / Closing price

**Market cap:** EUR 75.5 m  
**Enterprise Value (EV):** EUR 53.2 m  
**Book value:** EUR 20.6 m  
**No. of shares:** 4.0 m  
**Trading volume Ø:** EUR 34.1 th

**Shareholders:**  
 Founding Family 56.4 %  
 Free Float 43.6 %

**Calendar:**  
 Figures 2011 03/12/12  
 AGM 04/20/12  
 Pre. Figures Q1 04/25/12  
 Figures Q1 05/16/12

Change	2011E		2012E		2013E	
	old	Δ%	old	Δ%	old	Δ%
<b>Sales</b>	31.1	1.4	33.3	1.4	35.6	1.4
<b>EBIT</b>	7.0	3.9	7.5	3.9	8.1	3.9
<b>EPS</b>	1.33	7.5	1.38	8.0	1.47	7.5

Analysis: Warburg Research  
 Date of publication: 01.02.2012  
 Analyst:  
 Felix Ellmann +49 (0)40-309537-120  
 fellmann@warburg-research.com

**The best perspectives**

On January 31, 2012 ATOSS Software AG released **preliminary figures** for the fourth quarter and the full year 2011 which exceeded expectations (WR). Accordingly, the company was able to grow moderately again for the sixth time in a row presenting record figures.

**ATOSS Software - Q4 2011**

Figures in EUR m	Q4/11	Q4/11e	Q4/10	yoy	2011	2011e	2010	yoy
<b>Sales</b>	8.3	7.8	7.9	5.2%	31.6	31.1	29.3	7.7%
<b>EBITDA</b>	2.1	1.7	2.0	4.7%	7.8	7.4	7.3	6.9%
<i>margin</i>	25.2%	21.7%	25.3%		24.7%	23.8%	24.9%	
<b>EBIT</b>	1.8	1.5	1.5	19.0%	7.3	7.0	6.8	6.9%
<i>margin</i>	22.2%	19.5%	19.6%		23.2%	22.5%	23.3%	
<b>EPS in EUR</b>	0.30	0.20	0.25	20.0%	1.43	1.33	1.21	18.2%

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

**Incoming orders for software licences were particularly strong** and increased by 9% yoy to EUR 6.9m at the balance sheet date. In Q4 alone, ATOSS received order entries of EUR 2.1m. The order backlog at year end rose by 7% compared to same period a year before (EUR 3.1m). The orders were predominantly won in the German-speaking area (foreign share in 2011: 9%) where the company has been able to continuously expand its market share for years. The share should now amount to 15-20% in the relevant target group and is slightly higher regarding solutions for the retail. Thus it becomes clear that ATOSS has also potential for moderate growth in the next years even if the internationalisation remains low.

**Another record year seems to be probable in 2012 on the basis of the good order backlog.** As a result of a very cautious booking of earnings over the term of a project the visibility of the figures continues to be high. The estimates for 2012 and beyond are slightly lifted.

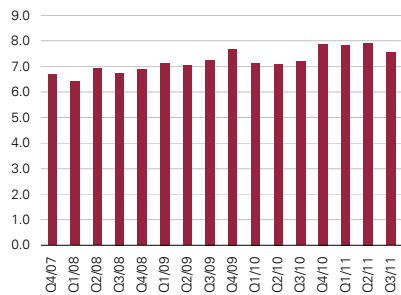
**Higher dividend:** it is also worth mentioning that the dividend for 2011 will likely be higher than originally expected (WR e: EUR 0.67). Given an anticipated payout ratio of 50%, approx. EUR 0.70 seem to be realistic. The Supervisory Board will decide on the dividend in its financial statements meeting on March 6, 2012.

**In view of the good perspectives and the slightly higher projections the PT is increased to EUR 24.50 (22). Buy rating reiterated.**

Fiscal year ending: 31.12. in EUR m	2007	2008	2009	2010	2011E	2012E	2013E
<b>Sales</b>	24.4	26.9	29.1	29.3	31.6	33.8	36.2
<i>Change Sales yoy</i>	11.1 %	10.3 %	8.0 %	0.8 %	7.7 %	7.0 %	7.0 %
<b>Gross balance</b>	16.5	18.1	19.4	20.0	21.2	22.6	24.2
<i>Gross margin</i>	67.7 %	67.1 %	66.7 %	68.1 %	67.0 %	67.0 %	67.0 %
<b>EBITDA</b>	4.2	5.4	5.9	7.3	7.8	8.3	8.8
<i>EBITDA-margin</i>	17.2 %	20.1 %	20.3 %	24.9 %	24.7 %	24.5 %	24.5 %
<b>EBIT</b>	3.7	5.0	5.5	6.8	7.3	7.8	8.4
<i>EBIT-margin</i>	15.3 %	18.7 %	19.0 %	23.3 %	23.2 %	23.2 %	23.2 %
<b>Net income</b>	2.5	3.5	4.0	4.8	5.7	5.9	6.3
<b>EPS</b>	0.63	0.88	1.00	1.21	1.43	1.49	1.58
<b>Free Cash Flow per share</b>	0.87	0.51	1.77	0.83	0.74	1.45	1.55
<b>Dividend</b>	0.31	0.44	0.50	0.60	0.72	0.75	0.79
<i>Dividend Yield</i>	1.6 %	2.3 %	2.6 %	3.2 %	3.8 %	3.9 %	4.2 %
<b>EV/Sales</b>	2.3	2.1	1.9	1.9	1.8	1.6	1.4
<b>EV/EBITDA</b>	13.5	10.4	9.6	7.8	7.2	6.4	5.7
<b>EV/EBIT</b>	15.2	11.2	10.3	8.3	7.7	6.8	6.0
<b>PER</b>	30.1	21.6	19.0	15.7	13.3	12.7	12.0
<b>ROCE</b>	34.3 %	39.8 %	36.5 %	38.0 %	35.0 %	32.6 %	30.7 %
<b>Adj. Free Cash Flow Yield</b>	6.8 %	9.0 %	9.8 %	12.1 %	13.1 %	14.7 %	16.8 %

**Sales development**

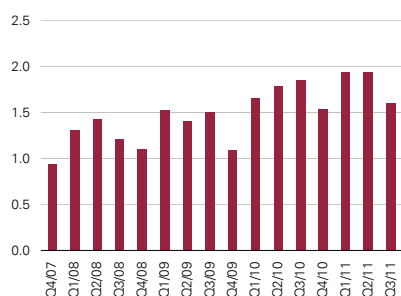
in EUR m



Source: ATOSS Software

**EBIT development**

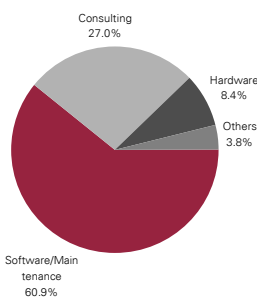
in EUR m



Source: ATOSS Software

**Sales by segments**

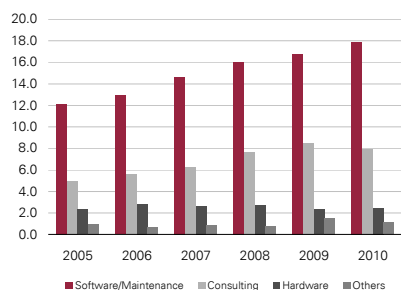
2010



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
<b>Sales</b>	<b>24.4</b>	<b>26.9</b>	<b>29.1</b>	<b>29.3</b>	<b>31.6</b>	<b>33.8</b>	<b>36.2</b>
Cost of sales	7.9	8.9	9.7	9.4	10.4	11.1	11.9
<b>Gross balance</b>	<b>16.5</b>	<b>18.1</b>	<b>19.4</b>	<b>20.0</b>	<b>21.2</b>	<b>22.6</b>	<b>24.2</b>
Research and development	4.6	5.1	5.6	6.0	5.8	6.2	6.7
Sales and marketing	5.8	5.6	5.8	4.8	5.7	6.1	6.5
General and administration	2.5	2.7	2.5	2.5	2.7	2.8	3.0
Other operating income/expenses	0.1	0.3	0.0	0.1	0.3	0.3	0.4
Unfrequent items	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>EBITDA</b>	<b>4.2</b>	<b>5.4</b>	<b>5.9</b>	<b>7.3</b>	<b>7.8</b>	<b>8.3</b>	<b>8.8</b>
Depreciation of fixed assets	0.3	0.3	0.3	0.4	0.4	0.4	0.4
<b>EBITA</b>	<b>3.9</b>	<b>5.1</b>	<b>5.6</b>	<b>6.9</b>	<b>7.4</b>	<b>7.9</b>	<b>8.4</b>
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
<b>EBIT</b>	<b>3.7</b>	<b>5.0</b>	<b>5.5</b>	<b>6.8</b>	<b>7.3</b>	<b>7.8</b>	<b>8.4</b>
Interest income	0.5	0.6	0.4	0.2	1.2	1.0	1.0
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	1.1	0.9	0.9
<b>Recurring pretax income from cont. operations</b>	<b>4.2</b>	<b>5.1</b>	<b>5.9</b>	<b>7.0</b>	<b>8.4</b>	<b>8.7</b>	<b>9.3</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>4.2</b>	<b>5.1</b>	<b>5.9</b>	<b>7.0</b>	<b>8.4</b>	<b>8.7</b>	<b>9.3</b>
Taxes total	1.7	1.6	1.9	2.2	2.7	2.8	3.0
<b>Net income from continuing operations</b>	<b>2.5</b>	<b>3.5</b>	<b>4.0</b>	<b>4.8</b>	<b>5.7</b>	<b>5.9</b>	<b>6.3</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>2.5</b>	<b>3.5</b>	<b>4.0</b>	<b>4.8</b>	<b>5.7</b>	<b>5.9</b>	<b>6.3</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>2.5</b>	<b>3.5</b>	<b>4.0</b>	<b>4.8</b>	<b>5.7</b>	<b>5.9</b>	<b>6.3</b>

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

**Consolidated Profit & Loss ATOSS**

in % of Sales

	2007	2008	2009	2010	2011E	2012E	2013E
<b>Sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Cost of sales	32.3 %	32.9 %	33.3 %	31.9 %	33.0 %	33.0 %	33.0 %
<b>Gross balance</b>	<b>67.7 %</b>	<b>67.1 %</b>	<b>66.7 %</b>	<b>68.1 %</b>	<b>67.0 %</b>	<b>67.0 %</b>	<b>67.0 %</b>
Research and development	19.0 %	19.0 %	19.4 %	20.3 %	18.5 %	18.5 %	18.5 %
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	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>
<b>EBITDA</b>	<b>17.2 %</b>	<b>20.2 %</b>	<b>20.3 %</b>	<b>24.9 %</b>	<b>24.7 %</b>	<b>24.5 %</b>	<b>24.5 %</b>
Depreciation of fixed assets	1.4 %	1.1 %	1.0 %	1.2 %	1.2 %	1.1 %	1.1 %
<b>EBITA</b>	<b>15.9 %</b>	<b>19.1 %</b>	<b>19.3 %</b>	<b>23.6 %</b>	<b>23.5 %</b>	<b>23.4 %</b>	<b>23.4 %</b>
Amortisation of intangible fixed assets	0.6 %	0.3 %	0.3 %	0.3 %	0.3 %	0.2 %	0.2 %
Impairment charges and amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>15.3 %</b>	<b>18.7 %</b>	<b>19.0 %</b>	<b>23.3 %</b>	<b>23.2 %</b>	<b>23.2 %</b>	<b>23.2 %</b>
Interest income	2.0 %	2.3 %	1.3 %	0.7 %	3.8 %	3.0 %	2.8 %
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 %	3.5 %	2.7 %	2.5 %
<b>Recurring pretax income from cont. operations</b>	<b>17.1 %</b>	<b>19.0 %</b>	<b>20.1 %</b>	<b>23.7 %</b>	<b>26.6 %</b>	<b>25.8 %</b>	<b>25.6 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBT</b>	<b>17.1 %</b>	<b>19.0 %</b>	<b>20.1 %</b>	<b>23.7 %</b>	<b>26.6 %</b>	<b>25.8 %</b>	<b>25.6 %</b>
Taxes total	6.8 %	6.0 %	6.5 %	7.4 %	8.7 %	8.3 %	8.2 %
<b>Net income from continuing operations</b>	<b>10.2 %</b>	<b>13.0 %</b>	<b>13.6 %</b>	<b>16.4 %</b>	<b>18.0 %</b>	<b>17.6 %</b>	<b>17.4 %</b>
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income before minorities</b>	<b>10.2 %</b>	<b>13.0 %</b>	<b>13.6 %</b>	<b>16.4 %</b>	<b>18.0 %</b>	<b>17.6 %</b>	<b>17.4 %</b>
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>10.2 %</b>	<b>13.0 %</b>	<b>13.6 %</b>	<b>16.4 %</b>	<b>18.0 %</b>	<b>17.6 %</b>	<b>17.4 %</b>

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

**Balance sheet ATOSS**

in EUR m

	2007	2008	2009	2010	2011E	2012E	2013E
<b>Assets</b>							
Intangible assets	0.2	0.1	0.1	0.1	0.0	0.0	-0.1
thereof other intangible assets	0.2	0.1	0.1	0.1	0.0	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	4.9	4.9	4.9
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Fixed assets</b>	<b>0.7</b>	<b>0.7</b>	<b>0.9</b>	<b>2.9</b>	<b>5.0</b>	<b>4.9</b>	<b>4.8</b>
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	4.1	4.4
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	21.3	24.2	27.4
<b>Current assets</b>	<b>17.0</b>	<b>18.7</b>	<b>24.8</b>	<b>24.8</b>	<b>26.8</b>	<b>30.2</b>	<b>33.9</b>
<b>Total assets</b>	<b>17.6</b>	<b>19.4</b>	<b>25.7</b>	<b>27.8</b>	<b>31.7</b>	<b>35.1</b>	<b>38.7</b>
<b>Liabilities and shareholders' equity</b>							
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	16.9	20.1	23.5
Book value	10.5	12.5	14.7	17.6	20.6	23.7	27.2
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total equity</b>	<b>10.5</b>	<b>12.5</b>	<b>14.7</b>	<b>17.6</b>	<b>20.6</b>	<b>23.7</b>	<b>27.2</b>
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
<b>Liabilities</b>	<b>7.2</b>	<b>7.0</b>	<b>11.0</b>	<b>10.3</b>	<b>11.2</b>	<b>11.4</b>	<b>11.6</b>
<b>Total liabilities and shareholders' equity</b>	<b>17.6</b>	<b>19.4</b>	<b>25.7</b>	<b>27.8</b>	<b>31.7</b>	<b>35.1</b>	<b>38.7</b>

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

**Balance sheet ATOSS**

in % of Balance Sheet Total

	2007	2008	2009	2010	2011E	2012E	2013E
<b>Assets</b>							
Intangible assets	0.9 %	0.7 %	0.4 %	0.5 %	0.1 %	-0.1 %	-0.3 %
thereof other intangible assets	0.9 %	0.7 %	0.4 %	0.5 %	0.1 %	-0.1 %	-0.3 %
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 %	15.5 %	14.1 %	12.8 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Fixed assets</b>	<b>3.9 %</b>	<b>3.6 %</b>	<b>3.5 %</b>	<b>10.6 %</b>	<b>15.6 %</b>	<b>14.0 %</b>	<b>12.5 %</b>
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 %	12.0 %	11.7 %	11.4 %
Other Assets	3.6 %	6.6 %	4.6 %	3.8 %	5.4 %	5.4 %	5.4 %
Liquid assets	76.5 %	72.2 %	75.2 %	74.4 %	67.1 %	68.9 %	70.7 %
<b>Current assets</b>	<b>96.4 %</b>	<b>96.6 %</b>	<b>96.5 %</b>	<b>89.3 %</b>	<b>84.4 %</b>	<b>86.0 %</b>	<b>87.5 %</b>
<b>Total assets</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	22.9 %	20.8 %	15.7 %	14.5 %	12.7 %	11.5 %	10.4 %
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 %	53.4 %	57.2 %	60.7 %
Book value	59.5 %	64.3 %	57.2 %	63.2 %	64.9 %	67.6 %	70.2 %
Minority Interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Total equity</b>	<b>59.5 %</b>	<b>64.3 %</b>	<b>57.2 %</b>	<b>63.2 %</b>	<b>64.9 %</b>	<b>67.6 %</b>	<b>70.2 %</b>
Provision for pensions and similar obligations	6.9 %	6.1 %	7.3 %	6.3 %	5.5 %	5.0 %	4.5 %
Provisions	28.5 %	23.2 %	22.3 %	10.1 %	9.2 %	8.6 %	8.1 %
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 %	2.5 %	2.6 %	2.6 %
Other liabilities	9.5 %	11.5 %	17.8 %	23.7 %	23.3 %	21.1 %	19.1 %
<b>Liabilities</b>	<b>40.8 %</b>	<b>36.0 %</b>	<b>42.8 %</b>	<b>36.9 %</b>	<b>35.3 %</b>	<b>32.4 %</b>	<b>29.9 %</b>
<b>Total liabilities and shareholders' equity</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

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	5.7	5.9	6.3
Depreciation of fixed assets	0.3	0.3	0.3	0.4	0.4	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
<b>Cash Flow</b>	<b>2.9</b>	<b>4.0</b>	<b>8.0</b>	<b>5.1</b>	<b>6.2</b>	<b>6.4</b>	<b>6.8</b>
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	-0.3	-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	-0.2	-0.2
<b>Cash flow from operating activities</b>	<b>4.2</b>	<b>2.5</b>	<b>7.6</b>	<b>5.8</b>	<b>5.4</b>	<b>6.2</b>	<b>6.6</b>
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
<b>Cash flow from investing activities</b>	<b>-0.7</b>	<b>-0.4</b>	<b>-0.6</b>	<b>-2.5</b>	<b>-2.5</b>	<b>-0.4</b>	<b>-0.4</b>
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	-2.9	-3.0
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
<b>Cash flow from financing activities</b>	<b>-0.8</b>	<b>-1.5</b>	<b>-1.7</b>	<b>-1.9</b>	<b>-2.4</b>	<b>-2.9</b>	<b>-3.0</b>
Change in liquid funds	2.7	0.6	5.3	1.4	0.6	2.9	3.2
<b>Effects of exchange rate changes on cash</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Liquid assets at end of period</b>	<b>13.5</b>	<b>14.0</b>	<b>19.3</b>	<b>20.7</b>	<b>21.3</b>	<b>24.2</b>	<b>27.4</b>

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

**Financial Ratios ATOSS**

	2007	2008	2009	2010	2011E	2012E	2013E
<b>Operational Efficiency</b>							
Total Operating Costs / Sales	52.5 %	48.4 %	47.7 %	44.8 %	43.9 %	43.9 %	43.9 %
Sales per Employee	125,241	125,902	128,137	120,634	123,751	126,108	128,510
EBITDA per Employee	21,569	25,369	26,004	29,992	30,542	30,833	31,421
EBIT-margin	15.3 %	18.7 %	19.0 %	23.3 %	23.2 %	23.2 %	23.2 %
EBITDA / Operating Assets	142.9 %	143.2 %	134.2 %	143.0 %	98.5 %	101.4 %	105.9 %
ROA	367.8 %	505.8 %	437.3 %	162.7 %	114.5 %	120.6 %	130.0 %
<b>Efficiency of Capital Employment</b>							
Plant Turnover	46.1	48.7	36.6	10.4	6.4	6.8	7.3
Operating Assets Turnover	8.3	7.1	6.6	5.8	4.0	4.1	4.3
Capital Employed Turnover	2.1	2.0	1.8	1.5	1.4	1.3	1.2
<b>Return on Capital</b>							
ROCE	34.3 %	39.8 %	36.5 %	38.0 %	35.0 %	32.6 %	30.7 %
EBITDA / Avg. Capital Employed	38.7 %	42.8 %	39.0 %	40.5 %	37.3 %	34.5 %	32.4 %
ROE	23.9 %	28.2 %	27.0 %	27.3 %	27.6 %	25.0 %	23.2 %
Net Profit / Avg. Equity	26.1 %	30.6 %	29.2 %	29.7 %	29.8 %	26.8 %	24.8 %
Recurring Net Profit / Avg. Equity	26.1 %	30.6 %	29.2 %	29.7 %	29.8 %	26.8 %	24.8 %
ROIC	15.1 %	18.8 %	16.3 %	21.0 %	21.9 %	20.3 %	19.2 %
<b>Solvency</b>							
Net Debt	-13.4	-14.0	-19.3	-20.6	-21.2	-24.1	-27.3
Net Gearing	-128.3 %	-112.1 %	-131.2 %	-117.4 %	-103.0 %	-101.5 %	-100.5 %
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	3.3	3.6	4.0
Acid Test Ratio	2.4	2.7	2.3	2.4	2.4	2.7	2.9
EBITDA / Interest Paid	79.4	10.0	178.9	81.0	77.9	82.6	88.4
Interest Cover	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash Flow</b>							
Free Cash Flow	3.5	2.1	7.0	3.3	3.0	5.8	6.2
Free Cash Flow / Sales	14.2 %	7.6 %	24.1 %	11.3 %	9.4 %	17.1 %	17.1 %
Adj. Free Cash Flow	3.9	5.1	5.6	6.9	7.4	7.8	8.4
Adj. Free Cash Flow / Sales	8.5 %	10.9 %	12.5 %	15.7 %	14.3 %	14.6 %	14.8 %
Free Cash Flow / Net Profit	139.0 %	58.5 %	176.8 %	68.8 %	52.0 %	97.3 %	97.9 %
Interest Received / Avg. Cash	4.1 %	4.5 %	2.2 %	1.0 %	5.7 %	4.4 %	3.9 %
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 %	50.4 %	50.3 %	49.8 %
<b>Fund Management</b>							
Investment ratio	2.8 %	1.7 %	2.1 %	8.5 %	7.9 %	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 %	515.6 %	91.1 %	85.1 %
Avg. Working Capital / Sales	11.4 %	10.5 %	11.8 %	10.0 %	8.4 %	9.2 %	9.1 %
Trade Creditors / Trade Debtors	635.2 %	1528.8 %	625.0 %	388.8 %	475.0 %	455.6 %	440.0 %
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
<b>Valuation</b>							
Dividend Yield	1.6 %	2.3 %	2.6 %	3.2 %	3.8 %	3.9 %	4.2 %
P/B	7.2	6.1	5.1	4.3	3.7	3.2	2.8
EV/sales	2.3	2.1	1.9	1.9	1.8	1.6	1.4
EV/EBITDA	13.5	10.4	9.6	7.8	7.2	6.4	5.7
EV/EBIT	15.2	11.2	10.3	8.3	7.7	6.8	6.0
EV/FCF	16.3	27.6	8.1	17.2	19.0	9.2	8.1
P/E	30.1	21.6	19.0	15.7	13.3	12.7	12.0
P/CF	25.7	19.0	9.5	14.9	12.3	11.9	11.1
Adj. Free Cash Flow Yield	6.8 %	9.0 %	9.8 %	12.1 %	13.1 %	14.7 %	16.8 %

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	03	04	04	05	06	06	06	
+ Depreciation + Amortisation	00	00	00	00	00	00	00	
- Net Interest Income	00	00	00	00	01	01	01	
+ Taxes	02	02	02	02	03	03	03	
- Maintenance Capex	00	00	00	00	00	00	00	
+ Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>= Adjusted Free Cash Flow</b>	<b>04</b>	<b>05</b>	<b>06</b>	<b>07</b>	<b>07</b>	<b>08</b>	<b>08</b>	
Adjusted Free Cash Flow Yield	07%	09%	10%	12%	13%	15%	17%	
Hurdle rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
<b>= Enterprise Value</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>56</b>	<b>53</b>	<b>50</b>	
<b>= Fair Enterprise Value</b>	<b>39</b>	<b>51</b>	<b>56</b>	<b>69</b>	<b>74</b>	<b>78</b>	<b>84</b>	
- Net Debt (Cash)	-21	-21	-21	-21	-21	-24	-27	
- Pension Liabilities	02	02	02	02	02	02	02	
- Others	00	00	00	00	00	00	00	
<b>= Fair Market Capitalisation</b>	<b>57</b>	<b>70</b>	<b>74</b>	<b>87</b>	<b>93</b>	<b>101</b>	<b>110</b>	
No. of shares (m)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	
<b>= Fair value per share (EUR)</b>	<b>014</b>	<b>018</b>	<b>019</b>	<b>022</b>	<b>023</b>	<b>025</b>	<b>028</b>	
premium (-) / discount (+) in %	-24%	-08%	-01%	16%	23%	33%	45%	
<b>Sensitivity Fair value per Share (EUR)</b>								
	13.0%	012	015	015	018	019	021	023
	12.0%	013	015	016	019	020	022	024
	11.0%	014	016	017	020	022	024	026
Hurdle rate	<b>10.0%</b>	<b>014</b>	<b>018</b>	<b>019</b>	<b>022</b>	<b>023</b>	<b>025</b>	<b>028</b>
	9.0%	016	019	020	024	025	028	030
	8.0%	017	021	022	026	028	030	033
	7.0%	019	023	025	029	031	034	037

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	32	34	36	38	40	42	44	46	48	51	52	54	56	57
Change	08%	07%	07%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%
EBIT	07	08	08	09	09	10	10	11	11	12	12	13	13	13
EBIT-Margin	23%	23%	23%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%
Tax rate	33%	32%	32%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
NOPAT	05	05	06	06	06	06	07	07	07	08	08	08	08	09
Depreciation	00	00	00	01	01	01	01	01	01	01	01	01	01	01
in % of Sales	02%	01%	01%	02%	02%	02%	02%	02%	02%	02%	02%	02%	02%	02%
Change in Liquidity from														
- Working Capital	-01	00	00	00	00	00	00	00	00	00	00	00	00	00
- Capex	-02	00	00	-01	-01	-01	-01	-01	-01	-01	-01	-01	-01	-01
Capex in % of Sales	08%	01%	01%	02%	02%	02%	02%	02%	02%	02%	02%	02%	02%	02%
Other	00	00	00	00	00	00	00	00	00	00	00	00	00	00
Free Cash Flow (WACC-Model)	02	05	06	05	06	06	06	07	07	08	08	08	08	09

**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	48		
Terminal Value	30		
Liabilities	-02		
Liquidity	21	No. of shares (mln)	3.98
<b>Equity Value</b>	<b>97</b>	<b>Value per share (EUR)</b>	<b>024</b>

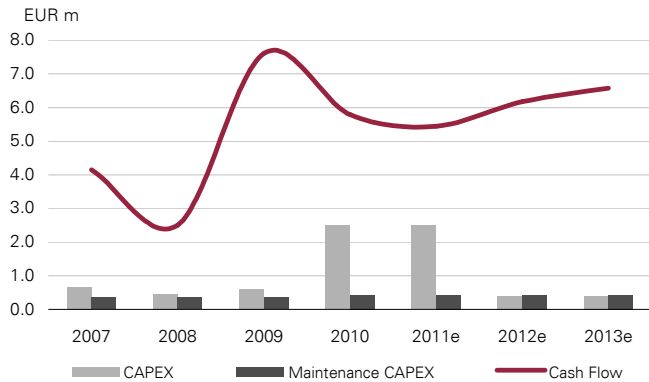
**Sensitivity Value per Share (EUR)**

Terminal Growth								Delta EBIT-margin							
WACC	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%	WACC	-1.5 pp	-1.0 pp	-0.5 pp	0.0	+0.5 pp	+1.0 pp	+1.5 pp
11.19%	022	022	022	022	022	023	023	11.19%	021	022	022	022	023	023	024
10.69%	023	023	023	023	024	024	024	10.69%	022	022	023	023	024	024	025
10.44%	023	023	024	024	024	024	025	10.44%	023	023	023	024	024	025	025
<b>10.19%</b>	024	024	024	<b>024</b>	025	025	025	<b>10.19%</b>	023	024	024	<b>024</b>	025	025	026
9.94%	024	025	025	025	025	026	026	9.94%	024	024	025	025	026	026	027
9.69%	025	025	026	026	026	026	027	9.69%	024	025	025	026	026	027	027
9.19%	026	027	027	027	028	028	028	9.19%	026	026	027	027	028	028	029

Source: Warburg Research



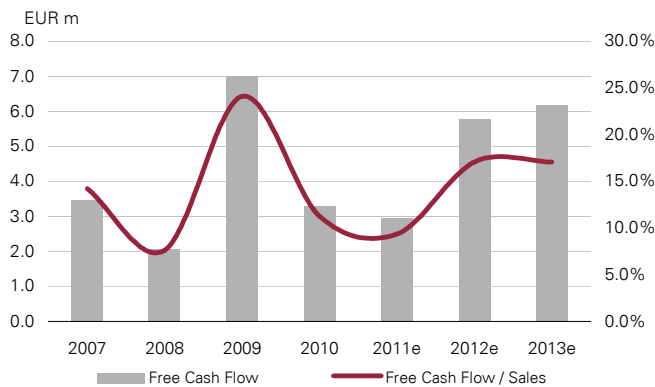
**CAPEX and Cash Flow - ATOSS Software**



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

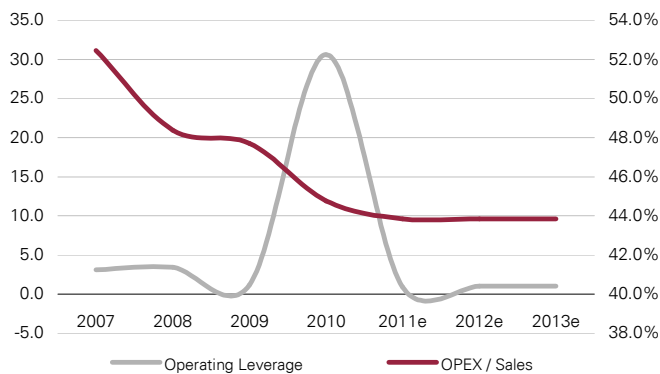
**Free Cash Flow Generation - ATOSS Software**



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

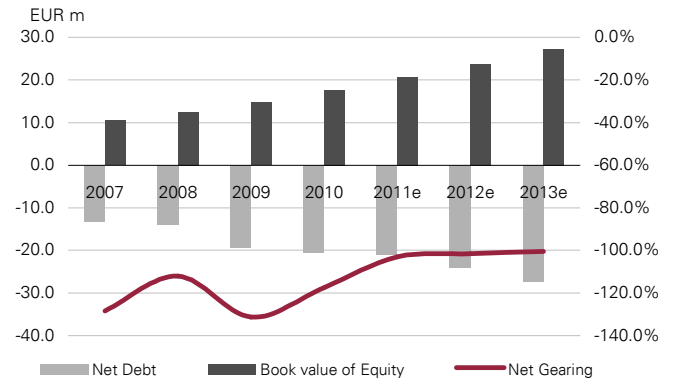
**Operating Leverage - ATOSS Software**



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

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

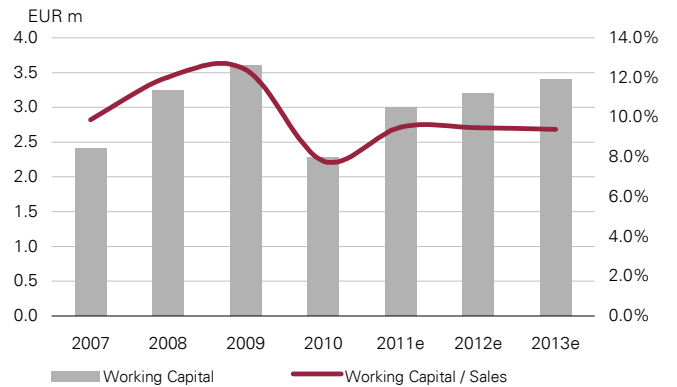
**Balance Sheet Quality - ATOSS Software**



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

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

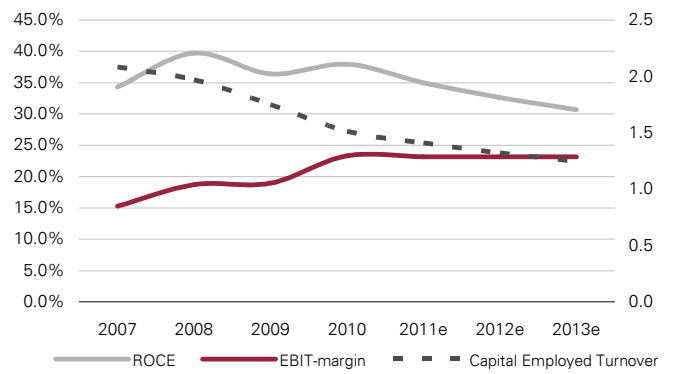
**Working Capital - ATOSS Software**



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

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- 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.

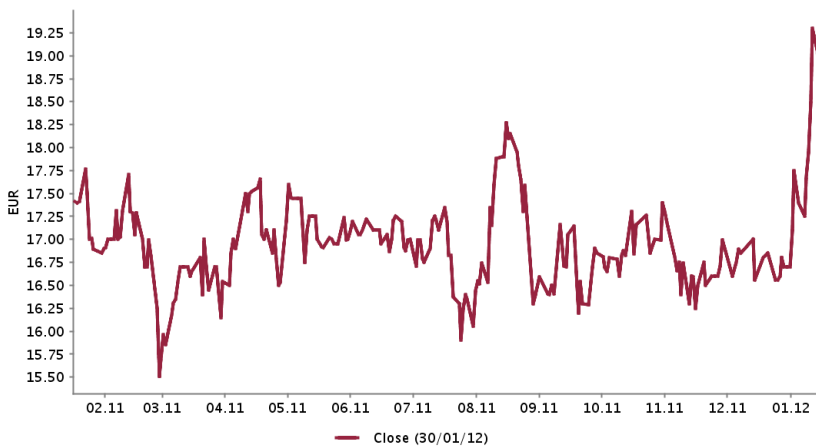
M.M.Warburg & CO KGaA and Warburg Research GmbH research universe by rating:

Rating	Number of stocks	% of Universe
Buy	130	72%
Hold	42	23%
Sell	6	3%
Rating suspended	3	2%
<b>Total</b>	<b>181</b>	

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Rating	Number of stocks	% of Universe
Buy	100	71%
Hold	34	24%
Sell	3	2%
Rating suspended	3	2%
<b>Total</b>	<b>140</b>	

**Price and Rating History**  
ATOSS Software AG as of 01/02/12



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.

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