

ATTOS 2016



HALF-YEAR REPORT



ATOSS HALF-YEAR REPORT 2016

Letter to Shareholders



Andreas F.J. Obereder and Christof Leiber
Board of Management ATOSS Software AG

*Dear Shareholders,
Ladies and Gentlemen,*

ATOSS Software AG remains on its growth track, continuing its corporate success story for its now eleventh year in succession. This strong trend is based on the constantly growing relevance of workforce management, our innovative and maturely developed solutions, and – as has been proven – an extremely stable business model.

Advancing digitalization, new work concepts and an individualized society are imposing massive and continuous change on the working world. Companies today have to be better at adapting flexibly to market requirements if they are to stay competitive. An extremely agile and flexible personnel infrastructure is absolutely indispensable in this context. And it is here that professional workforce management solutions from ATOSS play a key role.

Our solutions' high functionality and rapidly visible benefits for companies continued to persuade many customers to select ATOSS as their partner during the first half of 2016. This boosted new order intake for our software licenses and the software component of contracted Cloud solutions by 36 percent to EUR 6.4 million (previous year: EUR 4.7 million). In total, the order book position for software licenses as of June 30, 2016 was up by 17 percent year-on-year to reach EUR 6.3 million. Growth in Cloud solutions was particularly significant. Here, the order book position was up by 300 percent year on year, jumping from EUR 1.0 million to EUR 4.0 million. This order growth also reflects the generally positive market trend in the market for Cloud computing. According to a representative survey conducted by Bitkom Research for KPMG AG in 2015, most of the companies surveyed are for the first time making recourse to storage facilities, computing capacities and software from the Cloud. According to the survey, this strong utilization growth is attributable almost exclusively to small and medium-sized companies, providing emphatic proof that ATOSS is optimally positioned in both strategic and technical terms to exploit all of the growth potentials in the workforce management market.

This very pleasing trend is also underscored by further key financial data in the 2016 half-year report. With double-digit total sales revenue growth of 10 percent to EUR 23.9 million and EBIT up by 12 percent, ATOSS Software AG remains firmly on its financially profitable growth track. A further set of record results is already emerging for 2016 as a consequence.

To secure our excellent positioning and realize further growth potentials, we will continue to implement and further develop our corporate strategy long-term. Its main pillars comprise a consistent sector focus, securing innovative capability through extensive research and development activities, and further extending internationalization and tapping new growth markets.

Given this, the Management Board is retaining its forecast for the 2016 financial year, and continues to assume further sales revenue and earnings growth at the level of the growth rates of the 2015 financial year within a range of +/- 3 percent. An EBIT margin of around 25 percent is also expected again, despite further planned investments, especially in sales to open up new markets, and a continuously high level of research and development spend equivalent to around one fifth of sales revenue.

Yours sincerely,



Andreas F.J. Obereder
Chief Executive Officer



Christof Leiber
Member of the Board of Management

Facts Overview

Economic background

The German Institute for Economic Research (DIW Berlin) economic barometer indicates moderate Q2 growth of 0.3 percent. The economy could nevertheless lose significant momentum during the second half of the year, as exports to the United Kingdom might fall markedly following the Brexit decision.

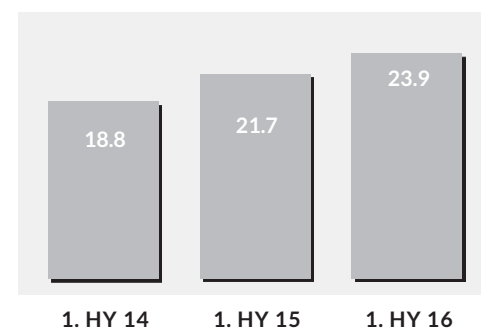
According to forecasts for the German ITC market that digital association Bitkom published in March, 6.2 percent growth is expected in the software area for the current year.

ATOSS Software AG

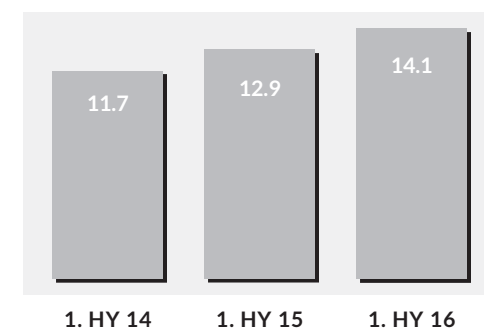
The development in sales underscores sustained customer interest in workforce management, as well as the competitive strength of ATOSS.

All key financial indicators continue to report a positive trend. An eleventh set of record results is envisaged.

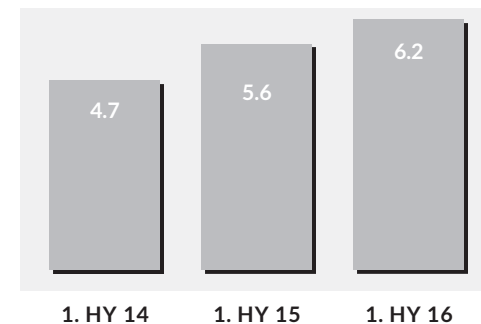
Total Sales (Mio. EUR)



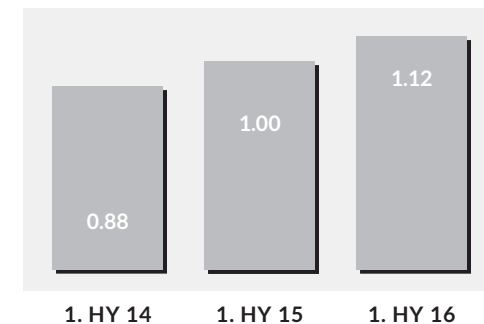
Software Sales (Mio. EUR)



EBIT (Mio. EUR)



EPS (EUR)



CONSOLIDATED OVERVIEW AS PER IFRS: HALF-YEARLY COMPARISON IN KEUR

	01.01.2016 - 30.06.2016	Proportion of Total sales	01.01.2015 - 30.06.2015	Proportion of Total sales	Change 2016 / 2015
Total sales	23,929	100%	21,663	100%	10%
Software	14,126	59%	12,949	60%	9%
Licenses	5,214	22%	4,665	22%	12%
Maintenance	8,912	37%	8,284	38%	8%
Consulting	6,656	28%	5,816	27%	14%
Hardware	2,208	9%	2,154	10%	3%
Others	939	4%	744	3%	26%
EBITDA	6,595	28%	5,850	27%	13%
EBIT	6,247	26%	5,577	26%	12%
EBT	6,489	27%	5,880	27%	10%
Net profit	4,454	19%	3,974	18%	12%
Cash flow	4,856	20%	4,596	21%	6%
Liquidity ^(1/2)	18,065		21,820		-17%
EPS in euro	1.12		1.00		12%
Employees ⁽³⁾	348		318		9%

CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN KEUR

	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15
Total sales	12,233	11,696	11,888	11,390	10,956
Software	7,242	6,884	7,125	6,640	6,624
Licenses	2,747	2,467	2,782	2,391	2,436
Maintenance	4,495	4,417	4,343	4,249	4,188
Consulting	3,355	3,301	3,125	2,965	3,022
Hardware	1,173	1,035	1,094	1,363	838
Others	463	476	544	423	472
EBITDA	3,225	3,370	3,182	3,000	2,952
EBIT	3,050	3,197	2,909	2,858	2,809
EBIT margin in %	25%	27%	25%	25%	26%
EBT	3,149	3,340	2,855	2,587	2,545
Net profit	2,170	2,284	1,867	1,750	1,717
Cash flow	608	4,248	7,980	5,692	-550
Liquidity ^(1/2)	18,065	28,657	24,368	27,041	21,820
EPS in euro	0.55	0.57	0.47	0.44	0.43
Employees ⁽³⁾	348	354	340	330	318

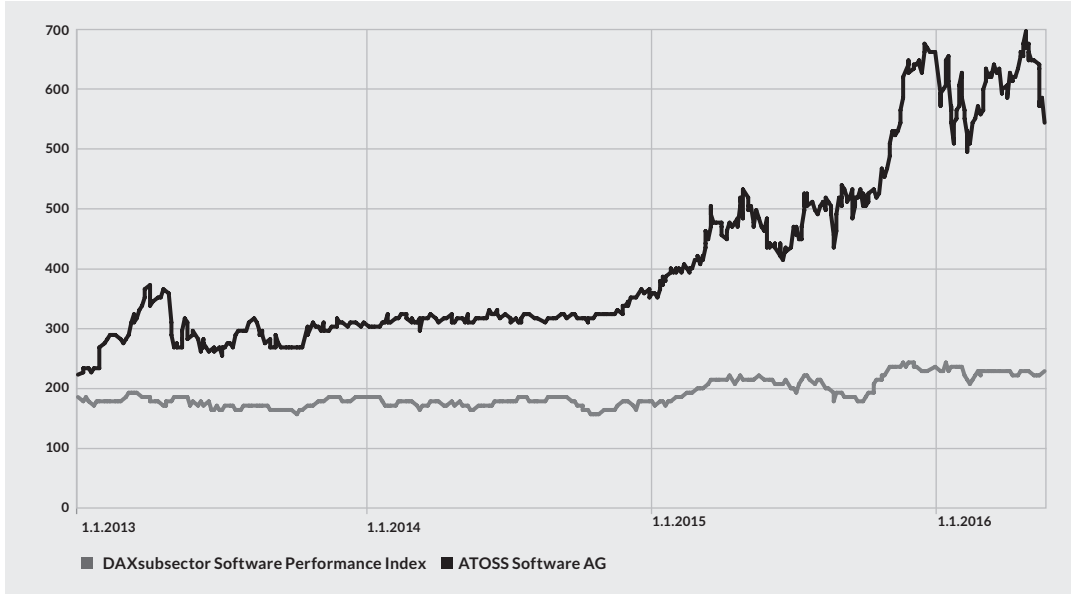
(1) Cash and cash equivalents, other current and non-current financial assets (sight deposits, gold) as of the qualifying date, adjusted to exclude borrowings (loans)

(2) Dividend of EUR 2.80 per share on 27.04.2016 (kEUR 11,134) and dividend of EUR 0.88 per share on 29.04.2015 (kEUR 3,499)

(3) at the end of the quarter/year

Investor Relations

SHARE PRICE PERFORMANCE: Q1/2013 – Q2/2016



CONSOLIDATED OVERVIEW AS PER IFRS: QUARTERLY COMPARISON IN EUR

	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15
Highest price	71.99	68.24	70.00	49.00	48.45
Lowest price	53.5	53.93	45.91	40.15	38.02
Share price at end of quarter	57.10	63.30	68.83	48.00	39.99
Dividend paid per share ⁽²⁾	2.80	0.00	0.00	0.00	0.88
Cash flow per share	0.15	1.07	2.01	1.43	-0.14
Liquidity per share ^(1/2)	4.54	7.21	6.13	6.80	5.49
EPS	0.55	0.57	0.47	0.44	0.43
EPS (diluted)	0.55	0.57	0.47	0.44	0.43

(1) Cash and cash equivalents, other current and non-current financial assets (sight deposits, gold) as of the qualifying date, adjusted to exclude borrowings (loans)

(2) Dividend of EUR 2.80 per share on 27.04.2016 (kEUR 11,134) and dividend of EUR 0.88 per share on 29.04.2015 (kEUR 3,499)

ATOSS share remains attractive investment

With some fluctuations, the movement in the price of ATOSS stock followed a highly gratifying path in the first half of 2016, continuing the long-term positive trend. Following the special distribution that was already notified at the end of January 2016, which at 150 percent lies significantly above the 50 percent payout ratios that are typical of ATOSS, the share reached EUR 71.99 in the second quarter, its highest level to date in the company's history. As of June 30, 2016, the share closed at a level of EUR 57.10 in line with the general market trend, thereby remaining considerably above the previous year's high level of EUR 39.99.

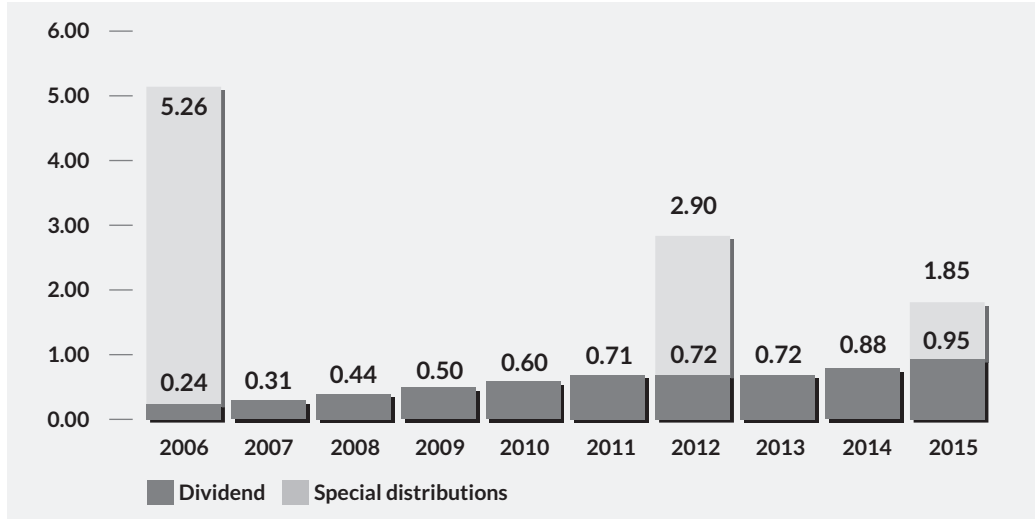
The strength of the ATOSS share is also evident in a long-term view, with the share price having registered an appreciation of 457 percent between 2007 and June 2016. In relation to the same period, the DAXsubsector Performance Index was up by just 102 percent. ATOSS stock has clearly outperformed the index and substantially outpaced the market. The strategy of sustainable and long-term corporate governance that the Management Board has pursued with emphasis since the company was founded was also recently recognized by „Wirtschaftswoche“, the German business weekly. Along with other well-known family-managed companies such as United Internet, Fielmann, Henkel and Sixt, ATOSS ranks among the top 12 most successful listed family companies in Germany.

Every year, ATOSS Software AG distributes around 50 percent of its profits per share to shareholders, assuming corresponding payout capability. The company has been pursuing this transparent policy with consistency since 2003. To these are added the considerable special distributions for the 2006, 2012 and 2015 financial years. Overall, in the course of the past 13 years, long-term ATOSS shareholders have received dividend payouts totaling EUR 19.19 per share.

Given this distribution policy – in combination with very positive earnings growth – ATOSS will also retain its positioning as a technology company with an attractive and reliable dividend return, as well as a constantly positive trend, plus the growth opportunities on offer.



ATOSS DIVIDEND PAYMENTS IN EUR



Analysts praise continous growth

According to the analysts at Warburg Research the half-year figures presented by ATOSS again show the robust growth of the company. Under the title „ATOSS delivers quarter for quarter“ they particularly stressed the high level of the order situation, which they regard as a good indicator for the development of business in the coming quarters. Not only do orders for software licenses initially yield licensing revenues, they also lead on to an income stream from projects (services) and ultimately maintenance. In view of the strong continuous growth, the analysts raised the upside target for ATOSS stock, increasing their forecast from EUR 57 to EUR 59.

Further information: www.atoss.com



Group Management Report

1. Business and conditions: Brexit puts damper on economy

Following the weakness recorded during the winter half of the year, the global economy regained momentum in spring 2016. Although global gross domestic product growth of 0.6 percent in the first quarter was somewhat lower than toward the end of 2015, signs are growing that the economy is firming. The global business climate has improved tangibly overall since the start of the year, according to the ifw Institute for the World Economy. Growth in global production – calculated on the basis of purchasing power parities – of 3.1 percent in 2016 will nevertheless be on slightly higher than in 2015.

In the Eurozone, economic strength is being slowed tangibly by Brexit, in the assessment of the International Monetary Fund (IMF). Following the United Kingdom's referendum vote to leave the European Union, growth will be markedly lower than previously expected. Over the next two years, Germany's moderate economic dynamism will also prove weaker than before. The German Institute for Economic Research (DIW) expects economic growth to decline by 0.5 percentage points in 2017, for example.

By contrast, the high-tech sector continues to take an optimistic view of the future and is markedly more confident than industry as a whole. According to forecasts for the German ITC market that digital association Bitkom published in March, 6.2 percent growth is expected in the software area for the current year.

Against this backdrop, ATOSS recorded strong business with sales up 10 percent and a 12 percent increase in operating profits (EBIT) in the first half of 2016 – despite a sustained high level of investments in marketing and development. In its core software business, the company achieved sales growth of 9 percent. Growth in consulting amounted to 14 percent, buoyed by strong orders on hand for implementation services. New order intake also performed very well. New order intake for software licenses and the software component of contracted Cloud solutions increased by 36 percent to EUR 6.4 million (previous year: EUR 4.7 million).

2. Earnings situation: Further record sales revenues and earnings

In the first half of the 2016 financial year, ATOSS achieved 10 percent growth in overall sales revenues to reach EUR 23.9 million (previous year: EUR 21.7 million). Sales revenues in the core area of software were up from EUR 12.9 million to EUR 14.1 million, an increase of 9 percent. Software licenses grew from EUR 4.7 million to EUR 5.2 million. Software maintenance, too, continued to develop positively with turnover increasing by 8 percent to EUR 8.9 million.

As of June 30, 2016 consulting sales stood at EUR 6.7 million (previous year: EUR 5.8 million).

Operating profits (EBIT) were 12 percent up on the year before, rising from EUR 5.6 million to EUR 6.2 million.

Earnings before taxes (EBT) recorded 10 percent growth in the reporting period, rising from EUR 5.9 million to EUR 6.5 million.

Earnings after taxes stood at EUR 4.5 million as of June 30, 2016 (previous year: EUR 4.0 million), with earnings per share thereby amounting to EUR 1.12 (previous year: EUR 1.00). New order intake for software licenses and the software component of contracted Cloud solutions increased to EUR 6.4 million (previous year: EUR 4.7 million). In total, the order book position for software licenses as of June 30, 2016 was up by 17 percent year-on-year to reach EUR 6.3 million. Growth in Cloud solutions was particularly significant. Here, the order book position was up by 300 percent year on year, jumping from EUR 1.0 million to EUR 4.0 million. The current order book position consequently represents an excellent starting base for the rest of the 2016 financial year.

3. Net assets and financial position

In the first six months, cash flow from operations amounted to EUR 4.9 million (previous year: EUR 4.6 million). At the same time, liquidity (cash and cash equivalents less borrowings) decreased relative to the same period last year from EUR 16.0 million to EUR 11.1 million. The position as a whole comprising liquidity and other current and non-current financial assets, after adjusting for borrowed funds such as loans, reduced from EUR 21.8 million in the previous year to EUR 18.1 million, mainly due to the EUR 11.1 million dividend payout (regular dividend EUR 0.95 / special dividend EUR 1.85 per share). Liquidity per share on June 30, 2016 including these other current and non-current financial assets and after adjusting for borrowings accordingly stood at EUR 4.54 (previous year: EUR 5.49).

In addition to net earnings of EUR 4.5 million, the EUR 4.9 million in cash flow from operations was also boosted by an increase in deferred revenues of EUR 2.6 million. Cash flow reducing effects arose mainly from the EUR 1.2 million reduction in other current liabilities.

ATOSS reported an equity ratio of 44 percent as of June 30, 2016 (previous year: 51 percent). Consequently, the company remains extremely well capitalized, with solvency assured at all times.

4. Product development

Research and development remain an important component of the ATOSS growth strategy, with the goal of further extending the company's strong position as a technological leader in workforce management. Research and development costs in the first six months rose by 12 percent relative to the year before to stand at EUR 4.7 million as of June 30, 2016 (previous year: EUR 4.2 million). R&D costs as a proportion of overall sales amounted to 20 percent (previous year 19 percent).

The company continues to refrain from capitalizing the expense of developing product innovations. All expenditure for this purpose is recognized in the income statement in the period in which it is incurred.

5. Employees

The number of employees has risen from 318 last year to 348. As of June 30, 2016 ATOSS employed 146 members of staff in development (previous year: 133), 93 in consulting (previous year: 87), 60 in sales and marketing (previous year: 50) and 49 in administration (previous year: 48).

Personnel costs for the current financial year amounted as of June 30, 2016 to EUR 12.0 million (previous year: EUR 10.5 million).

6. Risks associated with future development

No material change in the company's risk structure has occurred with regard to the description contained in the consolidated financial statements to December 31, 2015.

The market risk associated with financial assets available for sale essentially concerns the fair value of the company's gold holdings, which stood at EUR 2.1 million as of June 30, 2016 and is dependent on the ongoing development in the gold price.

7. Events after the reporting period

No reportable events of particular significance have occurred since June 30, 2016.

8. Outlook

In the first six months of the current financial year 2016, ATOSS has experienced an extremely positive development in sales and operating profits. Due to this trend and in light of the high order book position, the Management Board continues to expect further revenue and earnings growth at the level of the growth rates of the 2015 financial year within a range of +/- 3 percent.

CONSOLIDATED BALANCE SHEET TO 30.06.2016

Assets (EUR)	30.06.2016	31.12.2015
Non-current assets		
Intangible assets	174,139	161,175
Tangible assets	2,740,026	2,685,539
Other financial assets	547,115	444,504
Deferred taxes	918,725	932,562
Total non-current assets	4,380,005	4,223,780
Current assets		
Inventories	7,225	8,278
Trade accounts receivables	4,615,377	4,461,802
Other financial assets	6,884,724	6,142,294
Other non-financial assets	802,456	674,954
Cash and cash equivalents	11,092,808	17,781,537
Total current assets	23,402,590	29,068,865
Total assets	27,782,595	33,292,645

Equity and Liabilities (EUR)	30.06.2016	31.12.2015
Equity		
Subscribed capital	3,976,568	3,976,568
Capital reserve	-661,338	-661,338
Equity deriving from unrealized profits/losses	-1,704,280	-1,798,324
Unappropriated net income	10,752,713	17,428,349
Equity attributable to equity holders of the parent	12,363,663	18,945,255
Non-controlling interests	-15,338	-10,394
Total equity	12,348,325	18,934,861
Non-current liabilities		
Pension provision	4,388,120	4,338,973
Deferred taxes	62,870	37,218
Total non-current liabilities	4,450,990	4,376,191
Current liabilities		
Trade accounts payable	352,914	300,045
Other liabilities	4,995,010	6,240,055
Deferred revenues	5,292,442	2,700,790
Tax provisions	253,914	651,703
Other provisions	89,000	89,000
Total current liabilities	10,983,280	9,981,593
Total Equity and Liabilities	27,782,595	33,292,645

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01. TO 30.06.2016

	Quarterly report		6-months report	
EUR	01.04.2016 - 30.06.2016	01.04.2015 - 30.06.2015	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015
Sales revenues	12,232,247	10,956,532	23,928,555	21,663,371
Cost of sales	-3,711,036	-3,267,011	-7,204,290	-6,731,241
Gross profit on sales	8,521,211	7,689,521	16,724,265	14,932,130
Selling costs	-2,176,419	-1,950,386	-4,063,104	-3,602,597
Administration costs	-940,455	-826,343	-1,798,305	-1,697,652
Research and development costs	-2,385,675	-2,102,622	-4,669,677	-4,168,231
Other operating income	48,399	44,027	120,111	218,898
Other operating expenses	-17,486	-45,265	-66,230	-105,882
Operating profit (EBIT)	3,049,575	2,808,932	6,247,060	5,576,666
Interest and similar income	124,283	-238,842	290,558	352,836
Interest and similar expenses	-24,260	-24,571	-48,521	-49,143
Earnings before taxes (EBT)	3,149,598	2,545,519	6,489,097	5,880,359
Taxes on income and earnings	-980,057	-828,389	-2,035,287	-1,906,405
Net income	2,169,541	1,717,130	4,453,810	3,973,954
Attributable to				
Equity holders of the parent	2,171,933	1,718,639	4,458,754	3,977,982
Non-controlling interests	-2,392	-1,509	-4,944	-4,028
Earnings per share (undiluted)	0.55	0.43	1.12	1.00
Earnings per share (diluted)	0.55	0.43	1.12	1.00
Average number of shares in circulation (undiluted)	3,976,568	3,976,568	3,976,568	3,976,568
Average number of shares in circulation (diluted)	3,976,568	3,976,568	3,976,568	3,976,568

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01. TO 30.06.2016

EUR	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015
Net profit	4,453,810	3,973,954
Components not reallocated in profit and loss		
Profits/losses on the revaluation of defined benefit pension plans recognized in equity	0	0
Tax effects on profits/losses on the revaluation of defined benefit pension plans recognized in equity	0	0
Components reallocated in profit or loss in later periods		
Profits/losses recognized in equity on the disposal of financial assets available for sale	127,959	31,060
Tax effects on profits/losses recognized in equity on the disposal of financial assets available for sale	-33,915	-7,763
Other comprehensive income for the period after taxes	94,044	23,297
Comprehensive income after taxes	4,547,854	3,997,251

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 01.01. TO 30.06.2016

EUR	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015
Operating activity		
Net income	4,453,810	3,973,954
Depreciation of fixed assets	347,668	273,118
Gains/losses from the disposal / valuation of financial assets available for sale	-283,040	-337,760
Gains/losses from the disposal of fixed assets	1,536	2,521
Other financial investment income	-6,670	-15,076
Change in deferred taxes	39,490	2,241
Change in provisions for pension commitments	49,147	48,069
Adjustment for items not recognized in profit or loss	-33,906	-7,763
Change in net current assets		
Trade accounts receivable	-153,575	-30,404
Inventories and other assets	-560,500	-179,794
Trade accounts payable	52,869	-97,805
Other liabilities	-1,245,045	-963,814
Deferred revenues	2,591,652	1,080,303
Tax provisions	-397,789	848,565
Cash flow generated from business operations (1)	4,855,647	4,596,355
Cash flow from investment activities		
Disbursements for the purchase of tangible and intangible assets	-416,655	-241,825
Interest received	6,670	15,075
Cash flow generated from investment activities (2)	-409,985	-226,750
Cash flow from financing activities		
Dividends paid	-11,134,390	-3,499,380
Disbursements from acquisitions of non-controlling interests	0	-1,250
Cash flow generated from financing activities (3)	-11,134,390	-3,500,630
Change in liquidity - total of (1) to (3)	-6,688,728	868,975
Liquidity at beginning of year	17,781,536	15,107,722
Liquidity at end of year	11,092,808	15,976,697
Cash flow generated from business operations include		
Income taxes paid	-2,275,557	-1,087,318
Tax refunds received	34,397	0



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 30.06.2016

EUR	Attributable to the equity holders of the parent				Non-controlling interests	Total
	Subscribed capital	Capital reserve	Equity deriving from unrealized profits/losses	Profit shown on balance sheet		
01.01.2015	3,976,568	-661,338	-1,707,831	13,333,498	-5,692	14,935,206
Net income 2015	0	0	0	3,977,982	-4,028	3,973,954
Other comprehensive income	0	0	23,297	0	0	23,297
Total comprehensive income	0	0	23,297	3,977,982	-4,028	3,997,251
Dividends	0	0	0	-3,499,380	0	-3,499,380
Non controlling interests	0	0	0	-4,808	3,558	-1,250
Status 30.06.2015	3,976,568	-661,338	-1,684,534	13,807,291	-6,162	15,431,825
01.01.2016	3,976,568	-661,338	-1,798,324	17,428,349	-10,394	18,934,861
Net income 2016	0	0	0	4,458,754	-4,944	4,453,810
Other comprehensive income	0	0	94,044	0	0	94,044
Total comprehensive income	0	0	94,044	4,458,754	-4,944	4,547,855
Dividends	0	0	0	-11,134,390	0	-11,134,390
Status 30.06.2016	3,976,568	-661,338	-1,704,280	10,752,713	-15,338	12,348,325

One share represents a notional share of 1 Euro of subscribed capital.

Notes to the Consolidated Financial Statements

1. General

The present half-year report has been prepared in accordance with International Financial Reporting Standards (IFRS) in compliance with IAS 1.14. In particular the report complies with the provisions contained in IAS 34 „Interim Financial Reporting“. The requirements contained in German Accounting Standard (DRS) No. 6 regarding interim reporting have likewise been fulfilled.

In accordance with IAS 34.20, the present statements include a consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement, a statement of changes in consolidated equity and explanatory notes to the consolidated statements.

The same financial accounting, valuation and computation methods have been applied as in the case of the annual financial statements to Thursday, December 31, 2015.

The Management Board is satisfied that the impression of the economic situation of the company, its net assets, financial position, earnings situation and cash flow conveyed by the present quarterly financial statements accords with the true facts. This interim report has not undergone an auditors' inspection or statutory audit.

2. Reporting period

This interim report was prepared as of June 30, 2016 for the January 1, 2016 to June 30, 2016 period.

3. Currency

All figures are stated in euro. Amounts are rounded up to whole euro units.

4. Consolidated companies

In addition to the parent company ATOSS Software AG, Munich, the consolidated financial statements to June 30, 2016 also include all subsidiary companies:

ATOSS CSD Software GmbH, Cham, Germany (100%)
ATOSS Software Ges. mbH, Vienna, Austria (100%)
ATOSS Software AG, Zürich, Switzerland (100%)
ATOSS Software S.R.L., Timisoara, Romania (100%)
ATOSS Aloud GmbH, Munich, Germany (97%)

These companies are fully consolidated.

5. Changes in equity

The development in equity is evident from the statement of changes in consolidated equity.

6. Sales revenues

The company's sales revenues in the financial year were composed as follows:

EUR	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015
Software licences	5,213,947	4,664,505
Software maintenance	8,912,459	8,283,740
Total software	14,126,406	12,948,245
Consulting	6,655,645	5,816,238
Hardware	2,208,040	2,154,373
Other	938,464	744,515
Total sales revenues	23,928,555	21,663,371

The geographic breakdown of sales revenues was as follows:

EUR	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015
Germany	19,886,579	18,737,942
Austria	2,156,144	2,044,462
Switzerland	896,111	721,862
German-speaking territories in total	22,938,834	21,504,266
Other countries	989,721	159,105
Total sales revenues	23,928,555	21,663,371

7. Personnel expenses

The consolidated persollal costs to June 30, 2016 were composed as follows:

EUR	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015
Wages and salaries	10,121,450	8,763,271
Social security contributions and expenditure on retirement pensions and welfare	1,885,099	1,741,040
Total personnel costs	12,006,549	10,504,311

8. Other operating income and expenses

In the first six months of the current financial year the company recorded other operating income in the amount of EUR 120,111 (previous year: EUR 218,898). This primarily included income from the release of provisions in the amount of EUR 84,997 (previous year: 56,967) as well as income from exchange rate differences in the amount of EUR 9,958 (previous year: 151,629).

Other operating expenses amounting to EUR 66,230 (previous year: EUR 105,882) essentially related to exchange rate losses amounting to EUR 41,226 (previous year: EUR 72,673), and receivables losses of 22,630 (previous year: EUR 0).

9. Financial investment income and expenses

In the first six months of the current financial year the company recorded income in the amount of EUR 290,558 (previous year: EUR 352,836) from financial investments. This essentially comprised income from write-ups on the company's gold holdings in the amount of EUR 283,040 (previous year: EUR 337,760) and interest income of EUR 7,518 (previous year: EUR 15,076).

The company also recorded expenses amounting as of June 30, 2016 to EUR 48,521 (previous year: EUR 49,143). This almost exclusively concerned interest expenses in connection with pension provisioning.

10. Tax charge

Consolidated tax expenses to June 30, 2016 were comprised as follows:

EUR	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015
Pre-tax earnings (EBT)	6,489,097	5,880,359
Expected tax charge (2016: 32.60%, 2015: 32.60%)	-2,115,445	-1,916,997
Non-deductible operating expenses	94,114	-30,106
Current losses for which no deferred tax claim has been recognized	-118,780	-109,382
Tax payments/refunds for previous years	11,815	320
Lower tax rates at group companies and branches	93,009	149,760
Actual Group tax charge	-2,035,287	-1,906,405

11. Earnings per share

The figure for earnings per share is arrived at by dividing the net result for the period in the amount of EUR 4,453,810 by the weighted average number of shares outstanding. An average of 3,976,568 shares were in circulation between January 1, 2016 and June 30, 2016. Accordingly, earnings per share for this period amounted to EUR 1.12, in comparison with EUR 1.00 in the first six months of the preceding year.

12. Segment reporting

The identification of operating segments presupposes that a senior decision-maker monitors and assesses the profitability of significant components of the company as the basis for resource allocation and profitability measurement, that the components of the company generate income and incur expenses as part of their business activities, and that financial information is available for these components of the company. Several segments can be aggregated into one segment if the type of products and services, production processes and customers for which the products and services are intended are similar, as well as the sales methods applied, and where they exhibit a significant shortfall relative to the quantitative thresholds for segment formation.

The company has only one uniform business segment within the meaning of IFRS 8, which comprises the creation, sale and implementation of software solutions directed towards the efficient deployment and management of personnel.

The following tables depict sales revenues broken down by software solutions.

The individual software solutions comprise:

ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE):

ASES and ASE are time and attendance management and workforce scheduling solutions for customers of all sizes in all industries. These software solutions are generally accompanied by other services covering implementation and training. In addition, consulting services are rendered with the object of making meaningful use of the available scope and developing optimum solutions for efficient workforce management under specific company operating conditions and in consideration of company regulations or collectively agreed regulations. The company also sells hardware components for time recording and access control purposes. The ASES/ASE software is deployed in conjunction with all major standard system platforms and databases. Moreover, thanks to the extensive facility to define customer-specific parameters, these solutions are capable of satisfying even the most sophisticated requirements of customers of all sizes and in all industries.

ATOSS Time Control (ATC):

ATC offers a software solution to time and attendance management and workforce scheduling for small and medium-sized customers as well as large but decentrally organized clients. Likewise in conjunction with ATC, ATOSS offers software implementation and training as well as consulting services. Merchandise items, including hardware and recording media, are also available. The ATC software is installed on the Microsoft Windows system platform in association with standard SQL databases and is particularly user-friendly and convenient for small to medium-sized customers, as well as large decentralized organizations.

EUR	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015
Sales revenues		
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	20,858,614	18,811,337
ATOSS Time Control (ATC)	3,069,941	2,852,034
Total sales revenues	23,928,555	21,663,371

13. Employees

On June 30, 2016 the company had 348 employees (previous year: 318).

	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015
Development	146	133
Consulting	93	87
Sales and marketing	60	50
Administration	49	48
Total	348	318

14. Members of the Management Board

The members of the Management Board are:

Andreas F. J. Obereder	Chief Executive Officer
Christof Leiber	Member of the Board of Management

15. Supervisory Board

Mit Beschluss der Hauptversammlung vom 26. April 2016 wurde der Aufsichtsrat neu gewählt und setzt sich wie folgt zusammen:

Peter Kirn	Chairman
Rolf Baron Vielhauer von Hohenhau	Deputy Chairman
Klaus Bauer	Member of the Supervisory Board

16. Board member shareholdings

As of June 30, 2016 the following board members held the following numbers of ATOSS shares:

EUR	30.06.2016	31.03.2016	31.12.2015	30.09.2015	30.06.2015
Andreas F.J. Obereder	1,988,285	1,988,285	1,988,285	1,988,285	1,988,285
Peter Kirn	11,673	11,787	12,787	12,787	13,760

The majority shareholder, Andreas F.J. Obereder of Grünwald, Germany, holds 1,988,285 shares representing 50.0000025 percent of the shares in ATOSS Software. His shares are held via the company AOB Invest GmbH of Grünwald, Germany, which is wholly owned by Mr. Obereder.

17. Notifiable participating interests

In the first six months of financial year 2016 the company received no notifications regarding changes in participating interests pursuant to Sections 21 ff. of the German Securities Trading Act.

18. Business relations with closely related persons

As of June 30, 2016, no business relations existed with closely related persons.

19. Events after the reporting period

No reportable events of particular significance have occurred since June 30, 2016.

Responsibility statement

According to the best of our knowledge, we assure that, pursuant to the applicable accounting principles for interim reporting, the interim consolidated financial statements convey a true and fair view of the Group's net assets, financial position and results of operations, and that the business development, including the business results and the Group's position, are presented in the interim Group management reports in such a way that they convey a true and fair view, and that the key opportunities and risks pertaining to the Group's prospective development in the remainder of the fiscal year are described.

Munich, August 12, 2016



Andreas F.J. Obereder
Chief Executive Officer



Christof Leiber
Member of the Board of Management

Disclaimer

This report contains forward-looking statements that are based on the conviction of the Management Board of ATOSS Software AG and reflect current assumptions and estimations. These forward-looking statements are subject to risks and uncertainties. Many facts that cannot currently be predicted may cause the actual performance and earnings of ATOSS Software AG to develop in a different manner. This could for example include the non-acceptance of newly introduced products or services, changes in the general economic and business climate, a failure to achieve efficiency and cost-reduction targets or changes in business strategy.

The Management Board is firmly convinced that the expectations embodied in these forward-looking statements are sound and realistic. Should however the above-mentioned or other unforeseeable risks materialize, ATOSS Software AG cannot guarantee that the expressed expectations will prove to be correct.

Financial calendar

25.10.2016

Quarterly report announcing the 9-monthly financial statements

21.11.2016

ATOSS at the German Equity Forum

Imprint

Responsible

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