ATOSS 2014

ATOSS in Figures

CONSOLIDATED OVERVIEW ACCORDING TO IFRS: YEAR ON YEAR COMPARISON IN KEUR

	01.01.2014 - 31.12.2014	Proportion of total sales	01.01.2013 - 31.12.2013	Proportion of total sales	Change 2014 / 2013
Total Sales	**39,683**	**100%**	**35,505**	**100%**	**12%**
Software	23,878	60%	21,847	62%	9%
Software licences	8,517	21%	7,539	21%	13%
Software maintenance	15,361	39%	14,308	40%	7%
Consulting	10,104	26%	8,962	25%	13%
Hardware	4,466	11%	3,356	9%	33%
Others	1,235	3%	1,339	4%	-8%
EBITDA	10,305	26%	9,007	25%	14%
EBIT	**9,787**	**25%**	**8,432**	**24%**	**16%**
EBT	10,295	26%	4,320	12%	138%
Net Profit	**7,032**	**18%**	**3,020**	**9%**	**133%**
Cash flow	8,072	20%	8,262	23%	-2%
Liquidity (1/2)	20,583		15,249		35%
EPS (in EUR)	1.77		0.76		133%
Employees (3)	305		289		6%

CONSOLIDATED OVERVIEW ACCORDING TO IFRS: QUARTERLY COMPARISON IN KEUR

	Q4/14	Q3/14	Q2/14	Q1/14	Q4/13*
Total Sales	**10,938**	**9,985**	**9,107**	**9,653**	**9,025**
Software	6,387	5,810	5,771	5,910	5,617
Software licences	2,443	1,930	2,002	2,142	1,965
Software maintenance	3,944	3,880	3,769	3,768	3,652
Consulting	2,707	2,452	2,450	2,495	2,375
Hardware	1,401	1,384	631	1,050	768
Others	443	339	255	198	264
EBITDA	2,758	2,589	2,296	2,662	2,094
EBIT	**2,628**	**2,462**	**2,170**	**2,527**	**1,946**
EBIT margin in %	24%	25%	24%	26%	22%
EBT	2,770	2,411	2,270	2,844	1,385
Net Profit	**1,911**	**1,639**	**1,514**	**1,968**	**835**
Cash flow	-573	5,945	-1,279	3,979	-186
Liquidity (1/2)	20,583	21,118	15,325	19,493	15,249
EPS (in EUR)	0.48	0.41	0.38	0.50	0.21
Employees (3)	305	300	295	293	289

(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 3.62 per share on 29.04.2013 (KEUR 14,395) and dividend of EUR 0.72 per share on 02.05.2014 (KEUR 2,863)
(3) At the end of the quarter/half year
* adjusted for the effects of IAS 19 R

Developments over nine years from 2006 to 2014

+ 94 % Total sales

+ 113 % Software licences sales

+ 104 % Consulting sales

+96 % Capital investment on R&D

+ 1,639 % EBIT

+ 1,375 % Earnings per share

1,657 New customers

“ Now and in future, our innovative strengths will create customer value, productivity gains and growth. This is the focus of our work, and the benchmark by which we measure our performance.“

Andreas F.J. Obereder
CEO and Founder
ATOSS Software AG

ATOSS ANNUAL REPORT 2014

We shape and design future working environments

Productivity is the ultimate benchmark today, whether in industrialized nations or emerging markets. In many cases, productivity can only be boosted by focusing on the most valuable and increasingly scarce resource – people, and the processes involved. The key factor is to unleash the potential of the existing workforce in an optimal manner. This is precisely our strength. Every day, ATOSS Workforce Management solutions make a significant contribution towards higher value creation and a sharper competitive edge for more than 4,500 customers. At the same time, we ensure greater job satisfaction – in 40 countries all over the world.

CONTENTS

Workforce 4.0 – a new dimension in flexibility

Interview with Andreas F.J. Obereder,
CEO and Founder of ATOSS Software AG

Mr. Obereder, 2014 was another excellent year for ATOSS. Your company remains on its success course ...
It is indeed gratifying to see how many companies are now taking a serious look at workforce management. Our subject matters and the potential for greater productivity associated with it has arrived in the boardrooms. And of course I'm delighted that ATOSS has recorded its ninth record year in succession. According to a long-term study conducted by Börse online, we are one of the top 30 growth strong companies in Germany. That is a very satisfying confirmation of the work we are doing.

2014 was also a strong year for German industry. Anyone looking at the processes in companies could see the intensity with which optimization issues are being tackled.
Absolutely. More than anything, the subject of Industry 4.0 is well on its way to generating a wave of productivity gains. That's very important, if Germany does not want to fall behind as a business location. The Americans are setting an incredible pace in terms of research, initiatives and standardization. The activities, however, are still heavily centered on equipment and IT as you can see, for example, with the Industrial Internet Consortium that was set up last year.

Are workforce management topics just a sideshow then?
Quite the opposite. Industry 4.0 is not just about intensively networked production and logistics processes, and making them extremely flexible in the future. If you pursue the subject further, you will quickly notice that people play a central role in the factory of the future. One of the visions of Industry 4.0 is a production process capable of adapting fluidly to market demands. A living and breathing factory cannot function without extremely agile staff processes. The challenge rather is to lift work deployment to a new dimension of flexibility. Today, that is already a critical factor in a company's success. Workforce management delivers decision makers a powerful control cockpit and creates an excellent base for facing the challenges of the future.

"Today, companies have to be able to manage complex processes and structures flexibly and effectively. That is the only way for them to survive in competitive markets over the long term."

Can you cite some examples?
Take GLOBALFOUNDRIES, one of the world's key players in the very competitive semiconductor market with its ultra modern Fab 1 in Dresden. As a contract manufacturer, the company has to react quickly and cost optimized to the demands of the market and its customers, and to do so it manages its complex shift system with our enterprise solution. Our customer, ThyssenKrupp Rasselstein, is also banking on make-to-order production. That requires an agile organization and flexible, cost-effective workforce management. And this is where we come in. The example of the automotive industry also shows impressively how you can create enormous scope for maneuver for good and bad times using a whole set of flexibilization tools.

The flexibilization of flexibilization, so-to-speak?
It's not just about working time. That would be too short-sighted. In the future, it will be necessary to take a much more holistic approach to people in the planning process, involving them all the way along the chain of services. The aim is to achieve total alignment of staff deployment with company demands and requirements. And there is a lot still to be done – not just in the manufacturing industry.

Generally speaking, the pace of business is increasingly accelerating. Isn't workforce management just a side issue?
Digitization is bringing fundamental change to society and economy. New business models and opportunities for growth are emerging. No branch of industry is safe anymore from being turned upside down or rendered superfluous. Examples such as Uber or Airbnb show clearly that no sector is immune from having its existence thrown into question. Heroes of yesterday such as Nokia are living proof of how quickly stars can fade. The only defense is a company's basic ability to adapt quickly and counter trends with highly flexible organization. Workforce management, as we understand it, is a cornerstone of that process.

How do you see the change process in retail, another core sector for your company? The internet is creating a hugely competitive environment.
Yes, technology and the pace of innovation associated with it have also led to massive changes in the retail trade. Online or in shops? At the end of the day, it's the consumers who decide and they no longer distinguish between channels; instead they use different platforms as the fancy takes them or even take several routes to the same retailer. The retail trade has had to and still has to adapt to this situation. Many of our customers such as BASLER, Douglas, or HORNBACH are banking on a multichannel strategy. Breuninger, engelhorn or Kastner & Öhler, to cite just a few examples of customers, are creating special shopping experiences in exclusive surroundings to differentiate themselves from their competition. In any case, it's important to offer an optimum level of service to go with the business model – whether it's on the shop floor or in logistics. We support numerous retail companies, such as Deerberg, dm-drogerie markt, EDEKA, Gebr. Heinemann, Peter Hahn or Walz, in the logistics area in achieving a customer and service-oriented workforce mangement matched by efficient costs.

But it's surely not enough to just see things from a cost perspective?
That's right. It's much more about establishing the best possible synchronization of requirements and staff resources thus offering spot-on service on the retail floorspace. And that is still anything but a matter of course. In our projects, we often experience that workforce scheduling is insufficient. It is not uncommon to find over- and under-capacity of up to 30 percent on several days of the week, even with well-structured, successful companies. That has a direct effect on service level, sales and employee productivity. Our projects show that it is possible to increase EBIT by 5 percent and more by introducing better demand forecasts and a more flexible workforce management.

Retail companies traditionally operate with small margins. Can the cost of a workforce management project pay off?
Definitely. We have many customers in the highly price-sensitive retail food trade, among them ALDI SÜD, coop, MPREIS as well as numerous regional companies and distribution channels of the EDEKA Group. Throughout EDEKA alone more than 90,000 people are currently being managed by our solutions. Last year, Hofer also opted for ATOSS Workforce Management. Believe me, in the retail trade they do intensive cost-benefit analyses before purchasing!

Is the situation the same in other sectors?
Around 100 potential analyses conducted in the last two years show clearly where potential benefits in the retail trade, healthcare, service industries, logistics and production can be harnessed. Of course, the intensity with which the solution is

“It is crucial to achieve total alignment of staff deployment with company demands and requirements. And there is still a lot to be done ...”

implemented also plays a part. But just to illustrate the dimensions involved: for a company with 1,000 employees, the average potential benefit per year is a seven-digit number. The return of investment is reached within a very short time period.

What exactly do your solutions achieve?
Our highly specialized algorithms enable the pinpoint precision forecasting of personnel requirements. And the generation of a demand- and cost-optimized duty plan at the push of a button, factoring in all the relevant criteria. In retailing, for example, we can forecast customer footfall with a precision of +/-2 percent. Today, most companies are miles away from achieving such a planning quality.

But software alone is not enough ...
That is correct – and that is why we have consistently expanded our consulting capacities. The full potential of workforce management only unfolds through the combination of highly intelligent software solutions and permanent adjustments in company structures and sequence organization. The unification of processes across areas and divisions increases efficiency, planning quality and benchmarking options throughout the entire company. We provide support in these challenges. Thanks to our extensive cross-sector know-how of many years’ standing we are able to very rapidly identify weak points and optimization potential in existing processes. Today, companies have to be able to manage complex processes and structures flexibly and effectively. That is the only way for them to survive for long in a competitive market.

Talking about flexible structures, there is a lot of discussion about democracy of companies in Germany at present.
And luckily the focus is on business relevant effects and not on politics. The desire for more participation and influence is indeed gaining significance in business and society. Modern technology makes the opportunity to join in the conversation and to “like” things much easier. Take the subject of duty scheduling, for example. In many organizations, in hospitals, for example, this repeatedly gives rise to conflict. Why? Because with traditional planning methods, injustice is simply built into the system and personal issues and preferences always play a role. Systems where employees can contribute to organize their duty plans or easily swap shifts as part of a self-service scheme, ensure greater room for maneuver, transparency, scheduling fairness and thereby job satisfaction.

So workforce management has also positive effects on employer branding?
Definitely. Not least for members of generation Y who are much courted in the employment market, the opportunity of co-determination on all levels is a central criterion in choosing their employer. Innovative working time concepts are part of every attractive employer branding today. The international top employer Gore, for example, relies on ATOSS Workforce Management around the globe.

What makes your company so successful?
We accompany and support companies of all sizes with best practice know-how that we, as the workforce management specialists, have built up in the course of several thousand projects in a very wide range of different sectors. Today, we have projects in 40 countries around the globe – from the USA to Japan. Our customers also benefit from advanced functionalities, performance, stability and scalability of our software, in which we have invested just under 90 million euros to date.

So that means you are well positioned in the workforce management market?
Today, we are working on the very topics presenting companies with major strategic challenges: more agility, greater competitiveness, higher productivity, future-proof working concepts. Companies that are not capable of managing their human resources over the long term with pinpoint precision in line meeting demand and employer requirements will not succeed on a global scale. ATOSS is excellently positioned to meet these demands and requirements. We are on pole position so to speak and we are looking forward to an exciting race.

The interview was conducted by Professor Dr. Marc Sachon. He researches and teaches at the IESE Business School in Barcelona and Munich in the field of production and production strategy, with a focus on the automotive industry and the FMCG/retail trade. His case studies are used at leading business schools around the world.

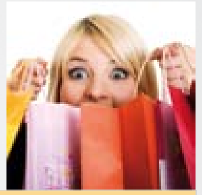
World of Workforce Management

LOGISTICS

Rising goods volumes and the shortest possible delivery time necessitate precision in the planning of people, goods, vehicles and routes. Workforce management creates flexibility and transparency for just in time personnel deployment and enables economic and ecological scheduling.

BUSINESS ANALYTICS

Big data become valuable information: business analytics evaluates data for strategic corporate control and management, and delivers answers to decisive questions and interconnections in the human resource area. This creates transparency for strategic workforce planning and sound management decisions.



RETAIL

The “Age of Customers” calls for a consistent multi-channel strategy and smooth logistics. Consequently, service and cost optimized workforce management upfront and behind the scenes is a must. Workforce management creates convincing shopping experiences – whether online or offline.

INDUSTRY 4.0

The future of industry is characterized by strong individualization and highly flexible manufacturing. Industry 4.0 links man and machine, virtual and analog worlds, as well as production and logistics processes. Workforce management handles the realtime steering of the most valuable resource, the people in the work processes.

THE NEW MOBILITY

Smartphones, tablets, apps: mobile devices and utilization scenarios are revolutionizing traditional ways of working. With the help of mobile workforce management the challenges of a flexible working world can be mastered – independent of time and place. Companies and employees reap the benefits.

SERVICES

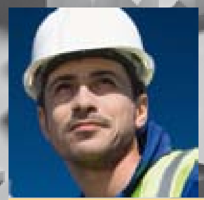
Specialized activity profiles and differentiated performance – in Germany alone, more than 30 million employees are serving a wide range of different customer requirements. Workforce management ensures service quality and the economic efficiency of an individualized service society.

EMPLOYER BRANDING

Generation Y, work-life-balance and room for maneuver – changes on the employment market require innovative human resource concepts and sustainable, future proof working worlds. Caring companies with employee oriented working time concepts boast a decisive USP when competing for talents.

FLEXIBLE WORKING WORLDS

Dynamic markets, demanding customers and fast innovation cycles call for flexibility on all levels. New forms of employment, flexible working time models, demand optimized shifts, preferred duty planning and shift exchange platforms are just a few instruments that allow companies and employees greater breathing space.



PRODUCTION

The Smart Factory is characterized by seamless communication, resource efficiency and informatization. Workforce management manages the “Human Factor” and creates optimal preconditions for an agile steering of production relevant resources and processes.

FLUID ORGANIZATIONS

Rapid response organizations, skeleton staff, coworking, external flex pools: due to globalization and digitization the personnel management has reached a high degree of complexity. Workforce management enables the necessary agility and becomes a strategic tool for surviving in volatile markets.

HEALTHCARE

Scarcity of skilled employees, multimorbidity, process oriented treatment: changes in the population structure are presenting the sector with challenges. Workforce management creates more attractive jobs, secures the compatibility of family and vocational life and significantly reduces fluctuation rates.

RETAIL

Reduced personnel cost ratio	13 %
Like-for-like sales increase	>5 %
Staff productivity increase Company size, 2.000 employees	9.5 % per hour
Forecasting accuracy staff demand vs. actual footfall	+/-2 %

Dedication to detail

Fashionable jewelry for each and every occasion. **PANDORA** enthralls its customers with stylish designs, exclusive materials and workmanship to the highest standards. The jewelry manufacturer, founded in 1982 in Copenhagen, is represented today through 9,900 points of sale, including 1,400 concept stores, in 90 countries. There are currently 103 PANDORA retail locations in Germany, of which one third is managed on a franchise basis and two thirds centrally by PANDORA itself. The network of stores is growing steadily. The monobrand jeweler's strategy: convenient access to exclusive locations and a perfect fit in shop and floor design. Only a short while ago, the Danish chain took over 80 stores from a women's apparel company, which will double its presence in Germany in the next months. The headquarters based in Hamburg support the swift expansion and surface area productivity through professional workforce management. Planning is service oriented and based on customer footfall and budgets. In addition, ancillary activities, such as warehouse-related work or decoration are also taken into account. Time recording is performed via the POS systems. During the next stage, the scheduling quality is to be further improved by adding the Automatic Duty Plan. The area and store managers are delighted with the new transparency and sound analyses options the solution opens up. The aim is to optimize service quality in the stores over the long term, thereby raising the conversion rate. ATOSS Retail Solution is currently being deployed for some 500 employees in Germany.

Image: ATOSS CUSTOMER **PANDORA**

An outstanding shopping experience

A passion for style, the cutting edge of current trends and excellence in service: this is **Breuninger**, a premium fashion and lifestyle company. Europe's second largest privately owned department store employs more than 5,500 members of staff. Breuninger strives to make each visit to one of its 11 stores an outstanding shopping experience for its customers, and successfully so, as the numerous awards they have received prove. The German journal "Textilwirtschaft" presented Breuninger with their 2014 forum award for the best German department store. Customers not only enjoy the retail company's great sense of fashion, style and trends, but also indulge in the excellent service and top-notch quality of its exclusive restaurants, confectioneries and beauty departments. Joachim Husl, Head of Human Resources, says: "We strive to inspire our customers – in every store and during every visit. Motivated and committed employees are our key to success. Frequency-oriented workforce scheduling helps us reconcile employee satisfaction and high service quality without exploding costs." In future, Breuninger will use ATOSS Retail Solution to plan and manage the working time of approximately 3,700 employees in the areas of sales, distribution of goods, cashiers, restaurants, hairstyling & beauty, in their e-shops, as well as in merchandise logistics. The ATOSS SAP® Connector serves to seamlessly integrate the solution into the company's SAP® ERP HCM system. Two stores are currently running pilot operations, and roll-out is scheduled to be completed by autumn. For the long-standing retail company, professional workforce management is essential for being able to focus even more strongly on both customers and employees.

ATOSS customers engelhorn in Mannheim, Germany, and **Kastner & Öhler** in Graz, Austria, are further places to go for unique shopping experiences. Austria's loveliest fashion retailer is about more than just shopping. "We would like to surprise and inspire our customers time and again," is how Thomas Böck, member of the Board of Management, explains the philosophy behind the renowned company. ATOSS Workforce Management makes a valuable contribution to putting this into practice day after day.

Image: ATOSS CUSTOMER **BREUNINGER**
A JOINT PROJECT WITH OUR PARTNER KWP

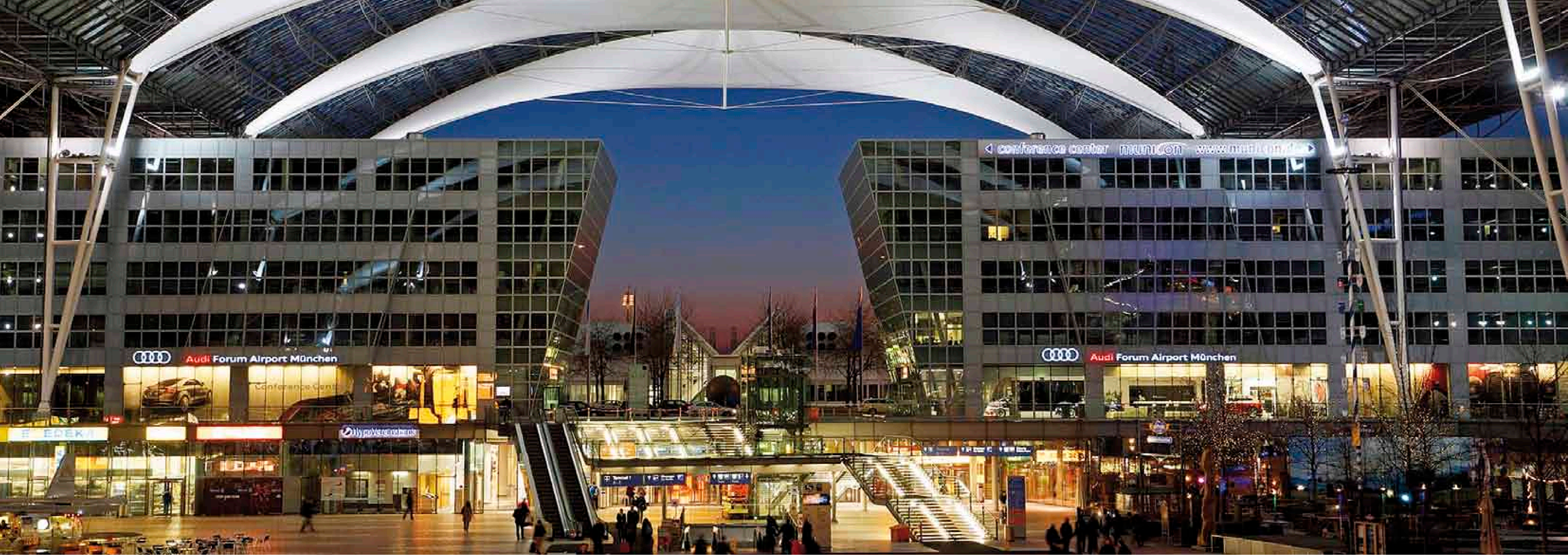
Welcome to NYC

We are at home in the world of global fashion brands – 365 days a year, as fashion is a business that never takes a break. Fast changes of collections, prompt delivery and uncompromising focus on the customer – this is what counts in the fast paced world of fashion. Whether it's glamour style, designer classics or trendsetting products – ATOSS is on board. Now, also on location in the fashion metropolis of New York.

Here, in the Big Apple, our customer **Wolford** is currently running a pilot project. The American subsidiary has started with two boutiques and further locations will follow. In total, there are about 30 Wolford locations in the USA. The company already relies on ATOSS in its shops in Austria, Belgium, France, Germany, Luxemburg, the Netherlands and Switzerland. Around 1,800 employees work for this exclusive brand, providing premium service and quality "made in Europe". At its headquarters in Bregenz in Austria, our Employee & Manager Self Services are increasing efficiency and transparency in time and attendance management. Effectively reflecting all the characteristics and regulations of particular countries are a must have.

BASLER, too, is an internationally successful fashion company. The brand is represented around the world in over 160 stores of its own, as well as 1,600 points of sale in 60 countries. In Germany, BASLER operates 30 monobrand stores, 50 concessions and seven outlets. The brand presence at home and abroad is to be continually expanded. To achieve this the company relies on agile processes and an organizational structure aligned to the value added chain. CEO Reiner Unkel explains: "Originally, I didn't have the subject of workforce management on my agenda. The outcome of the process analysis surprised me. I hadn't expected that it would hold so much potential." The fashion chain store places its strategic focus on workforce management in its stores. ATOSS Retail Solution forecasts the personnel demand down to the last minute; the sales staff are deployed in line with customer frequency. This should reduce personnel costs in the long term, as well as increasing the level of service and sales. The international roll-out of the ATOSS solution is now planned. After all sustainability is the company's credo on their course to greater efficiency.

Image: ATOSS CUSTOMER **WOLFORD**



Shopping according to flight plan

A one-of-a-kind variety of shops and an outstanding range of products on offer for passengers and visitors – shopping at Munich airport is a unique experience. Travel Value & Duty Free, restaurants, fashion, watches and jewelry, as well as travel equipment and souvenirs: in approximately 70 shops, **eurotrade** provides almost unlimited shopping opportunities and outstanding service to customers from all around the globe. About 1,200 employees ensure seven days a week from 6am to 10pm that their customers' wishes are attended to. High customer numbers and short lengths of stay in the shops, as well as strong seasonal and day-time-based fluctuations require diligent staff planning. If, for instance, an aircraft is dispatched from or to Dubai, most ideally, one of the employees on duty would speak Arabic. In order to be able to provide qualified service at all times, eurotrade organizes its sales teams across stores in "shop families", strongly focusing on personnel demand. Footfall figures and sales data help derive down to the minute staff forecasts. Staff planning also takes qualifications, including language skills or special fashion or watch manufacturer trainings, into consideration. ATOSS Employee & Manager Self Services provide the employees with up-to-date information at all times, and employees are actively involved in personnel processes. A total of 120 employees in logistics ensure smooth, on-time delivery to the shops. This is workforce management according to flight plan – benefitting nearly 40 million passengers per year.

Image: ATOSS CUSTOMER **EUROTRADE**

Diversity as a success factor

Whether it is EDEKA-Markt, EDEKA Center, NP Discount or Marktkauf – with distinct and differentiated sales concepts and a total of around 11,600 shops, **EDEKA** meets the needs and wishes of all customer groups. More than 4,000 independent retailers across Germany represent the well-known brand. Seven regional companies ensure an optimum supply of groceries, as well as the provision of customized services. Six of them rely on ATOSS Workforce Management to plan and manage their employees in administration and the affiliated production, logistics and franchise companies. And this trend is set to rise. In 2014, in the sales area of the regional company Northern Bavaria-Saxony-Thuringia, for example, distribution channels such as diska, employing more than 1,400 staff and running more than 110 stores, and Marktkauf, operating 15 hypermarkets and employing approx. 2,000 people, opted for ATOSS Retail Solution. For the regional EDEKA company Minden-Hannover, which comprises 600 independent retailers, 1,600 stores or EDEKA-owned supermarkets, 12 logistics centers and seven production facilities, workforce management plays a very important role. The retailer currently manages the working time of more than 30,000 employees with the ATOSS solution. And a growing number of independent retailers of all sizes are now relying on ATOSS for the managing of their workforce as well – either as hosted operations or in-house. EDEKA Reichelt, for example, uses workforce management hosted by EDEKA Minden-Hannover for cost-optimized employee deployment in its 54 Berlin shops. Karl Preuß GmbH & Co. with its 22 WEZ supermarkets and 1,700 employees runs its own installation. The EDEKA Group's largest independent retailer uses customer-oriented planning to ensure that service and staff costs are in line, and that a sufficient number of qualified employees are available at all times. Yet even smaller retailers such as EDEKA Glahn with one supermarket in Thuringia or the fast-growing retailer EDEKA Stadler+Honner with eight outlets in Bavaria benefit from ATOSS Workforce Management. After all, in spite of their diversity, the members of EDEKA Group have one thing in common – a strong focus on quality, customers and service.

Image: ATOSS CUSTOMER **EDEKA**

Customer satisfaction as guiding principle

With 161 stores throughout Austria, **Hartlauer** is the perfect partner for customers shopping for glasses, hearing aid systems, electronics, as well as photo and film supplies. The family-owned company with a strong tradition has evolved from a single photo shop into a successful electronics retail chain that currently employs around 1,460 staff. Four different types of business with sales floors in varying dimensions offer specialized product ranges. The company's philosophy is absolute customer satisfaction. Hartlauer therefore places great importance on expertise and advisory competence. In order to always have personnel with the right qualifications on the shop floor, Hartlauer relies on the ATOSS Retail Solution to plan and manage its staff based on demands and qualifications. The Automatic Duty Plan is used in all stores with more than seven employees. Planning the schedules of its hearing aid acousticians is also carried out with the help of our solution. The Hartlauer team is integrated into HR processes and kept optimally informed through ATOSS Employee & Manager Self Services at all times.

Stringent laws on working hours, complex collective bargaining agreements and rigid working hour rules and regulations: Austria's retail sector has a few hurdles to overcome in achieving flexible, demand-optimized workforce management. ATOSS Retail Solution masters these challenges daily for customers such as denn's Biomarkt, HORNBACH, Kastner & Öhler, mister*lady, MPREIS, s.Oliver, Wolford and XXXLutz.

Image: ATOSS CUSTOMER **HARTLAUER**

On the management agenda

In 2014, **GLOBUS Baumaerkte** was selected for the seventh time in a row by readers of the sector's "Do-it-yourself" magazine as Germany's most customer-friendly DIY company. This has pleased the company's management and its more than 8,000 employees, as the customer is the ultimate benchmark at GLOBUS. The company operates 88 DIY centers with an average shop floor area of 8,800 m² and seven ALPHATECC consumer electronics stores. In order to meet the company's high service standards, planning and managing employees in a customer and service-oriented manner is performed by ATOSS Retail solution. Aspects that include sales, customer footfall, promotions such as open Sundays or discount days, as well as seasonal fluctuations, are all incorporated into the planning. The scheduling and deployment of cash desk staff can be carried out in even more detail with the Automatic Duty Plan. Parameters such as performance data, receipt sizes and forecasts on customers and articles facilitate the calculation of the right number of employees at half-hour intervals, which keeps queues at the cash desk area to a minimum.

The effects of demand-optimized planning: a more efficient use of flexibility, quick response to staff shortfalls, less working time violations, more equitable duty plans, greater employee motivation and more transparency for management. Analyses about specific markets and areas of business enable rankings and benchmarking that show senior management and store managers the improvement potential in all aspects to do with performance, personnel costs, working hours, occupational health and safety in the individual stores. Today, uniform principles are applied to time and attendance management and workforce scheduling across all the stores. Processes have become more efficient in all stores. Since the introduction of the ATOSS solution, provisions for overtime have been cut down by 50 percent on an annual basis, while sales have risen substantially due to the optimization of service levels on busy days. It comes as no surprise that the topic of workforce management has meanwhile become a fixed agenda item at the quarterly management events.

Image: ATOSS CUSTOMER **GLOBUS BAUMAERKTE**

Workforce management rocks

Excellence in music and entrepreneurship – this is the motto of **session**, an ever-growing retail and service company, which started out as a musicians' hangout back in the wild 1970s. Employing approx. 250 people, the company now runs two large stores in Frankfurt and Walldorf as well as a modern web shop for musical instruments and equipment. Session pro offers professional event support for events of all sizes, both in Germany and abroad – including equipment, conceptual design and implementation. The company's Walldorf headquarters with its unique shopping experience for musicians and music lovers alike sets new standards and offers a retail store, specialized workshops, an electric guitar custom shop, the "Effektarium" guitar effects collection, the saxophone pro shop and harry's, a restaurant in addition to a workshop and concert venue. Moreover, there is a central warehouse and logistics center located in Frankfurt, spreading out over a floor space of 9,000 m^2. Still, when it comes to service, logistics and technology, great sound is just as important as focusing on customers and optimizing personnel costs. ATOSS Time Control deploys employees to ensure high quality of service and advice at all times. Event technician working times are managed using the ATOSS app. All information is available to company management in real time. As Florian Kammer, Head of Human Resources, explains: "Here at session, first-rate service is a must. This is what customers expect from a high-class specialized store like ours." We bring this mission statement to life. Here at session and at more than 4,500 companies of all sectors and sizes worldwide.

Image: ATOSS CUSTOMER **SESSION**

LOGISTICS

Increase in meeting personnel demand at constant costs

20 %

Capacity gains

Company size, 7,200 employees

38,000 hours / year

Increase in service level

50 %

Reduction of holiday accruals

70 %

Supreme quality standards

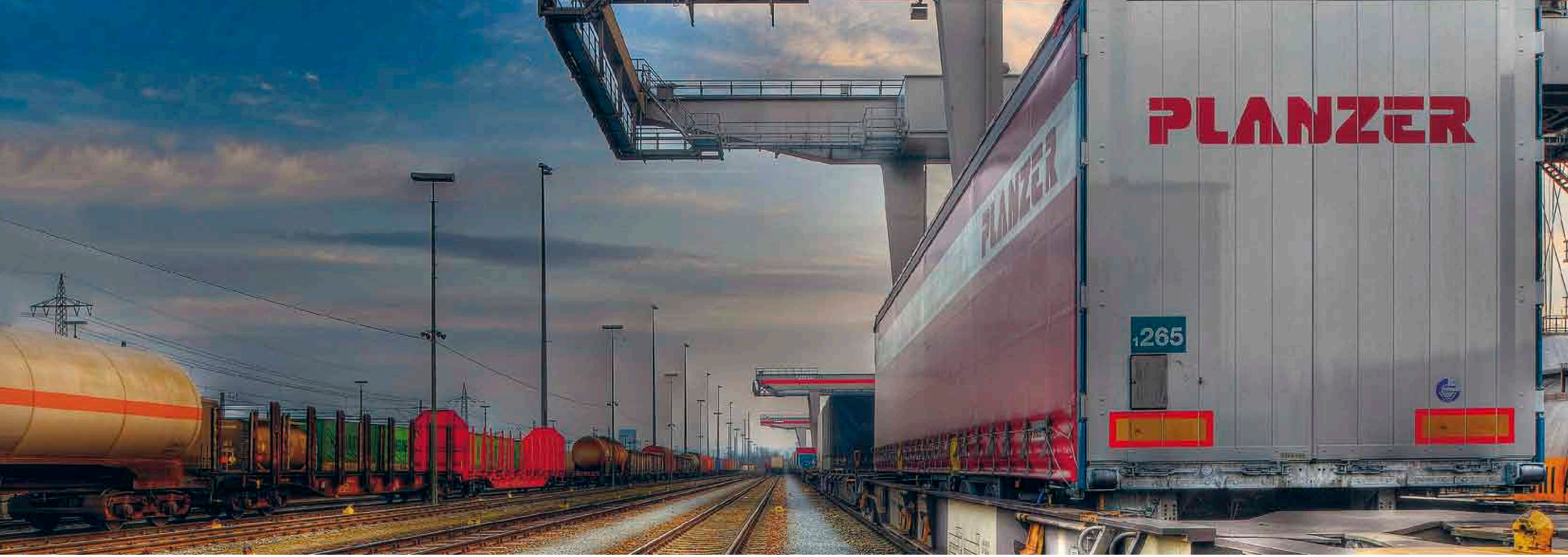
Lufthansa, Europe's largest airline, uses the ATOSS Staff Efficiency Suite to plan and manage the deployment of around 35,000 employees in various areas of activity. The aim is to offer passengers the best possible service, while giving staff a high degree of autonomy in the way they organize their work. Because Lufthansa places great emphasis on self-determination. Its workforce is systematically involved in processes revolving around time and attendance management and duty scheduling. In the Frankfurt and Munich hubs, workforce scheduling is supplemented across the board by preferred duty planning, with huge success. Employees use the online shift exchange platform to swap shifts with each other, which enhances a sense of individual responsibility and motivation. All this has a direct impact on the service quality. The options for using our app for mobile workforce management are currently being investigated. Planning staff also benefit: The ATOSS Dashboard displays a clear overview of all relevant real-time data and acts as a cockpit for demand- and customer-driven scheduling.

Image: ATOSS CUSTOMER **LUFTHANSA**

International logistics

Currently employing around 2,000 staff, **WITRON** plans, implements and operates highly dynamic logistics and commissioning systems for the retail industry. The company is headquartered in Germany's Upper Palatinate region and is positioned as one of the international market and innovation leaders. Top brands like BMW, EDEKA, Porsche or Sainsbury's manage their distribution centers in Europe and North America using WITRON solutions. Some 900 qualified specialists work around the globe to ensure the highest availability levels of the modern, fully automated technical systems 365 days a year. And we are on board as well. ATOSS Workforce Management handles the demand-driven planning of 29 on-site teams in Germany, Austria, Belgium, Finland, France, Norway, Spain, UK, USA and Canada – around the clock and currently in three different languages. In this process, ATOSS SAP® Connector ensures seamless data exchange with the existing SAP® ERP HCM system. WITRON is actively developing its global activities. Human Resources Manager Theo Zeitler explains: "We are continually expanding our services. By 2017, we expect to have ten additional on-site teams with around 400 employees on board. And we are well prepared for growth." WITRON also deploys the ATOSS solution in production, for the on-call teams and the IT help desk.

Image: ATOSS CUSTOMER **WITRON**
A JOINT PROJECT WITH OUR PARTNER KWP



Destination: efficiency

With around 1,300 vehicles and 935,000 m² of warehouse space, **Planzer** provides complex services in its core areas of national and international transport and warehouse logistics. The Swiss family-run business operates all across Europe and manages the working time of about 4,200 employees using the ATOSS Logistics Solution. The goal is to optimize all staff-related processes, create transparency and especially to schedule the group's drivers in a more efficient manner. Planzer has more than 50 sites in Switzerland, as well as subsidiaries in Luxembourg, Italy, France and Germany. The group comprises a total of 47 companies. Planzer is currently using the German, Italian and French language versions of the ATOSS solution. Beat Vetter, Human Resources Manager at Planzer: "In the highly competitive logistics market, one important prerequisite for our success is having optimized workforce processes, as well as an economically efficient and fair organization of working time. Professional workforce management is making a significant contribution in this effort." The group initially selected workforce scheduling, time and attendance management and self services. In the medium term, they plan on complementing the solution with the workforce forecasting module and – especially for their truck drivers – with our mobile workforce management app.

Image: ATOSS CUSTOMER **PLANZER**

Dynamic retail logistics

Buzzwords like cross-, multi- or omni-channel strategies prove that in today's world, customers no longer distinguish between different shopping channels. The line between online- and offline-shopping is becoming blurred. Whether online, stationary or click & collect – efficient merchandise logistics with short delivery times play a key role in ensuring customer satisfaction. Numerous retail companies such as EDEKA, engelhorn, Deerberg, Douglas or CHRIST now utilize ATOSS Workforce Management from the warehouse all the way to the point of sale. As Melanie Thomann-Bopp, Commercial Director at **CHRIST**, states: "For us, everything revolves around the customer. That's why the timing both upfront and behind the scenes has to be right. This creates decisive added value."

At the mail-order company **Versandhaus Walz** with its approximately 50 specialist stores, online shops and sales brands that are successful all over Europe, next-day delivery is the gold standard. Walz relies on ATOSS Workforce Management to plan and manage its 1,400 employees, including 400 employees in the logistics center. Our solution ensures that all stages of the workflow run smoothly – from the receipt of goods and the warehousing to the commissioning and, if necessary, the return of goods. According to the forecasted demand, the Automatic Duty Plan assigns pickers and putters to the correct stations at the conveyor belt. In logistics, changes of plans at short notice are daily business. ATOSS Logistics Solution effortlessly implements these changes and provides Walz with the transparency it needs to monitor the annual quota of guaranteed hours.

Gebr. Heinemann ranks among the market leaders in the international travel market. Some 6,000 employees around the world contribute to the company's success. In the retail sector, the company operates about 230 Duty Free & Travel Value shops, licensed brand boutiques and concept shops at 75 airports in 28 countries. As a distributor, the Hamburg-based company also supplies 1,000 customers in over 100 countries. The retailer places its trust in ATOSS, not only at its headquarters in Hamburg and at virtually all major airports in Germany and Austria, but also in its logistics processes. Two state-of-the-art logistics centers in Hamburg's Allermöhe district and in Erlensee near Frankfurt with around 78,000 m^2 of handling space ensure that the supply chain in the background runs smoothly and that the merchandise arrives at its global destinations on schedule. Gebr. Heinemann relies on high-level automation, efficient process management and demand-based deployment of the company's 550 full-time employees and 100 temporary staff. The planning process is dynamic and often adjusted on a daily basis. Thanks to self services, employees are kept up to date at all times.

Images: ATOSS CUSTOMERS **VERSANDHAUS WALZ** (top) **| GEBR. HEINEMANN** (bottom)

Pharmaceuticals just-in-time

At home, on the go, in hospitals or care facilities: every day, millions of people need medication. As Europe's leading pharmaceutical retailer, the **PHOENIX group** provides wholesale, retail and pharmaceutical services to ensure that pharmaceuticals are on hand wherever and whenever they are needed. With more than 28,500 employees and 152 distribution centers in 25 European countries, the company covers a uniquely large area. PHOENIX supplies around 10,000 pharmacies in Germany alone – up to five times a day. That adds up to approximately 5,000 daytime and more than 850 nighttime tours per 24-hour period. On average, the entire process of receiving an order and passing the goods on to the driver takes no longer than 45 minutes. This process is based on a sophisticated warehousing, logistics and transport system, a national sales network and efficient workforce management. That is why the PHOENIX group has been expanding its workflow management for many years. They rely on the ATOSS enterprise solution to manage the working times of around 7,500 employees in Germany, UK and Switzerland, including 150 staff working at the in-house customer service center. In Germany, the entire workforce is already being integrated into the time management processes via self services, workflows and mobile workforce management. Simply the fact that applications no longer need to be filed manually frees up around 6,000 hours every year – capacities that can now be spent on value-adding activities instead. Managers are automatically informed of defined events regarding their employees via ATOSS Task Management, allowing them to react in a timely manner if needed. "We deliver health" is the company's guiding motto that the employees live by every single day. And successfully so: in the renowned OTC study carried out by "PharmaRundschau", German pharmacists voted PHOENIX the "Best Pharmacy Partner 2014" in the "Wholesale" category.

Image: ATOSS CUSTOMER **PHOENIX GROUP**

Mobility calls for agility

The **Deutsche Bahn** Group is an international mobility and logistics service provider. The world's second largest logistics company has set itself an ambitious goal, aiming to become one of Germany's top ten employers by the year 2020. The Group's management seeks to increase employee satisfaction, become more attractive as an employer and combat the shortage of skilled labor. Efficient staff processes and modern organization of working time are important prerequisites for reaching these goals. Deutsche Bahn has been relying on our modular enterprise solution ATOSS Staff Efficiency Suite for over 20 years. With more than 60 clients, the company now manages the deployment of around 70,000 employees in various Deutsche Bahn subsidiaries. The individual requirements of specific areas have been mapped to varying degrees of intensity. Up to 1,200 time management officers, dispatchers and administrators access the ATOSS solution at the same time. "Deutsche Bahn is one of the largest employers and corporate training centers in Germany. Future-proof, employee-oriented human resource management is a vital component of our corporate strategy. This also includes efficient time and attendance management and optimized workforce scheduling," as Helmut Täger, Head of Deutsche Bahn's Human Resources Service Center emphasizes. Workforce management puts companies on the right track.

Image: ATOSS CUSTOMER **DEUTSCHE BAHN**

PRODUCTION

Reduction of planning time

70 %

Capacity gains

Company size,
1,000 employees

10,000
hours / year

Increase in productivity

>4 %

Reduced planning costs

Company size,
1,600 employees

120,000
EUR / year

The breathing factory

Maximum product quality meeting the highest demands: this is the motto of **ThyssenKrupp Rasselstein**, a subsidiary of ThyssenKrupp Steel Europe AG. The company ranks among Europe's three largest packaging steel producers and is the only tinplate manufacturer in Germany. At the Andernach site in the German federal state of Rhineland-Palatinate, about 2,400 employees produce some 1.5 million tons of tin-coated or electrolytic chromium-coated steel per year for a total of 400 customers from 80 countries. The innovative production site focuses on demand-driven order production. Flexible operating points ensure a fast and cost-optimized response if required. This calls for an agile organization and efficient management of all resources. ATOSS Workforce Management makes a significant contribution in this regard. Klaus Höfer, Head of Industrial Engineering at ThyssenKrupp Rasselstein: "Flexible shift models allow for an optimum utilization of production units and cost-efficient production. Flexible, cost-optimized workforce management is a fundamental prerequisite for making the breathing factory a reality."

Approximately 1,800 employees are planned and managed with ATOSS Workforce Management. Moreover, the solution, which is connected to the groupwide SAP® ERP HCM system via an interface, also manages the complex planning and scheduling of the approximately 70-man strong company fire department consisting of both part-time and full-time firefighters. In addition to statutory, collective agreement and company framework conditions, qualifications, working time models and special working time and group arrangements are also integrated into the planning process. The innovative working time concept provides the company with greater organizational flexibility, shorter response times to demand fluctuations, increased employee satisfaction and greater competitive strength over the long term. After the successful launch at ThyssenKrupp Rasselstein, ATOSS Workforce Management will be set up in another company of the group – the roll-out at Hoesch Hohenlimburg, a medium hot rolled strip specialist, is already planned.

Image: ATOSS CUSTOMER **THYSSENKRUPP RASSELSTEIN**
A JOINT PROJECT WITH OUR PARTNER KWP

All-weather workforce management

Around 60,000 employees, more than 16 million electricity customers and almost eight million gas customers make **RWE** one of the five leading electricity and gas providers in Europe. Whether it is lignite production, generating power from gas, coal, nuclear energy or renewable energy sources, the energy trade or the sales and distribution of electricity and gas – RWE is active at all stages of the energy value chain. To ensure reliable supply at fair prices, the company focuses on renewable energy, innovative products and cost-efficient production. Depending on the daily rates and the weather, base load power plants such as Niederaussem, the second most powerful coal-fired plant in Germany, are flexibly switched to the grid. And employee deployment in the production facilities of the seven blocks of the coal-fired power plant has to be just as flexible. Conventional, inflexible shift schedules cannot provide the agility required. ATOSS supports RWE in its efforts to efficiently put the new challenges in workforce management and scheduling into practice in order to ensure smooth, cost-efficient operations at the Niederaussem coal power plant. Demand-oriented shift planning that takes into account factors such as the number of employees required, working time accounts, qualifications, availability, work safety regulations, working time stipulations or start-up times of the plant allows for the necessary flexibility. Moreover, the part-time plant firefighters and first responders will also be managed with the help of the ATOSS solution. In order to enable the real-time data exchange of all relevant information, our solution is fully integrated into the existing SAP® ERP HCM solution via the ATOSS SAP® Connector. The Niederaussem power plant is currently running a pilot project. Following the successful completion of the pilot, further roll-outs are planned throughout the group, given that demand-oriented production is becoming ever more important in conventional energy generation. We are proud that ATOSS Workforce Management can make a small contribution to a sustainable, secure and affordable supply of energy.

Image: ATOSS CUSTOMER **RWE**
A JOINT PROJECT WITH OUR PARTNER KWP


Quality rules!

AHC Oberflächentechnik ranks among the leading European service companies for functional surface coatings of metal, light metal and plastic materials. A total of 900 employees at 19 sites in Europe develop, produce and finish highly resilient functional surfaces. The diversity of nature serves as a unique source of inspiration for the innovative company's new developments. To meet the high quality and efficiency standards, the company's in-house processes were put to the test, calling for improved agility and flexibility across all departments and divisions. AHC continually works towards that goal using ATOSS Workforce Management. Workforce scheduling and, in some areas, the Flexible Staffing Plan, are deployed in production. ATOSS Employee & Manager Self Services in AHC's corporate design actively involves all employees in time and attendance management. Vacation request and approval workflows are implemented digitally. Seeing as there is an average of 12 requests per employee and year, this helps to save a significant amount of time. ATOSS Task Management and its proactive notification functionalities ensure improved efficiency in day-to-day business. ATOSS Cost Center Management allows for down to the minute assignment of working time to the corresponding projects. After introducing our solution at 12 sites in Germany and three locations in the Netherlands, the company now plans to roll-out the solution to Austria, France and Switzerland.

The **Zwick Roell Group** is another company known for outstanding technical performance, innovation, quality and reliability. The family-run business employing more than 1,200 people and running branch offices in 56 countries is active all over the globe and ranks among the leading providers of materials and universal testing machines. Zwick Roell has opted for ATOSS Workforce Management to manage working times in the divisions warehouse, production and administration at its German headquarters in Ulm. Self services involve the company's employees in personnel processes in order to promote individual responsibility and reduce HR's routine activities. "Employee satisfaction plays a key role for our company. This is why we focus on sustainable HR work including transparency and sufficient room for action as far as working time is concerned," says Wolfgang Bierer, Head of Human Resources at Zwick Roell. In the meantime, our solution is also at work at the company's Singapore location.

Images: ATOSS CUSTOMERS **AHC OBERFLÄCHENTECHNIK** (left) | **ZWICK ROELL** (right)

Worldwide workforce management

W.L. Gore & Associates is active in worldwide research, development and production. The creative technology company focuses on the core divisions electronics, functional textiles as well as industrial and medical products. The company's GORE-TEX® brand, which represented a revolution in the performance of weatherproof clothing, is known all over the world. The company employs 10,000 staff, who it calls associates, and believes in the power of small units and direct communication channels. A unique culture of flat hierarchies opens up ample space for innovative thinking – both in teams and as individuals. Values such as the responsibility of the individual and self-organization are consciously put into practice. Gore has supported its international organization matrix with ATOSS Time and Attendance Management for many years now. Our solution, including self services, which is currently being used in Germany, Great Britain, Greece, France, Italy, and Spain, will now be introduced at a significant number of other sites around the world. Finland, Norway, Sweden, the Netherlands, Poland, Russia, Turkey, Cyprus, Australia, China, Japan, Singapore, Taiwan – these are just some of the countries whose regulations and cultures our solutions will now becoming increasingly familiar with. So it is good that our scalable enterprise solution rises to any kind of challenge. We are very pleased to be able to accompany a multi-national top employer in shaping their working environment – in a total of 30 countries all around the globe.

Image: ATOSS CUSTOMER **W.L. GORE & ASSOCIATES**

Driving dynamic HR processes

They are on the road all across the globe: tipper trucks, semitrailers and box trucks by **Schmitz Cargobull**, instantly recognizable by the distinctive logo featuring a blue elephant. Around 5,100 employees ensure that the transport vehicles are delivered on time and budget, as well as top quality. The motto of Europe's market leader: utmost flexibility in production and personnel deployment. Schmitz Cargobull uses facility- and employee-based working time accounts, a multi-shift system seven days a week and IT-supported workforce management to make this guiding principle a reality. The working time of the employees at its five German production facilities is managed by the ATOSS Staff Efficiency Suite. Facility logistics in Altenberge also uses our solution for workforce scheduling for the 1,500 employees on site. If required, this would also include a cross-facility swap of personnel with the neighboring production facility at Vreden. The transparency thereby gained in terms of working time, as well as the complex, company-specific working time account system, provide the trailer manufacturer with sufficient room for action, enabling cost-efficient and employee-friendly navigation at any time. ATOSS Mobile Workforce Management is currently being tested at Schmitz Cargobull's subsidiary Cargobull Telematics. Leaner production, efficient processes and flexible working times are fundamental prerequisites for a company to stand its ground in volatile markets. Customers such as Schmitz Cargobull demonstrate that the German automotive industry is well positioned to do just that.

Image: ATOSS CUSTOMER **SCHMITZ CARGOBULL**

Workforce management produces success

Working for **medi** means dispensing quality of life. Because the products from this Bayreuth based company with a rich tradition give their users what they want most – a better feeling. The company develops and distributes medical products in the fields of phlebology, lymphology, orthopedics, hospital products, prosthetics and foot care, as well as featuring a range of sports and fashion products. The workforce comprises some 2,200 employees active in 17 offices around the world and in two production facilities in Germany and USA. Its headquarters in Bayreuth accounting for 1,300 members of staff. The growth strong company has been relying on ATOSS Workforce Management in its administration and production departments for almost 20 years. As part of a comprehensive reorganization project in 2006, the company's system environment and HR processes were optimized. At the same time, the database which had grown substantially in size, was streamlined. Today, the company's commercial employees use ATOSS Employee & Manager Self Services. The 600 employees in the production facilities are scheduled in a demand optimized manner. ATOSS BI Connector provides the company's business intelligence tool with relevant data for analyses and evaluations. Workforce management is creating the basis for the staff-oriented and future-proof organization of working time at medi.

At **Vetter**, one of the world's leading pharmaceutical suppliers for the clinical development and commercial manufacture of parenteral drugs, professional workforce management is a strategic issue as well. Advanced, leading edge production plants, comprehensive expertise and an attractive working environment for the 3,300 employees in Germany and the USA set the foundation for the success of this fill & finish partner to the pharmaceutical and biotech sectors. The company is headquartered in Ravensburg. Employees in all ten facilities locally and in Chicago are managed with the aid of the ATOSS enterprise solution. The Automatic Duty Plan allocates employees to the relevant workplace taking into account defined criteria such as the qualifications required to carry out a job. Production workers can view the current duty schedules on central monitors at all times. ATOSS Employee & Manager Self Services actively include all the company's employees in the time and attendance management process. Lean production and the necessary flexibility in all personnel matters – that is how Vetter is able to prevail in international competition.

Image: ATOSS CUSTOMER **VETTER**

Made in Germany

Leica is a class of its own – whether analog and digital. The company is rooted in a long tradition and laid the cornerstone of this mythical brand with its objective lenses. In conjunction with innovative technologies, Leica ensures a better picture today in all situations revolving around vision and perception. The headquarters of Leica Camera AG are located in Wetzlar in the German Federal State of Hesse. This is where high quality cameras, lenses and sport optics products are developed, manufactured and marketed worldwide. Wetzlar is also the site of a new cutting-edge manufacturing and administration complex that impressively links the past, the present and the future of the legendary products. Leica has opted for an innovative solution for managing its staff. The premium manufacturer relies on ATOSS software to manage the working time of 800 employees at its headquarters. The entire team is involved in the personnel processes via self services, which ensures transparency and efficiency at all levels. And it also helps to focus on the essentials: that very special visual experience.

Image: ATOSS CUSTOMER **LEICA CAMERA**

SERVICES

Lower planning costs

Company size, 2,000 employees

8,000 hours / year

Capacity gains

Company size, 1,100 employees

39,500 hours / year

Reduced expenditure for application workflows

80 %

Less unproductive working time

30 %

Bon voyage!

Competent, punctual and reliable service for special care passengers from around the world – that is the mission of **FraCareServices**. The committed service agents of the joint venture between Fraport AG and Deutsche Lufthansa are there to help just in time when they're needed. At Frankfurt International Airport, they assist and accompany passengers with reduced mobility and children traveling alone. The right timing, reliability and individual performance of the staff all play a key role. FraCareServices uses ATOSS Workforce Management to flexibly deploy its service agents based on passenger volume. Taking into account factors such as working time regulations, qualifications and time of service required, the Automatic Duty Plan makes a recommendation that allows for highly accurate workforce scheduling. Thanks to interfaces with the SAP® ERP HCM system and DIVA, a real-time journey planning system, the ATOSS solution is perfectly integrated into the existing system landscape. Just three months after our solution was introduced, the demand-oriented planning of the service agents at FraCareServices had noticeably improved – without compromising on service quality. The management is satisfied, and passengers with reduced mobility from all around the globe are pleased with the friendly support they experience at Frankfurt Airport.

Images: ATOSS CUSTOMER **FRACARESERVICES**

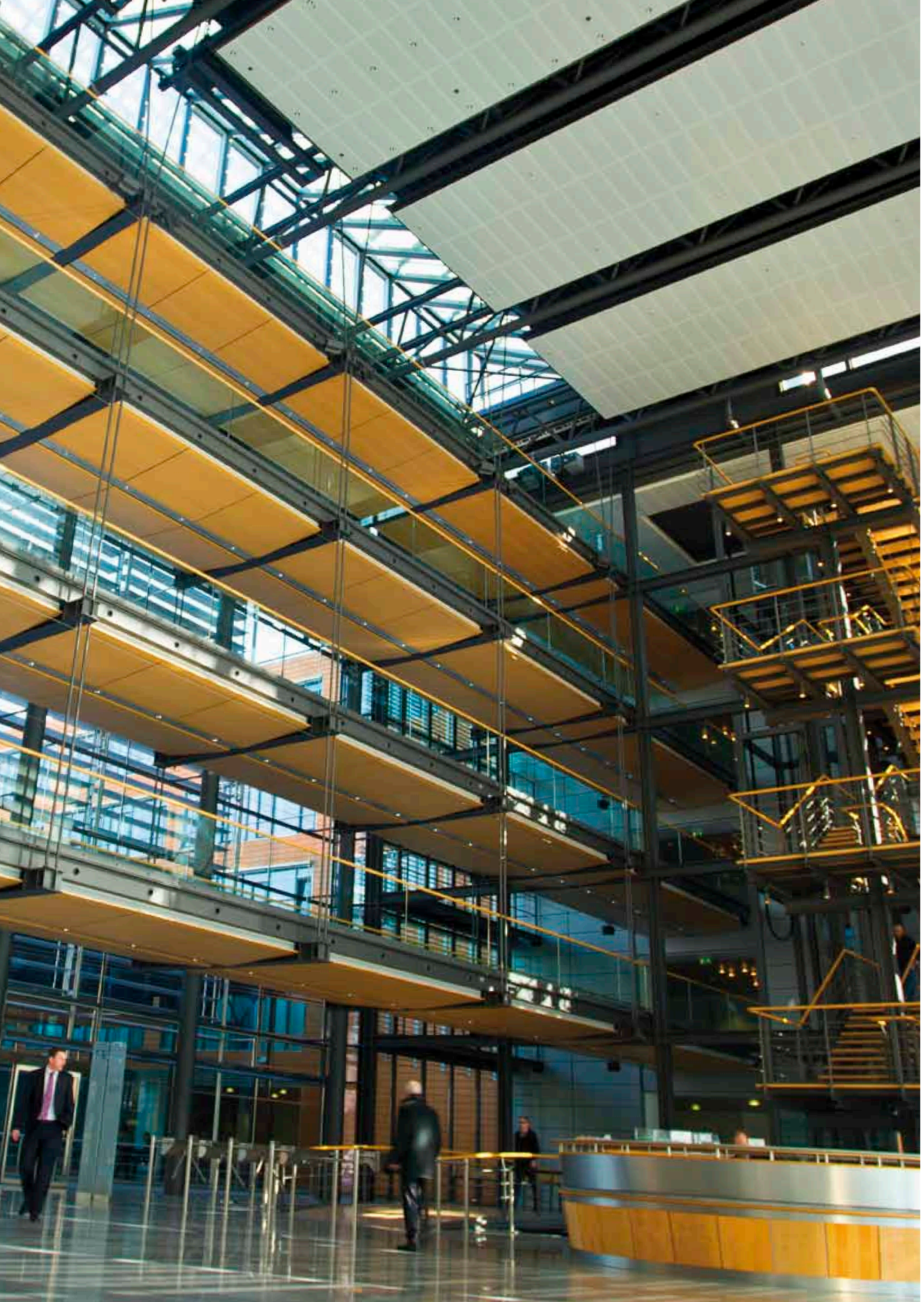
Profitable service

Small and agile or large and established? Does it matter? In the financial services sector, the size of a company is not the decisive factor for customers. Whether it is an airport branch staffed by a single clerk, a call to the customer contact center or a visit to the nearest local branch office: what really matters is service, availability and a competent point of contact. Many banks have successfully adapted themselves to more demanding customers and increasing competition.

The **Luzerner Kantonalbank** has taken on the challenge. It ranks among Switzerland's leading banks with 1,000 employees and 26 branches. Expertise, performance, security and customer proximity position the bank as the preferred partner for private and business customers in the Canton of Lucerne. Sustainable human resource management forms a cornerstone of the corporate philosophy of the Luzerner Kantonalbank, which is one of the largest employers and training institutions in Central Switzerland. Efficient personnel processes and flexible working times form the basis for greater economic efficiency, customer proximity as well as an attractive work environment. We have been accompanying the Swiss bank on this path for many years with our innovative time and attendance as well as access management.

ReiseBank is the market leader in Germany's travel currency sector. The specialized bank operates around 100 branches, most of which are located at train stations, airports and in attractive inner-city areas. Excellent service at all times is a must, despite or perhaps even because of the bank's long opening hours and fluctuating frequency of customer visits. ATOSS Workforce Management schedules the personnel deployment in all of the branches in a cost-optimized and demand-based manner, taking the requested service level into consideration. And the results are impressive: more efficient workflows, more flexible personnel processes, higher planning quality, a fairer allocation of shifts and millions in potential savings in the medium term. ATOSS Employee & Manager Self Services actively involves the staff in the organization of their working hours, thereby motivating them and fostering their sense of personal responsibility. In this way, workforce management is creating a service- and employee-oriented working environment at ReiseBank.

Images: ATOSS CUSTOMERS **LUZERNER KANTONALBANK** (top) | **REISEBANK** (bottom)



More time for the essentials

HUK-COBURG is a company you can rely on – 24/7 if need be. The insurance group operates out of 41 business locations across Germany. The efficient handling of the daily support of more than ten million customers is in the hands of 9,000 employees. Big figures also characterize time and attendance management. Around 2,500 full- and part-time models need to be dealt with in the organization of working time. Some 1,500 employees in the ten customer care centers have their working hours scheduled by the Automatic Duty Plan based on current demand. The amount of time needed for back-office work is also included in the planning and scheduling. After all, whenever direct customer contact is involved, it is absolutely crucial to have motivated staff, competent service and rapid response times. And the insurance provider is committed to becoming even more agile, which is why HUK-COBURG is currently scrutinizing all processes related to working hours and workforce management. Together with our consultants, the company is reorganizing and optimizing all of the HR planning processes. New workflows now increase the efficiency of personnel management. Furthermore, ATOSS Employee & Manager Self Services was introduced for all 9,000 staff, featuring dialogs customized for the insurance provider. Both the team and the management are delighted about the faster processes and the newly gained transparency regarding working times. Next on the company's agenda is the ATOSS Task Management module with its warning and reminder functions. Head of Human Resources Management Marina Herbst-Böhm: "Our workforce management solution gives us the basis for more flexibility. At the same time, it enables us to involve our staff responsibly in the organization of working time. A motivated team quite simply makes all the difference in the day-to-day contact with customers."

Image: ATOSS CUSTOMER **HUK-COBURG**

Two service providers, one service concept

The idea: first class service for bank and postal customers – with extended opening hours – from a single source. ATOSS customers **BAWAG P.S.K.** and **Austrian Post** have joined forces to form Austria's largest centrally controlled branch network and launched a service campaign throughout the entire country. At each of the approximately 500 joint branches, 100 percent service is the order of the day, whether self-service operation, transaction business or individual advisory services. Consistent customer orientation and efficient processes play a decisive role.

This ambitious goal is achieved by **BAWAG P.S.K.** as Austria's largest retail bank through a demand- and service-optimized workforce scheduling in the branches, flanked by transparent management information at headquarters. The ATOSS solution calculates precisely when and where employees are needed; the Automatic Duty Plan deploys the bank's 2,300 staff members based on availability and qualifications and in a cost optimized manner. Alongside the targeted productivity gains, the active integration of employees in organizing the duty plan was a key issue. BAWAG P.S.K.'s management knows that motivated employees are quite simply better employees.

Efficient time and attendance management ensuring service-oriented and, at the same time, fair workforce scheduling is also one of **Austrian Post's** objectives. Collectively agreed regulations, front-line and back-office activities and customer footfall need to be incorporated into the planning. Our solution was seamlessly integrated through the ATOSS SAP® Connector into the existing SAP® system environment, while keeping investments low. Austrian Post currently uses ATOSS Workforce Management for planning and managing around 2,700 staff in its branch operations. Employees belonging to pools of stand-by staff can quickly be deployed at the branches. More flexible processes, reliable duty plans for employees, a better customer service – that's a winning situation allround.

Image: ATOSS CUSTOMERS **AUSTRIAN POST** AND **BAWAG P.S.K.**

Safe workforce navigation

Safe navigation across the globe – that is the mission of **Jeppesen**, the international market leader for aeronautical cartography. Some 6,000 airports, 300,000 pilots and 400 airlines rely on the company's map information – absolutely indispensable in pilot cases and electronic flight bags worldwide. In order to ensure that the map systems are always up to date, the 100 percent Boeing subsidiary draws on a dedicated team of 1,600 specialists who are active around the world. With regard to workforce management in the EMEA region, Jeppesen has opted for ATOSS Staff Efficiency Suite. Our mobile app and self services ensure that executives can book, record and approve working time independent of time and place. At the Neu-Isenburg location some 550 employees are integrated into the solution. The integration of an additional 400 members of staff in Sweden, 150 employees in the UK and 250 company staff in Poland was realized in time & budget. Legal and country specific regulations and the interfaces to national payroll systems are fully covered by the ATOSS standard. In the next step, the Jeppesen locations in the Netherlands, Ireland and Singapore are on the agenda. As Mayleen Becker, Director HR EMEA comments: "In view of the complex and demanding labor and social legislation, as well as cultural differences in the individual countries, the roll-outs are more complex than expected. The solution competence of the ATOSS team in mastering these difficult challenges is highly appreciated."

Host Europe, our long standing customer, is active throughout Germany. The company offers hosting solutions and Internet services for all requirements and budgets. Sales growth of 100 percent in the last five years, 250,000 private and business customers, three computer centers and a capacity of 30,000 servers – the facts and figures speak for themselves. A team of 270 qualified and motivated employees matched by excellent products, top notch support and competent consulting ensure the continuation of the success story. Availability and rapid response are guaranteed 24/7. Host Europe is characterized by an open and performance oriented corporate culture. Our SME solution ATOSS Time Control ensures the necessary transparency and fairness in working time matters. By way of the integrated self services, employees can view their working time accounts, vacation and request absences. The sophisticated access control system at the computer centers is also managed via the ATOSS solution.

Images: ATOSS CUSTOMERS **HOST EUROPE** (top) **|** **JEPPESEN** (bottom)

Service with a smile

CommuniGate specializes in customer dialog excellence – both inbound and outbound – in sectors including financial services, insurances and energy supply. The premium service provider, a company of Lufthansa AirPlus and BCS Bayern Card-Services, offers a full range of written and telephone-based sales, distribution and service-oriented customer communication. A total of 550 employees based in the German cities of Passau and Frankfurt/Oder handle more than 2.5 million written transactions and some two million phone calls per year. To allow for professional, qualified and quick responses to each and every request, CommuniGate relies on the ATOSS Call Center Solution for workforce management based on precise demand calculations. For forecasting, our solution not only takes the business case “contact with customer” and the average handling time for such cases into consideration, but also schedules time for back-office activities including credit card request processing. Forecasts for the volume of incoming work to be expected are set up for every day, defining a time budget for back-office work at the same time. Demand-optimized workforce schedules also take legal stipulations, working time regulations, qualifications, defined service levels and working time accounts into consideration. Reconciling the efficient utilization of employee capacity and optimum availability is a key challenge for the day-to-day business of the Customer Service Center. CommuniGate has mastered the challenge of workforce scheduling, offering its customers outstanding service day after day. That’s premium.

Mail, phone, e-mail or online chat-based customer dialogs are a key asset of many companies. Qualified information, short waiting times and friendly consultation foster a positive company image, thereby promoting positive business developments. This is why customers such as Deerberg, HUK-COBURG, LANDS’ END, Medgate or Peter Hahn use ATOSS Workforce Management for their Customer Service Centers. Because it is that simple: service with a smile makes a difference.

Only the best is good enough

Many millions of guests visit one of the 18,000 **KFC** restaurants in over 120 countries every day. KFC is part of YUM! Brands, Inc., the world's largest restaurant chain with more than 40,000 outlets in over 125 countries. In Germany, too, the brand continues to grow, and is currently operating 115 KFC restaurants throughout the country. The restaurants perform their daily cooking in the traditional manner. KFC cooks exclusively use 100 percent naturally raised chicken meat that is freshly breaded on site by hand – every day, in every restaurant. In all of its products, KFC combines best premium quality, a unique cooking tradition and excellent service.

And that is also reflected in the company's requirements related to workforce management: highest level of functionality, simple operation and unlimited scalability. Therefore KFC opted for ATOSS Retail Solution as software as a service. After the pilot and test phases, the time and attendance management module was rolled out in all KFC's own restaurants. In a second step of the project, the aim is to introduce the modules demand forecasting and workforce scheduling, in order to optimize costs by adapting duty plans to footfall while keeping the service level high. Therefore sales figures and the number of items per invoice are included in the demand forecasting. The responsible managers in the restaurants can keep an eye on productivity and personnel costs at all times. Major emphasis is placed on consistent staff-orientation. Via ATOSS Task Management, the restaurant general managers can monitor the inspection or renewal of important documents, including infection prevention laws and study certificates. KFC has set the course for a productive, sustainable working environment.

Image: ATOSS CUSTOMER **KFC**

A system for fitness

At **kingdom of sports**, a fitness studio chain, the name says it all: every gym offers its members state-of-the-art, top-notch equipment, a wide range of group classes, and – this is especially important to the company – qualified fitness advice and support. The premium discount chain was founded back in 2000 and now counts some 50,000 members at 19 locations, thereby ranking among the top providers of club fitness in Northern Germany. Since 2009, kingdom of sports has also been a franchisor in the market. In order to have just the right number of qualified staff available for fitness advice at the machines, group classes or information and service, kingdom of sports uses ATOSS Time Control to plan and manage its 200 fitness coaches, group class teachers, trainees or student staff. Switching back and forth from the machines to the group classes, scheduling time for personal trainings and, if required, cross-club workforce management ensures an optimum assignment of job roles in the individual clubs at all times. Gym and regional managers can see attendance, working time balances, availability, qualifications and workforce schedules at one glance and any time. Real-time employee data can be brought up and analyzed at all times. Integrated self services allow the team to easily and conveniently submit vacation day requests and register absences, as well as bring up duty plans. A sporty project that our solution for smaller SMEs masters with ease.

Image: ATOSS CUSTOMER **KINGDOM OF SPORTS**

HEALTHCARE

Reduction of planning time	80 %
Capacity gains Company size, 2,700 employees	13,000 hours / year
Days lost in operating rooms in 12 months due to poor planning	0 days
Fluctuation rate	<5 %

Welcome to the working world of tomorrow

The **Ingolstadt Clinical Center** has been relying on ATOSS Medical Solution to plan and manage its approximately 3,000 employees for many years. The focus lies on processes that are medically necessary, a high quality of care and fair duty scheduling. A fluctuation rate of under five percent proves that the flexible deployment of staff across all disciplines boosts employee satisfaction. The solution is currently also making a valuable contribution regarding efforts to implement the complex overtime regulations for regular and rotating shifts. Managing Director Heribert Fastenmeier is passionately pursuing the goal of sustainable workforce management. He focuses on the efficient use of all resources, whether related to medical services, care or administrative processes. That is why the personnel processes in Ingolstadt are regularly put to the test. Together with ATOSS Consultants, an intensive process analysis was carried out in 20 different areas of the hospital, ranging from anesthesiology and intensive care to the emergency room. This resulted in a package of measures that includes topics such as qualification management, demand forecasts, employee requests as well as functional and annual planning. As Heribert Fastenmeier states: “We must continue to optimize our HR management. If we want to make the German healthcare sector future-proof, we need to set new benchmarks.”

The responsible and economically efficient use of all resources is also the guiding principle of the **Leverkusen Clinical Center**. ATOSS Medical Solution plays a key role in the implementation of this strategy. Detlef Odendahl, Head of Legal & Human Resources: “We have placed a clear focus on process optimization. This is the area that holds the greatest potential for more profitability and cost efficiency. Given the recent experience with process costs, we expect to save up to a six-digit amount.” Apart from optimizing the workflow, actively involving the 2,200 employees in time and attendance management and developing attractive work concepts, the topic of analysis is increasingly becoming the center of attention. Valuable data is made available to the managers via the ATOSS BI Connector, which serves as an interface to the clinical center’s business intelligence system. The increased transparency regarding actual and target working times, absences, working time accounts, vacation balances and overtime development serves as a solid foundation for making human resources-related decisions and planning budgets. The next item on the clinical center’s agenda is the Automatic Duty Plan. The goal is to make the planning processes even faster, while at the same time improving the planning quality.

Images: ATOSS CUSTOMERS **LEVERKUSEN CLINICAL CENTER** (top) | **INGOLSTADT CLINICAL CENTER** (bottom)

On call 24/7

The **Austrian Red Cross Salzburg** plans and manages the deployment of its 850 full-time employees and 3,800 volunteers using ATOSS Workforce Management. With its 29 offices, the Salzburg Regional Association boasts a well-developed supply network that can swiftly provide aid throughout the entire region. The healthcare service provider seeks to optimize its resource planning processes, especially with regard to planning the tours of its emergency transport vehicles and ambulances, and to ensure even faster response times. In a pilot project, the Salzburg City Office already adopted the solution for its emergency services, and will now apply it to its healthcare services as well.

The **Bavarian Red Cross Blood Donor Service** (BSD) also provides healthcare 365 days a year. Every year, the BSD organizes 5,000 blood donor sessions with around 500,000 blood donations throughout Bavaria, thereby ensuring that hospitals and doctors have all the supplies they need. A total of 21 interdisciplinary teams, each consisting of between four and twelve staff members, need to be managed accordingly. This is where many factors come into play: fluctuating blood donation levels, shift duty, collectively bargained pay scales, qualifications and billing modalities. ATOSS gets to the heart of these highly complex requirements for more than 700 employees and around 200 fee-based doctors.

With over 200 kidney centers and 19 ambulatory healthcare centers, the **German Kidney Care Foundation** (KfH) provides high-quality, integrative nephrological care for patients suffering from renal diseases. More than 7,200 employees are on call around the clock to care for approximately 18,500 dialysis patients and more than 50,000 outpatients. KfH opted for ATOSS Medical Solution as the best way to manage the diverse range of duty plans, tasks and workstations and to grant the staff a high degree of freedom to determine their own duty plan. The Task Management module proactively notifies staff and managers to help them stay on top of appointments and processes.

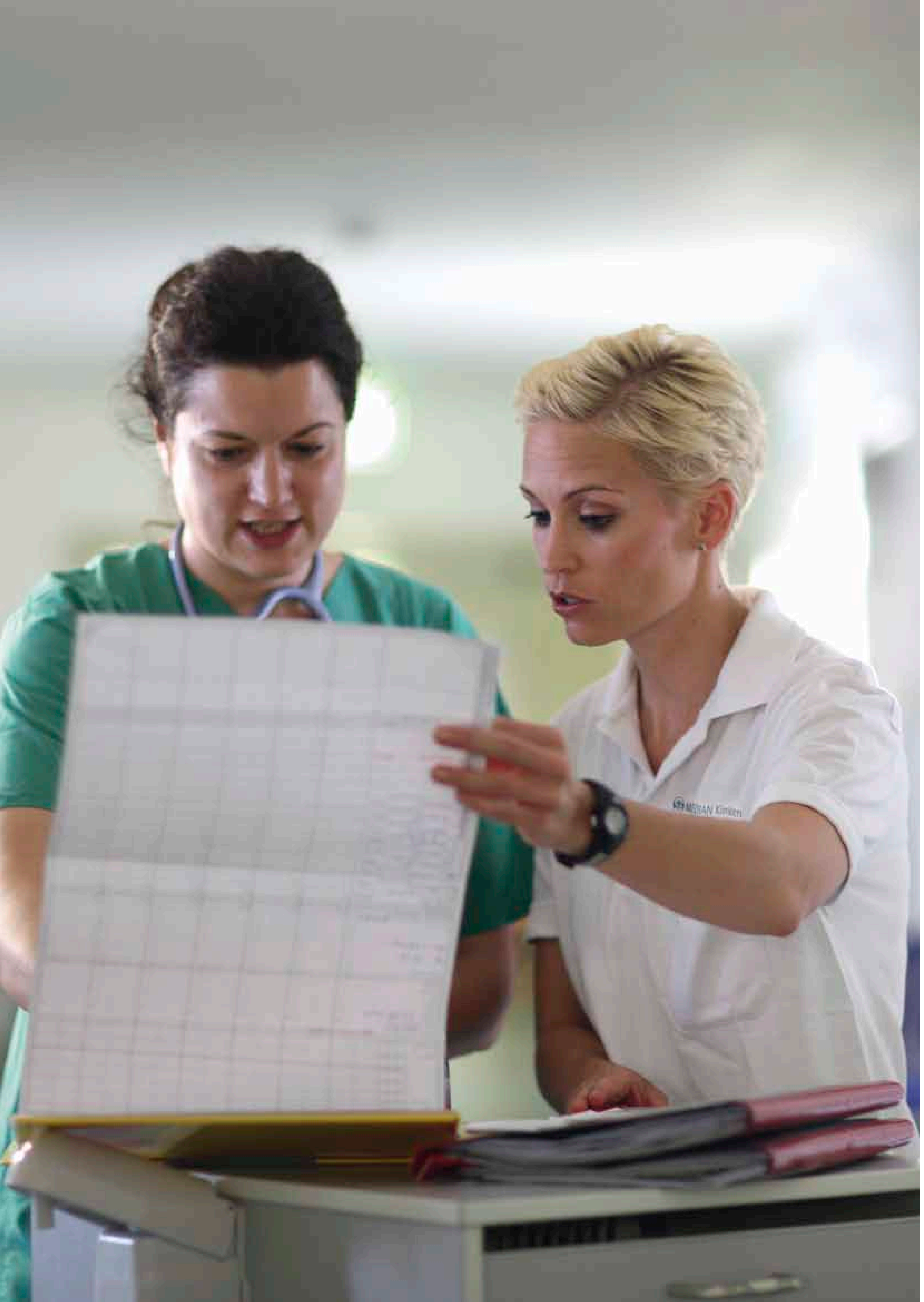
Image: ATOSS CUSTOMER **AUSTRIAN RED CROSS SALZBURG**

Excellent prospectives

At **Augsburg Clinical Center**, the services of over 5,500 employees from all professions will now be managed based on ATOSS Medical Solution. The clinical center is also introducing self services for all employees, as well as Flexible Staffing Plan for doctors and functional services. Within the context of a Europe-wide tender, the ATOSS solution was selected as the product that would best fulfill the requirements of Augsburg Clinical Center with regard to technology, performance and functionality as well as recalculating capabilities and being future-proof. References from major maximum care hospitals such as Frankfurt University Hospital and the University Medical Center of the Johannes Gutenberg University in Mainz further confirmed their decision. Alexander Schmidtke, Chairman of the Board and Chair of Finance & Strategy, explains: "Our aim is to continually improve the provision of healthcare services for the approximately two million citizens who live in our catchment area, and to offer our patients the best possible service. This requires efficient workforce management, optimized processes as well as transparency for our employees and management. Only then can we work in a patient-oriented and economically efficient manner." Following pilot projects carried out at the Department of Anesthesiology and Surgical Intensive Care as well as in the Central Emergency Area, the solution will now be successively rolled out in all of the 27 departments and institutes.

At **Fuerth Hospital**, the main reasons for initiating a comprehensive workforce management project were to improve the work-life-balance, loyalize employees, decrease fluctuation and create an attractive working time concept. The goal was to ensure flexible and family-friendly working times for their 2,200 employees, while at the same time safeguarding the hospital's high demands with regard to quality of care and economic efficiency over the long term. The Academic Teaching Hospital of Nuremberg-Erlangen University therefore relies on transparency and efficient processes. That applies to the administration and especially to the care field, where processes are organized in a patient-friendly manner across all wards. ATOSS Medical Solution with its numerous useful add-on modules – from the Automatic Duty Plan to the Flexible Staffing Plan – plays an important role in implementing this strategy. Self services involve the staff in the time and attendance management processes and foster their personal responsibility. Running a hospital in an economically efficient manner and creating an employee-friendly work environment – in Fuerth, these two objectives are no contradiction.

Image: ATOSS CUSTOMER **AUGSBURG CLINICAL CENTER**



A healthy business

In the field of rehabilitation medicine, **MEDIAN Clinics** comprising 7,500 employees, 45 facilities and over 9,500 beds is one of Germany's leading clinic companies. The association adheres to high standards with regard to quality of care, employee orientation and profitability. According to the German news magazine "FOCUS", MEDIAN Clinics rank among Germany's top employers. ATOSS Medical Solution was introduced to make workforce management more efficient, to standardize personnel processes and to optimize costs. The goal of the project is also to ensure fair duty scheduling and to standardize the reporting procedures across the entire association. The data flows from the ATOSS solution via the BI Connector for analysis and evaluation into the clinics business intelligence tool. The predicted high utilization levels of workforce management within the group of companies was confirmed by a comprehensive process analysis. Stefan Matzke, Head of Personnel & Law at MEDIAN Clinics: "The highest medical standards, the best perspectives for the employees and satisfied patients are the cornerstones of our corporate philosophy. This requires economically efficient and socially compatible workforce management, optimized processes and company-wide transparency. With our solution, we are creating the best preconditions for a viable future working world." The roll-out across the entire clinic association is due to be completed by the end of 2016.

Image: ATOSS CUSTOMER **MEDIAN CLINICS**

Medical excellence

Advanced, high-tech medicine and the pressure to innovate on the one hand, and the economic framework conditions of the healthcare sector on the other – university clinics are constantly operating in a field of tension. The **Marien Hospital Herne** successfully rises to this challenge day after day. According to the German news magazine "FOCUS", the university clinic of Ruhr University Bochum ranks among the top hospitals of 2015 – regionally and nationally. The modern maximum-care hospital with two sites in Herne offers a broad range of diagnostic and therapeutic services. It cares for around 24,000 inpatients as well as approximately 50,000 partially hospitalized patients and outpatients annually. The hospital's main principles include cost transparency, efficient resource management as well as cooperation across all professional and occupational groups. In pursuing these goals, the hospital relies on ATOSS Medical Solution. The working times of the 1,700 employees are managed using our solution. In addition, the Flexible Staffing Plan is applied for the medical services, allowing doctors to plan directly for specific workstations, shifts or special services.

"FOCUS" also counts **Frankfurt University Hospital** among Germany's best hospitals. In order to keep things this way, the university clinic focuses on the best possible quality of care, efficient work processes and optimized duty plans. ATOSS Medical Solution allows the deployment of 4,000 staff in 32 specialist clinics and 20 research institutes to be planned in an economically efficient manner, demand-driven and across all disciplines. The roll-out phase is ongoing.

The **University Hospital Salzburg** (SALK), a central hospital also providing emergency medical services, treats around 97,230 inpatients and over 380,000 outpatients per year. SALK, which has been a partner and training center of the Paracelsus Medical University since 2003, employs 5,580 staff and provides top-class healthcare services. Around 1,600 doctors and medical technical service staff are currently being managed using ATOSS Medical Solution. Our solution ensures that legal stipulations, collectively bargained pay scales, company agreements and working time regulations are adhered to at all times. This is important because in Austria infringements against maximum working hour limits carry a hefty fine imposed by the country's labor inspectorate. As SALK's Head of HR, Waltraud Weissengruber, states: "Today, we have efficient processes and significantly more flexibility and transparency with regard to organizing working time. This has helped us optimize our personnel costs without compromising the quality of care." In view of the positive experiences with the doctors, the ATOSS solution will now also be introduced for the approximately 3,000 care staff.

Image: ATOSS CUSTOMER **UNIVERSITY HOSPITAL SALZBURG**

Dedicated to patients and employees

The **District Clinics Reutlingen** is an association comprising three clinics that employ approximately 2,000 members of staff, making it the largest municipal employer in the region. The association provides care for a total of around 36,000 inpatients and 80,000 outpatients each year. ATOSS Medical Solution plans the deployment of doctors and nursing staff across all disciplines. The association highly values balanced, optimized planning processes resulting in greater planning security and an improved work-life-balance. Thanks to ATOSS Employee & Manager Self Services, employees can access their working time accounts at any time and apply for vacation days, absences or requested shifts. The working times are conveniently logged using the ward phone.

As the Fulda campus of Marburg University's Department for Medical Studies, the **Fulda Clinical Center** provides a broad spectrum of high-quality medical services and professional care. The maximum care hospital comprises 25 clinics, institutes and interdisciplinary centers. Some 2,700 highly qualified staff attend to and care for more than 100,000 patients per year. The working times of the doctors and nurses are planned and managed using ATOSS Medical Solution. The integrated Cost Center Management makes sure that in the case of staff deployment across different wards, the personnel costs are allocated correctly down to the minute, thereby creating transparency for the controlling department.

The **German Heart Centre Munich** (DHM) with its approximately 1,200 employees pursues an interdisciplinary approach under a single roof, thereby creating the ideal preconditions for treating patients suffering from cardiovascular diseases. ATOSS Medical Solution supports the DHM in maintaining its high standards. Interfaces with the care performance system and the OR plan ensure an efficient and flexible use of resources. The renowned medical center is highly active in research, because the close interaction of theory and practice promotes the further development of leading-edge medical treatment procedures. The DHM is currently setting up a new research center, which is secured with the help of a sophisticated time and access management system developed by ATOSS.

Images: ATOSS CUSTOMERS **FULDA CLINICAL CENTER** (top) **| DISTRICT CLINICS REUTLINGEN** (bottom)

360° healthcare

“doc around the clock” is the guiding principle of **Medgate**. The Swiss provider of integrated outpatient healthcare operates Europe’s largest telemedicine facility. Around 250 staff, including 60 physicians, 35 medical assistants and six telemedicine advisors provide patients with support in health-related matters around the clock – over the phone, via the Internet or by video. The team handles up to 4,300 teleconsultations a day. This calls for efficient workflows and workforce management tailored to patient frequency. ATOSS Workforce Management helps provide qualified outpatient healthcare on a demand-based and cost-optimized manner around the clock. As of recently, 70 call center agents are also using the integrated shift exchange platform, and can exchange working hours with their colleagues on their own responsibility. Almost anything goes. Our system automatically checks to make sure that the small number of defined regulations such as minimum team size or a maximum working time of five workdays in a row are adhered to when shifts are exchanged. All that freedom of choice makes work even more fun – for the benefit of Medgate’s employees and customers alike.

The **Kassenaerztliche Vereinigung North Rhine** (KVNO) is a German association of statutory health insurance physicians headquartered in Düsseldorf. It organizes the demand-driven, round-the-clock care of approximately 9.6 million people in the federal state of North Rhine-Westphalia, ensures the quality of the medical services performed by physicians, handles the billing with the health insurance funds and represents the interests of its members. To do so, the association employs around 1,000 staff with labor-intensive periods of up to ten hours per day and up to six days per week. The flexibility of the workforce is just as essential as well-planned, cost-efficient organizational processes. Thanks to ATOSS Time and Attendance Management, the KVNO was able to extend its business hours without losing sight of their employees’ interests. An win-win-situation benefiting employer and employees alike.

Within the framework of services rendered by the medical emergency service, the **Arztrufzentrale NRW** in Duisburg provides information outside of normal opening hours about practices providing emergency care and medical service offerings. It also arranges home visits if needed. The service provider relies on ATOSS Call Center Solution to ensure 24/7 availability – also in peak times. Our solution analyzes telephone switchboard data, calculates the personnel demand and creates optimized duty plans for the approximately 180 employees. In future, staff will be able to access their scheduled working times at any time via self services.

Images: ATOSS CUSTOMERS **MEDGATE** (top) | **KASSENAERZTLICHE VEREINIGUNG NORTH RHINE** (bottom)

ABOUT US

"ATOSS solutions are the ideal addition to our own portfolio of innovative security systems. The market for workforce management offers exciting prospects. We see an enormous potential for the future."

BERNHARD KEMPF
Head of the Sales Unit North Rhine Westphalia
Bosch Sicherheitssysteme GmbH

"The joint development of the SAP® Connector gives access to an interesting market. In our projects, we greatly appreciate the high level of professionalism and expertise of the ATOSS team. You can feel the enthusiasm for workforce management."

HARTMUT KÜMMEL
General Manager
KWP team HR GmbH

"The demand for cloud solutions in an HR environment is growing, particularly in the area of workforce scheduling. With ATOSS, we have a solution in our portfolio that meets all the requirements placed on modern workforce management. The winners are our customers."

KLEMENS BAUMGÄRTEL
General Manager
Ratiodata IT-Lösungen & Services GmbH

Partnerships with added value

Team spirit has made ATOSS successful over the years. Together with our partners, we explore new paths and expand our strong position in the market. This enables us to combine resources and competences, allowing us to deliver the best solutions to our customers. Whether it's sector-specific, IT or process know-how, complimentary software or innovative security and access concepts, partnerships with added value are part of our corporate philosophy.

This has been our guiding principle in recent years in establishing a powerful ecosystem in our market – with over 50 partnerships and alliances. For example, Bosch Sicherheitssysteme has opted for ATOSS Workforce Management solutions to complement its own product portfolio for many years now. In cooperation with the established SAP® Partner KWP team HR, we developed the ATOSS SAP® Connector. This online interface has opened up a promising market for both of our companies. Ratiodata, one of Germany's top IT system vendors, makes the complete portfolio of ATOSS Workforce Management available in its computer center as software as a service. More than 200 companies, including many banks and cooperatives, have opted for this cloud solution, with more joining every day.

Networked markets call for networked action. This premise is especially applicable to the software industry. Our aim is to focus on developing the growth market of workforce management – both at home and abroad. In these endeavors, we consistently seek to establish long-term cooperations and alliances with companies with a good fit. Our partners benefit from innovative products, a key issue for the future holding great potential, an established network and the investment security of a stock market listed company. By joining forces, we are generating added value for our customers.

Images: ATOSS PARTNER

Workforce management is our métier

Others talk about innovation – we invest. Every year, around 20 percent of our revenues go into the further development of our solutions. We are convinced: high level software development is a continuous commitment. What this means in practice is an overall investment of 89 million euros in our product suites. According to the EU-Industrial R&D Investment Scoreboard, ATOSS ranks among Germany's the top 20 software companies in terms of investing in future-proof solutions, and we are number one in workforce management in Europe. More than 130 ATOSS employees in R&D and product management work day in day out on creating these advanced solutions. Agile development processes guarantee rapid implementation in practice – a policy that pays off. ATOSS Workforce Management software is state of the art, in technology, functionality and user friendliness. And we still have a lot of plans.

Following the successful launch of ATOSS Cloud Solution based on our enterprise suite, we are now making the leap to new client technology. For our customers, this means an entirely new user experience: attractive visual design, combined with the ultimate in user benefits, as well as effective and efficient usability. What we will leave unchanged, however, are the powerful core, the extensive functionality and the openness of our solutions. We connect worlds and create synergies for our customers. A few examples maybe?

The ATOSS BI Connector meets management's request for transparency. All data from the ATOSS Workforce Management solutions can be used by our customers' business intelligence tools for sound analyses and evaluations. And we also have the best connections to SAP®. The online interface ATOSS Connector exchanges master and transaction data to and from ATOSS Workforce Scheduling and SAP® ERP HCM, which provides SAP® users with high-end functionalities – in real time and without system limitations.

Our solutions are designed for the future. With ATOSS Annual Planning, for instance, companies have a clear view of the long-term development of personnel capacity, measured against personnel demand, beyond operational planning. Our mobile apps bring time and attendance management, planning functions, KPIs and self services to smart phones or tablets. This facilitates the integration of mobile workforces and creates a solid base for tomorrow's working worlds. We are relentless in our endeavors to improve – always committed to workforce management solutions that create genuine and substantial added value for our customers.

Image: ATOSS TEAM

The full range

More than 25 years of experience in workforce management and over 4,500 successful projects – this all adds up to an impressive intellectual property that we are proud of and that is essential for sustainable value creation. Our customers benefit daily from this powerful know-how. Our commitment to consistent specialization in workforce management has paid off. Today, ATOSS operates as an full range provider in the market, with a unique solutions portfolio. No scenario is too complex, and no company too big or too small for us. We always have the right solution, whether it's our state-of-the-art enterprise suite to meet the most sophisticated demands, a modular system for high-growth SMEs, or a plug-and-play solution for smaller SMEs.

In 2014, we extended our product family by adding two cloud solutions. At the high-security Telekom computer center, the entire functionality of ATOSS Workforce Management is made available in the form of software as a service (SaaS). The ATOSS Cloud Solution is based on a modular structure and is endlessly scalable. It only takes a few days for our customers to have access to the defined scope of services ranging from workforce forecasting, workforce scheduling and time and attendance management through to self services. With Crewmeister, our youngest "family member", we have targeted the market of small companies with five to 50 employees. As a flexible info center, the web-based solution ensures transparent working hours and vacation periods conveniently and cost effectively. Sector-specific solutions for call centers, healthcare, retail, logistics and production round off our software portfolio. We live workforce management – unconditionally.

Image: ATOSS TEAM

We accelerate personnel processes

Success in volatile markets stands and falls with a company's response capabilities – times of rapid change call for rapid response organizations. Preconditions include agile processes and more flexible scope in working hours, without personnel processes acting as a brake. Instead, processes need to facilitate the swift implementation of necessary changes. Only then can an appropriate resource allocation in reaction to market situations be secured. We support companies by helping them to optimize workflows and to standardize process environments across departments, thereby enhancing operational agility. After all, managing complexity and change is ultimately a personnel-related issue. This area holds huge potential for added value.

"Our experience shows that the average potential benefit for a company with 1,000 employees goes into the seven-digit range per annum. But also smaller companies hold astonishing hidden productivity reserves," states Dr. Florian Forster, Head of ATOSS Consulting. In process design and ROI evaluations, our consultants can draw on more than 25 years of experience from some 4,500 projects. Many customers such as BASLER, Breuninger, dm distribution centers, Kastner & Öhler and RITTER SPORT, to name a few, began with a comprehensive analysis of processes and potential in taking their first step toward holistic workforce management.

Whether innovative working time models, demand-optimized workforce management, or ergonomic shift scheduling, we support our customers in making their working environments sustainable and fit for the future. It is only when the foundations have been laid correctly that workforce management can unleash its full potential.

Image: ATOSS TEAM

Productivity knows no boundaries

Überstunden, overtime, heures supplémentaires or horas extras – as different as the various languages are in expressing one term from working life, as varied are the demands placed on a workforce management solution in different international contexts. Anyone managing personnel in more than one country knows how multifaceted and complex the tasks are purely on account of the legislation in the individual countries. These challenges can be mastered with ease through ATOSS solutions. Whether in France, Italy, UK, the Netherlands, Spain, Sweden, Turkey, Australia, South Africa, Japan or the USA, ATOSS solutions are made in Germany but are at home anywhere in the world. Currently in 40 countries around the globe.

At **Eddie Bauer Japan Inc.**, for instance, the ATOSS Retail Solution was adjusted in record time to suit the national legislation, company agreements and the Japanese writing system. The roll-out in more than 50 stores was successfully executed within a space of only five months. **HORNBACH**, one of Europe's largest operators of DIY and garden centers, has also opted for ATOSS solution. The deployment of approximately 16,000 employees in Germany, Luxembourg, the Netherlands, Austria, Romania, Sweden, the Czech Republic and Switzerland is scheduled and managed in line with customer requirements through ATOSS Retail Solution. Slovakia is to follow shortly. ATOSS Retail Solution seamlessly maps the diversity of working time models, qualifications, country-specific regulations and collectively bargained pay scales. Even the highly complex collective agreement in Austria did not prove an obstacle for our solution. No wonder as our consultants, many of them internationally certified project managers, know the ins and outs of their business.

This is precisely why global players such as Jeppesen, HOYER Group, Lufthansa, PLAYMOBIL®, PUMA, Tommy Hilfiger, WITRON and W.L. Gore & Associates have opted for ATOSS Workforce Management. After all, our solutions show their genuine strength when deployed internationally.

Image: ATOSS TEAM

People @ ATOSS

Helping to shape and design future working worlds – a fascinating challenge, an exciting perspective and a major responsibility. Our employees accept this challenge with expertise, experience and enthusiasm. They fill the ATOSS vision of a human economy with life every day. Our team's commitment is the engine of our success and the driver of our aspiration of creating added value for our customers. We place emphasis on a productive and dynamic working environment: flat hierarchies, room for initiative, excellent development opportunities, individual career paths, inspiring teamwork and participation in success are cornerstones of our HR strategy. Our employees are able to develop in this environment, both in personal and professional terms, and with a view to achieving success over the long term both nationally and internationally.

Our mission is to consistently build up our international presence, while focusing on alliances or expanding our own business activities. Following Austria, Switzerland and Romania, we are now represented in the Netherlands with a local ATOSS office. And we are far from finished.

With several thousand projects in companies spanning a wide variety of sectors, of different sizes and of varying degrees of internationalization, we have created a sound basis for growth and expansion over 25 years. The management of 2.8 million employees in 40 countries is currently carried out using ATOSS solutions, with more being added all the time. Today, ATOSS solutions are handling the scheduling and management of 2.8 million employees in 40 countries, and more being added all the time – a powerful incentive driving our commitment to continuous improvement.

Images: ATOSS TEAM

FINANCIAL REPORT

CONTENTS

Letter to Shareholders

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

Dear Shareholders,
Customers, Business Partners and Colleagues,

For the ninth time in succession ATOSS Software AG has achieved the best result in its history to date. Since 2005 we have increased our overall sales by 94 percent, while sales of software licenses have actually risen by 113 percent. In financial year 2014 in particular, ATOSS Software AG saw a marked acceleration in the growth rate in overall sales and software licensing and succeeded in further improving its operating margin. Our dynamic pace of growth continues uninterrupted and is gaining momentum.

Workforce management is indispensible in meeting the current demands on business enterprise
The excellent development in business achieved by ATOSS Software AG is closely linked with the rising demands on businesses to optimize their processes in the interests of productivity and cost efficiency, quality and flexibility, as well as employee satisfaction and compliance with statutory regulations.

Workforce management provides companies with a management tool with which to target the deployment of staff in consideration of these aspects. With the introduction of solutions from ATOSS Software AG, businesses are able to achieve a balance between the rapidly developing requirements of the market, as for example the order situation in manufacturing or customer footfall in the retail sector, and the constantly changing statutory environment like the introduction of a minimum wage in Germany effective January 1, 2015. The ATOSS solution portfolio is aimed at enabling companies of all sizes in all sectors to leverage the maximum potential to add value in consideration of both economic and legal conditions and the wishes of their employees.

Today, more than ever, businesses are facing huge challenges. Aspects such as short-, medium- and long-term personnel capacity and requirements planning present a decisive competitive advantage for modern, breathing, flexible organizational structures. It is imperative to optimally integrate these management requirements into corporate processes and IT structures, whereby the ability to access duty rosters, realtime data, figures and accounting and planning functions via smartphones and tablets, etc. is now taken as a matter of course in the modern world of work. The demands for employee-oriented working hours and the active integration of the workforce into HR processes are growing in parallel with the complexity of the regulatory environment. Transparency and unrestricted compliance accompanied by a high degree of flexibility in work time models to support the work-life balance are central to the identity of a company and thereby to its attraction as an employer. The advanced, leading edge solutions from ATOSS provide innovative answers to these demands and offer valuable support for modern HR departments in achieving their strategic as well as operational tasks.

Innovation, technology and a focus on customer benefits make the difference

Based on our web technology, the ATOSS family of workforce management software includes modular sector-specific solutions for call centers, the healthcare sector, retailing, logistics and manufacturing as well as solutions standardized specifically for SMEs. As a full-range provider with a portfolio of products and solutions that embody our core themes of innovation, investment security and excellence in workforce management, ATOSS is extremely well positioned for the future.

Innovation, technology and a consistent orientation towards maximum customer benefits enjoy the highest priority at ATOSS and form the basis for our outstanding market position. According to the EU Industrial R&D Investment Scoreboard (2014) survey undertaken by the European Commission among the top 100 European software manufacturers, as in the year before ATOSS is a bigger investor in R&D than any other company specializing in workforce management. This expenditure pays for itself with sustained effect, both for our customers and for our company.

Excellent future prospects

The workforce management market continues to offer substantial growth potential. In an environment in which business models are changing rapidly, the requirements of businesses themselves are ever rising. They face a rising need to improve their productivity and increase flexibility, while reducing operating costs at the same time. As a consequence the demand for workforce management solutions is growing. ATOSS is excellently positioned in this market environment. We are proud to be able to not only offer our customers concrete economic benefits, but also to empower them through our stability, our reliability and our long-term ability to perform and innovate. Once again in 2014, the strategy we have pursued over many years of focusing on specific sectors, coupled with our first-class financial position and our committed and highly qualified staff, has convinced numerous prominent companies to choose ATOSS as their partner. The many new customers we have acquired include national as well as international undertakings of all sizes and specialisms.

According to a study by HIS, between 2013 and 2018 the market for workforce management solutions is likely to grow by 1.5 billion US dollars; while the "Global Workforce Management Software Market 2014-2018" survey by TechNavio points to growth of around 11 percent p.a. This highly positive outlook further confirms that our record development is likely to continue unimpeded with a repetition of past growth rates in sales and earnings. With orders on hand valued at EUR 5.4 million at the end of the financial year, ATOSS has an outstanding basis on which to embark on a tenth record year in succession.

Thanks to employees, business partners and shareholders

Our employees at our national and international locations play a decisive role in our success. Whether in Munich, Berlin, Frankfurt, Hamburg, Düsseldorf, Stuttgart, Cham, Vienna, Zürich, Utrecht or Timisoara – the men and women who make up our workforce face fresh challenges on a daily basis, and they are rightly proud of what they achieve. Through their exceptional commitment and tireless efforts they have made a major contribution to the economic success of ATOSS Software AG in 2014. We would like to take this opportunity to express our thanks and our appreciation.

We also thank our business partners and our Supervisory Board for their trust based cooperation which we look forward to continuing as before. And finally to you, our valued shareholders, we would like to express our thanks for your confidence in us. We shall continue to spare no efforts in ensuring that ATOSS remains a preferential share with a future. We would be happy if you choose to follow this path to success with us.

We look forward to continuing our excellent cooperation.

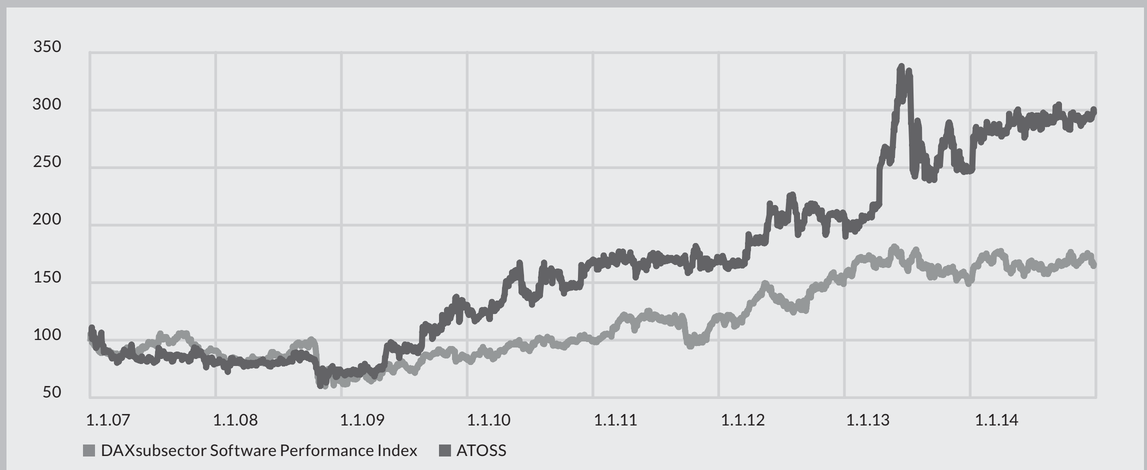
Yours sincerely,

Andreas F.J. Obereder
Chief Executive Officer

Christof Leiber
Member of the Board of Management

Investor Relations

Stocks from 01/2007 to 12/2014



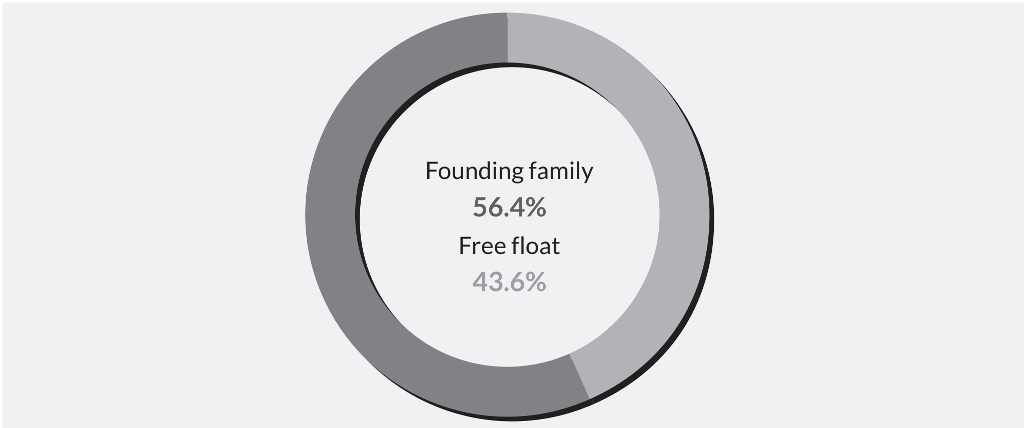
ATOSS stock performs strongly in 2014

There was a moderate, if positive, development on the stock markets in 2014, with Germany's principal stock market barometer, the DAX, rising by a modest 3 percent from a starting point of 9,552 points to end the year at 9,806. In fact, late December 2014 saw a new all-time high of 10,087. Other important indices, also recorded slight increases in 2014, among them the FTSE 100 and the Dow Jones. Britain's FTSE 100 put on 0.7 percent between the beginning of January and the end of December, while America's Dow Jones added 8 percent. The yield on 10-year Bunds stood at 0.54 percent at the year-end, while US bonds with the same maturity returned a yield of 2.17 percent.

ATOSS stock reached an intra-year high of EUR 34.30 (Xetra) at the end of December 2014, by which time the price had risen by 20 percent since the beginning of the year. Over the year as a whole, the stock gained 14 percent, and paid a dividend of EUR 0.72. Overall, our shareholders saw their investment increase by 16 percent in the course of 2014. By contrast, over the same period the comparative DAXsubsector Software Performance Index registered a loss of 4 percent.

From a longer-term perspective, too, ATOSS Software AG continued to create value for its shareholders. Since 2007 the share price has risen by 217 percent (not taking special distributions into account), whereas in the same period the DAXsubsector Performance Index put on 67 percent.

ATOSS Software AG shareholder structure



The founding family continues to hold 56.4 percent of the shares in ATOSS Software AG. Since December 6, 2012 Mr. Obereder has held 50.0000025 percent of the shares indirectly via AOB Invest GmbH, of which he is sole owner.

Among the shares in free float, in accordance with voting rights notices received, the following institutional investors hold interests in excess of 3 percent / 5 percent in ATOSS Software AG:

Investor	Shareholding	Threshold exceeded on:
MainFirst SICAV	5.07%	16.12.2014
IFM Independent Fund Management AG	3.27%	20.03.2012
Investmentgesellschaft für langfristige Investoren TGV	5.004%	28.10.2013

Capital market-oriented figures

(in EUR, unless otherwise specified)

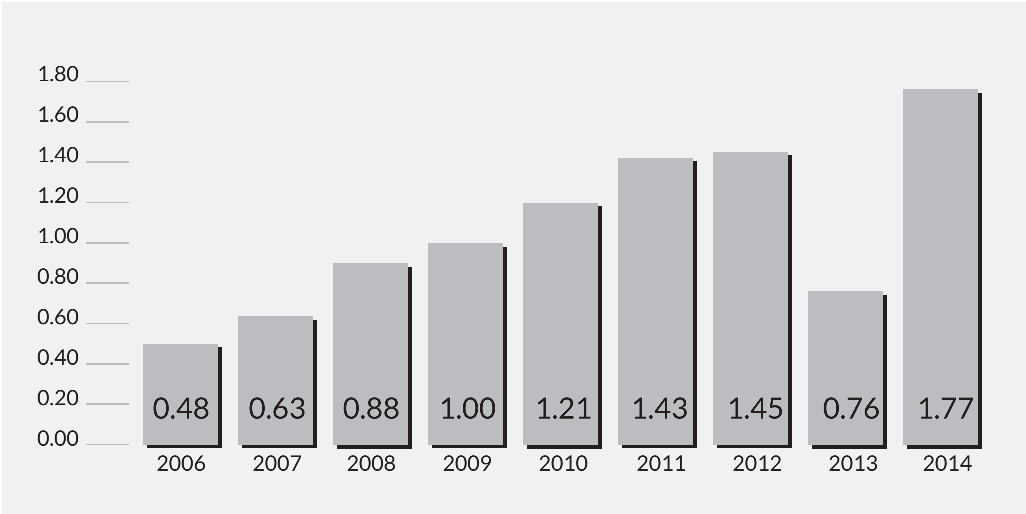
		Reporting period 2014	Previous year 2013
Market Price at the financial year-end		32.50	28.56
Number of shares (Dec. 31)		3,976,568	3,976,568
Market capitalization in million EUR	as of 30.12	129.24	113.57
Earnings per share in EUR		1.77	0.76

Based on the results for 2014 the average price/earnings ratio amounted to 16.72 with liquidity of EUR 5.18 per share at the year-end.

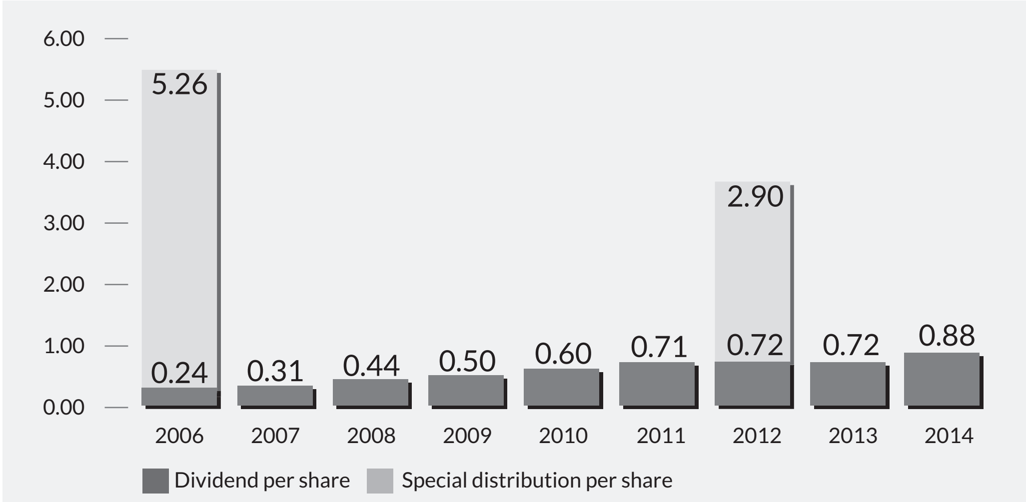
ATOSS Software AG dividend policy

In 2003 ATOSS published the principles of its long-term dividend policy. As in the case of the company's communications with the capital markets, one of the essential goals of this dividend policy was to offer a maximum of dependability. With dividends consistently rising over many years, ATOSS has remained faithful to its principles, offering its shareholders an excellent return even despite the rising share price. In addition, respectable special distributions were disbursed for financial years 2006 and 2012.

EPS as of 31. 12. (EUR)



Dividends and Special distribution per share (EUR)



In view of the highly positive development in business and in conformity with its long-standing dividend policy, the Management Board is proposing a dividend of EUR 0.88. Future dividend policy will continue to make provision for a distribution of 50 percent of (consolidated) earnings per share, but with the overriding goal of safeguarding nominal dividend continuity. A decision on the appropriation of earnings recommended by the Management and Supervisory Boards will be taken at the annual general meeting on April 28, 2015. Provided that the meeting adopts the proposal, based on the (XETRA) closing price on EUR 32.50 on December 30, 2014, this puts the dividend yield at 2.7 percent. By comparison, last year's yield was 2.5 percent.

Analysts stress positive development, increase forecast

The course of business and the company's dividend policy serve to confirm analysts' previous assessments of ATOSS stock. The substantial sales growth, maintained now over many years, coupled with the stability of earnings and the dividend yield underscore the sustained value as well as the outlook for our stock.

Investment analysts take the view that ATOSS Software AG occupies a leading position in an attractive market. The company is not able for its consistent and highly profitable growth. What's more, through its high level of expenditure on research and development, it has a technological leader in its field. In addition to a product range based on the latest Java technology, the excellent quality of the balance sheet, the number of prominent reference customers and the high level of complexity of workforce management all serve to shield the company from competition. A short amortization period also makes investment decisions all the easier for customers. As the demand for efficient planning tools steadily increases, analysts see opportunities in bringing added flexibility to the world of work as well as to business processes. Moreover the shortage of skilled staff means that human resources are becoming scarcer and must be deployed to maximum effect. Due to the pressure of costs, demand remains strong for software solutions that enable companies to avoid costly over-staffing, overtime and other scheduling errors.

The company's development has been regularly reviewed during the reporting period by analysts at Warburg Research. The upside target for ATOSS stock has been raised on several occasions, most recently following presentation of the preliminary figures for the past financial year, when analysts set a target of EUR 40.00. The strong figures and excellent order intake prompted a further increase in forecasts, while the stock continues to be rated as a "buy".

The complete analyses by Warburg Research are available on the Internet at
https://www.atoss.com/company/investor-relations/stock/analysts-reports/2014

ATOSS among the 30 top German growth stocks

The name ATOSS is a byword in the media for profitability, sustainability and an open communications policy. In a long-term survey by the journal Börse Online based the criteria of history, continuity and profit growth, ATOSS was ranked among the top 30 growth businesses in Germany and was awarded a "buy" recommendation.

Supervisory Board Report
on Financial Year 2014

Peter Kirn
Chairman of the Supervisory Board

Dear Shareholders,

Once again, the past financial year was an extremely successful one for ATOSS Software AG. The company continued to record consistent and sustainable growth for a ninth year in succession. In financial year 2014, the Supervisory Board of ATOSS Software AG took great care in fulfilling the duties incumbent upon it under the law, the articles of association and the German Corporate Governance Code. The Board has regularly supported and supervised the Board of Management. The cooperation between the Management and Supervisory Boards was trustful and close at all times. The Supervisory Board was directly involved in all matters and decisions of fundamental importance. The relevant information was made available regularly, promptly and comprehensively, both verbally and in writing.

At four meetings in the course of the year, the Supervisory Board considered in particular the current business and financial situation, including the company's exposure to risk, as well as business planning, risk management, and a review of Management Board compensation and corporate governance. Between meetings, the Supervisory Board was kept informed of important financial figures by the Management Board. The annual financial statements, consolidated financial statements and audit report in particular were made available to the Supervisory Board in good time prior to the relevant meeting. All measures requiring its consent were approved by the Supervisory Board after studying the corresponding documents and following open discussion between the Management and Supervisory Boards and within the Supervisory Board itself. The Chairman of the Supervisory Board was in regular contact with the Management Board, with the result that events of exceptional importance for ATOSS Software AG could be discussed without delay.

In financial year 2014 there were no conflicts of interest on the part of Management or Supervisory Board members which required immediate disclosure to the Supervisory Board.

The following report describes the main emphases of the work of the Supervisory Board.

Supervisory Board meetings and resolutions in 2014
The four ordinary meetings of the Supervisory Board were attended by all Supervisory and Management Board members.

Principal subjects of discussion at the meeting on March 4, 2014
At the first meeting of the financial year, the auditors Ernst & Young GmbH of Munich gave a presentation to the Supervisory and Management Boards regarding their audit of the annual financial statements and consolidated financial statements of ATOSS Software AG and the management reports for financial year 2013. The Supervisory Board approved the annual financial statements for the Group and company for financial year 2013 which had been audited and awarded an unqualified audit certificate, and these are now deemed to be adopted. Under item 4 on the agenda the Supervisory Board subsequently approved the Supervisory Board report for financial year 2013. The discussion also extended to the agenda for the annual general meeting on April 30, 2014 which was approved by the Supervisory Board and the Management Board.

The management board also submitted a report explaining the profitability of ATOSS Software AG and in particular the return on equity and the current business developments.

Principal subjects of discussion at the meeting on April 30, 2014

This meeting of the Supervisory Board took place following the 2014 annual general meeting in Munich. The meeting was attended by the Supervisory Board members newly elected at the annual general meeting, Mr. Peter Kirn, Rolf Baron Vielhauer von Hohenhau and Mr. Klaus Bauer, and by the Management Board. The Supervisory Board was also reconstituted at this meeting, with Mr. Peter Kirn elected as Supervisory Board Chairman. Rolf Baron Vielhauer von Hohenhau was elected as his deputy. The Supervisory Board then went on to establish that all three members meet the criteria that render them suitable to act as financial experts within the meaning of § 100 Para. 5 of the German Stock Corporation Act. The Management Board also reported on the current course of business, the risk report and investment policy, as well as the company's strategy.

Principal subjects of discussion at the meeting on September 23, 2014

At the third meeting of the Supervisory Board during the year, the Management Board informed the Supervisory Board regarding the company's activities with regard to cloud solutions. The Management Board also reported on the current course of business, the latest risk report and investment policy, as well as the bases for forward planning for 2015. The last item on the agenda was a detailed report by the CEO on current developments in sales and marketing at ATOSS Software AG.

Principal subjects of discussion at the meeting on December 2, 2014

In addition to the Management Board report on current business development, the main focus of the last Supervisory Board meeting of the year was on the balance sheet, liquidity, sales and earnings projections for financial year 2015. The plans were approved as presented. Also on the agenda was the regular report by the CEO on current developments in sales and marketing with particular reference to new customers acquired in 2014.

The 2014 declaration of compliance with the German Corporate Governance Code as amended on June 24, 2014 was also approved at this meeting and published on December 8, 2014 on the company's web site (www.atoss.com). In this context, the Supervisory Board also concerned itself with the appropriate nature and future development in Management Board compensation. The discussion centered in particular on the appropriateness of compensation in relation to senior management and workforce and in comparison with third parties.

Appointment of auditors and conduct of audit

At the annual general meeting of ATOSS Software AG held on April 30, 2014 in Munich, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft Stuttgart (Munich Branch) was elected as auditor for financial year 2014. Prior to the election, the Supervisory Board satisfied itself as to the independence of the auditors. The Board was able to exclude any relationships between the company and the auditors. The audit assignment included a consideration of the early warning system for the detection of risk and the obligation to observe the auditing principles contained in the current German Corporate Governance Code.

Ernst & Young GmbH have audited the annual financial statements and management report for ATOSS Software AG to December 31, 2014 as well as the consolidated financial statements and consolidated management report to December 31, 2014 and awarded an unqualified audit certificate.

Supervisory Board meeting on March 3, 2015 to adopt the financial statements

The Supervisory Board received the annual financial statements, consolidated financial statements and management reports for financial year 2014 from the Management Board for examination in good time prior to the meeting. In addition the Supervisory Board also received the 2014 dependence report confirming that no transactions took place in financial year 2014 between ATOSS Software AG and AOB Invest GmbH or companies associated with AOB Invest GmbH that were unreasonably disadvantageous to the company.

These documents were examined by the members of the Supervisory Board and addressed in full detail at the meeting in the presence of the auditors Ernst & Young GmbH. The auditors reported on the essential results of their audit and answered all questions posed by the Board.

The Supervisory Board agreed the results of the audit and raised no objections. The accounts prepared by the Management Board having been approved, the annual financial statements were then adopted. The Supervisory Board likewise concurred with the proposal by the Management Board regarding the appropriation of surplus profits.

The report by the Supervisory Board for financial year 2014 was also discussed and agreed and the agenda for the annual general meeting on April 28, 2015 was approved.

Once again, in financial year 2014, the Management Board and the company's staff have achieved an outstanding result. The Supervisory Board would like to express its thanks to the Management Board and all of the employees of ATOSS Software AG for their commitment and the contributions they have made to the success of the past financial year.

Munich, March 2015

Peter Kirn
Chairman of the Supervisory Board

Members of the Supervisory Board, with a summary of other supervisory board positions held

The Supervisory Board of ATOSS Software AG is comprised of three members. In view of its size, the Supervisory Board dispenses with the formation of committees as recommended by the German Corporate Governance Code, including an Audit Committee within the meaning of § 107 of the German Stock Corporation Act. The Supervisory Board is of the opinion that with a Board comprised of three members, the efficiency with which the Board performs its tasks would in no way be increased by the formation of committees.

Peter Kirn
Chairman of the Supervisory Board
Corporate consultant, Böblingen.
Up to June 30, 2014 Mr. Kirn held the following other supervisory or similar board positions:

- Stadtwerke Böblingen GmbH, Böblingen
- Stadtwerke Holding GmbH, Böblingen
- Fernwärme Transportgesellschaft mbH, Böblingen
- Member of Böblingen town council

Rolf Baron Vielhauer von Hohenhau
Deputy Chairman of the Supervisory Board
President of the Bund der Steuerzahler in Bayern e.V., Munich.
Baron Vielhauer von Hohenhau holds the following other supervisory and administrative board positions:

- Europäischer Wirtschaftssenat e.V., Munich (Supervisory Board Chairman)
- Member of the Administrative Board of Stadtsparkasse Augsburg

Klaus Bauer
Member of the Supervisory Board
Supervisory and advisory board member, Nuremberg.
Mr. Bauer holds the following other supervisory or similar board positions:

- Schwanhäußer Industrie Holding GmbH & Co. KG, Heroldsberg (Advisory Board member)
- Schwanhäußer Grundbesitz Holding GmbH & Co. KG, Heroldsberg (Advisory Board member)

Group Management Report 2014

1. Company

ATOSS Software AG is one of the leading providers in the field of workforce management. In this field the company offers standard software solutions, as well as consulting and implementation services for businesses of all sizes.

With headquarters in Munich, ATOSS Software AG also maintains offices in Frankfurt, Hamburg, Stuttgart, Meerbusch and Utrecht, Netherlands, as well as its subsidiaries ATOSS CSD Software GmbH in Cham, ATOSS Software Ges. m.b.H. in Vienna, ATOSS Software AG in Zürich, ATOSS Software SRL in Romania and ATOSS Aloud GmbH in Munich, the latter newly founded on August 1, 2014.

The company's software solutions are currently deployed in 40 countries worldwide and 8 languages. More than 4,500 customers ranging from SMEs to blue chip corporations now rely on workforce management solutions from ATOSS Software AG.

2. Group Basics

Economic climate
In the course of 2014 the global economy lagged behind the forecasts made at the start of the year. The economic development in the eurozone and in Japan in particular slowed the pace of global expansion. Growth in France and Spain was muted, not least by growing skepticism regarding the implementation of urgently needed structural reforms, while the continuing uncertainties arising from the political conflict with Russia added a further negative effect. By contrast, economies such as those of the USA and Great Britain recorded measureable growth.

The economy in Germany initially cooled markedly in the course of 2014. The forecast published by the Bundesbank in December points to growth of just 1.4 percent in 2014, rather than 1.7 percent as previously expected.

Despite the continuing hesitancy of the global economic recovery, however, current economic indicators are sending some initial positive signals for the German economy. The ifo business climate index for manufacturing industry rose slightly in November for the first time in half a year. Above all, the weaker euro and lower oil prices are generating stimulating effects.

Segmental environment and market background
In the software segment, growth has continued to improve relative to the year before. According to the market forecast published at the end of October by industry association BITKOM, the software segment in Germany can point to growth of 6 percent (previous year: 4.9 percent).

Against this backdrop, ATOSS succeeded in 2014 in achieving new record sales and operating profits for the ninth time in succession. Sales revenues rose by 12 percent in 2014, while EBIT climbed 16 percent. The company also achieved growth of 9 percent relative to the year before in its core software business. EBT more than doubled, coming in at EUR 10.3 million. In the year before, EBT was impacted primarily by the non-recurring effects of realizing losses on the sale of gold holdings and the cost of a downward revision in the value of the remaining holdings in gold.

Orders received for software licenses at EUR 7.2 million were once again at a high level (previous year: EUR 7.5 million). Licensing orders on hand at EUR 5.4 million were well above last year's figure of EUR 3.5 million.

The substantial volume of software licensing orders on hand allows us to predict sales in the near future and plan ahead with security. What's more, the company's substantial liquidity and high equity ratio provides security for customers, employees and shareholders.

Positioning of the ATOSS Group

The market ATOSS addresses is comprised on the one hand of extensive numbers of small and medium-sized enterprises (the SME market) with up to 500 employees, and on the other, of the premium market represented by the high-end small businesses and major, large-scale companies. Naturally, the competitive pressure is greater in the case of applications which make no more than modest demands on personnel resource planning systems than for complex solutions which demand a high degree of integration between time and attendance management and workforce scheduling. The pioneering technological platform on which ATOSS products are based, our consulting skills and the reliable and experienced ATOSS management are convincing decision-making criteria.

A high degree of fragmentation is one of the defining features of the competitive environment in which the company operates. In this environment the company has established itself as one of the leading providers of time management and workforce management software systems and has secured a significant market position in the retail, healthcare, manufacturing and logistics sectors in particular. However, ATOSS offers solutions for all sectors in both the SME and premium market segments.

Since the inception of the company, ATOSS has pursued a vision of offering solutions that impact upon the structures of the modern working world so as to result in more creative, more intelligent and more humane ways of working.

The products and services developed by ATOSS are designed to solve the problems its customers experience in ascertaining optimum staffing needs, developing ideal working time models, allocating working hours to meaningful advantage, ensuring secure access and deploying and managing personnel efficiently. By utilizing personnel resources in a manner that is both economically advantageous, as well as sensitive to employee and customer needs, the clients of the ATOSS Group are thereby able to improve their own performance and efficiency.

ATOSS has positioned itself as a best-of-breed specialist in its core fields of time and attendance management and workforce management, offering an in-depth range of integrated solutions that meet even the highest functional and technological demands. And with the availability of interfaces to solutions from complementary providers, we can meaningfully address the needs of customers of every size and in every industry. ATOSS has thereby achieved great success in all customer segments. What's more, the company can offer supremely competent consultancy services coupled with solutions of convincing depth, with the guarantee that its customers will benefit from improved efficiency and enhanced productivity. As a financially independent partner with a committed long-term outlook, ATOSS solutions ultimately offer investment security.

Our own observations and sales successes, as well as numerous productivity studies point to the fact that the market requires solutions capable of meeting the most complex requirements in the interests of improving productivity.

The right staff

ATOSS' end-to-end portfolio includes solutions which highlight the qualifications of available personnel, thus facilitating rapid planning, scheduling and deployment. Short-term and even seasonal bottlenecks can be overcome by accessing a large number of employees.

At the right time

In almost every industry, demands on capacity are likely to fluctuate, whereas staff cannot always be employed on a pattern that mirrors these fluctuations. Taking into account collectively agreed and company regulations, legal regulations, as well as factors such as vacations, sickness, part-time employment and so on, ATOSS provides solutions which optimize personnel deployments to cover both peaks and troughs in demand.

In the right place

Flexible staff deployment and workforce management at varying locations enable decentrally organized businesses and branch-based operations to make more efficient use of capacity and raise their level of productivity.

Working on the right job

It is rare today for workforce scheduling to be integrated into the process of production planning. Nevertheless a meaningful exchange of data in this very instance can underpin planning reliability and accelerate production processes.

At the right cost

Nowadays, company and operational working time models can often yield more flexible options for staff deployment than is possible with rigid working hours. However, deploying and managing staff under conditions of optimized cost can be achieved only by evaluating hours worked in association with wage supplements and ancillary costs.

Many customers of ATOSS have seen significant improvements thanks to ATOSS solutions, as their own analyses have shown. ATOSS offers appropriate individual concepts and functional competence supported by the advanced, leading-edge technologies for customers of all sizes.

When deciding upon a long-term partnership, major, large-scale customers in particular are increasingly focusing on independent companies with a sound financial base. When investment decisions are made, our robust equity ratio, our substantial liquidity and our continuing high level of expenditure on technological development are among the determining factors.

Business development

The company regards the key figures for sales, operating profits (EBIT) and cash flow as the essential measures of its success. The development in software licensing revenues is of central importance, since this is the driving force behind the company's business model. In this context, the volumes of orders received and orders on hand for software licenses represent essential indicators for the future development of the company.

In financial year 2014 ATOSS achieved sales amounting to EUR 39.7 million (previous year: EUR 35.5 million) with an operating profit of EUR 9.8 million (previous year: EUR 8.4 million). This gratifying development in sales and results in economically challenging times is attributable not least to the advanced Java-based technology embodied in our software since 2005. The many references that now support the ATOSS Staff Efficiency Suite provide a sound basis on which to secure further business successes.

Development in sales of software licenses and maintenance, software license order situation

Software licensing and maintenance sales were increased in 2014 with revenues rising 9 percent to EUR 23.9 million (previous year: EUR 21.8 million). The proportion of sales accounted for by software stood at 60 percent (previous year: 62 percent).

Software maintenance sales during the year rose by 7 percent to reach a total of EUR 15.4 million (previous year: EUR 14.3 million).

Sales of software licenses at EUR 8.5 million were also well up on the previous year (EUR 7.5 million). The increase in sales revenues is attributable to existing customers extending their licenses, to the progress made in projects for major customers and to the acquisition of orders from new customers.

Orders received at EUR 10.5 million were significantly higher than the previous year's figure of EUR 7.2 million. A total of 9 percent (previous year: 9 percent) of orders received related to long-term production orders.

Orders on hand for software licenses at the end of financial year 2014 stood at EUR 5.4 million (previous year: EUR 3.5 million). This very high volume provides us with an outstanding basis in which to start the new financial year in 2015. 9 percent (previous year: 16 percent) of orders on hand related to long-term production orders. It is expected that orders on hand will be realized within one year.

Development in consultancy sales

Sales in 2014 at EUR 10.1 million were up by 13 percent on the year before (EUR 9.0 million) and equated to 26 percent (previous year: 25 percent) of total turnover.

Development in hardware and other sales

As a result of a large order, hardware sales revenues in 2014 at EUR 4.5 million were EUR 1.1 million higher than in the previous year. As a proportion of total sales, this amounted to 11 percent (previous year: 9 percent). Other sales, the heading under which notably identification media and customer-specific programming services are reported, amounted to EUR 1.2 million, down by 8 percent from EUR 1.3 million in the year before. As a proportion of total sales, this amounted to 3 percent (previous year: 4 percent).

Long-term production orders

As in previous years the company realizes long-term orders in application of the percentage of completion method. In financial year 2014 this applied to 11 orders (previous year: 10) which were realized in accordance with the progress of the project in the amount of EUR 2.2 million (previous year: EUR 2.1 million).

Corporate strategy and opportunities

At the heart of our business activities lie the continuous acquisition of new customers and the development of existing customer installations in the fields of time and attendance management and workforce scheduling and deployment. Some significant progress was made in both areas in 2014. For example, products incorporating the company's latest generation of software solutions were placed with existing customers of major importance, and numerous new customers were acquired. The year 2014 also witnessed the successful implementation of major projects acquired in the preceding year. We regard these successes as continuing confirmation that we are pursuing the correct strategy to enhance both sales and results.

We see opportunities to continue to develop our business model in particular in the increasing demands on companies to increase the flexibility of working hours. Essential factors in this respect include a shortage of skilled staff, demographic considerations, the growing need to increase productivity and the resulting requirements on the part of employers for workforce management solutions. As one of the leading workforce management solution providers, we expect to profit from this development.

The company also sees further growth potential in the retail, healthcare, manufacturing and logistics sectors in particular.

We also perceive opportunities for growth in a dedicated approach to new sectors and in the international deployment of our software solutions, for example by accessing new markets through the formation of new partnerships.

The first-class positioning the company enjoys is underpinned by prominent reference customers, pioneering technologies (Java J2EE), a convincing range of products and services, extensive competence in the implementation of software projects and in consulting, as well as by the stability and independence of the company itself.

In order to develop these competitive advantages for the long-term, we will continue to allocate a high level of funding to secure market access and therefore also future growth.

Research and development

The security of knowing that they will be able to master the most complex requirements now and in the future is decisive for our customers. At the same time they also require to deploy technologically sophisticated solutions which will be equally at home in the system environments of the future and therefore capable of returning long-term economic benefits. For this reason we shall continue to maintain our substantial commitment to the further development of our products.

We harness state of the art technology platforms as a basis on which to create solutions that can replicate every customer- and industry-specific requirement, covering all aspects of intelligent personnel deployment and workforce management. In order to avoid problems in updating from one release to the next, we guarantee full upward compatibility, thereby allowing the latest solutions to be implemented at any time.

The goal of our product development is to be able to offer solutions that meet our customers' ever more complex and individual needs. The development of Java-based versions of ASES (ATOSS Staff Efficiency Suite), ASE (ATOSS Startup Edition) and ATC (ATOSS Time Control) that enable these solutions to be integrated into a variety of system environments represented a major milestone.

The implementation of what is termed as service-oriented architecture (SOA) greatly simplifies the exchange of data between our solutions and other products used by customers. For example, our solutions have successfully been combined with up-stream planning and personnel management down-stream evaluation systems. In another scenario, they have also been integrated as a real-time data source into a client's visitor management system. In this way our solutions create value added over and beyond their original functions. The continuing development of interfaces with our systems makes it simple and easy for customers to integrate our solutions into their existing system architecture and thereby derive the optimum benefits.

Our fully Java-based package of solutions for software-supported workforce management is suitable for use in a wide range of industries. The ATOSS Startup Edition (ASE) and ATOSS Time Control (ATC) are distinguished by the simplicity of their user interface. The ATOSS Startup Edition (ASE) is a stepping-stone for customers employing a variety of system environments. As their requirements become more complex in future, they can easily migrate to the ATOSS Staff Efficiency Suite (ASES). ATOSS Time Control (ATC) on the other hand is focused on customers in the Microsoft world. Regular release updates ensure that our software solutions are continuously refined.

Our expenditure on research and development in 2014 amounted to EUR 8.0 million (previous year: EUR 7.5 million). The bulk of this figure in the amount of EUR 6.4 million (previous year: EUR 5.9 million) was accounted for by the personnel costs for 130 (previous year: 126) software developers. R&D expenditure as a proportion of overall sales amounted to 20 percent (previous year: 21 percent).

As in preceding years, expenditure on research and development is not capitalized, but is reported in full as an expense instead.

Subsidiaries and international business

With the exception of ATOSS Aloud GmbH that was newly established in the financial year, all subsidiaries recorded positive results in 2014. As in the previous year, the proportion of Group sales accounted for by our international business in 2014 amounted to 13 percent.

Employees, development in personnel

In financial year 2014 the Group employed an average workforce of 299 (financial year 2013: 280). Of these 129 (previous year: 125) were employed in product development, 81 (previous year: 72) in consulting, 44 (previous year: 41) in sales and marketing and 45 (previous year: 42) in administration. Personnel costs in 2014 amounted to EUR 19.2 million, some 13 percent higher than the figure of EUR 17.0 million for the preceding year.

On December 31, 2014 the company employed 5 trainees (previous year: 3).

Corporate management and control

The management of the Group proceeds on the basis of plans jointly agreed by the Management and Supervisory Boards. These plans are reviewed annually and adapted in line with changing circumstances and opportunities arising.

Our aim is to safeguard average growth in sales in a target band of between 5 and 10 percent with a margin securely above 20 percent. These targets have been achieved on average in the past 5 years.

The company is managed primarily on the basis of a broad system of targets. Company, departmental and individual targets are agreed with almost every member of staff and linked with an appropriate variable salary component, dependent on each employee's level of responsibility. These variable components range between 10 percent and 50 percent of the contractually agreed target salary. The company targets are in turn keyed to the relevant scheduled sales and operating profit data for the financial year. Departmental targets take the form of a uniform table of sales or performance targets dependent on position and responsibility, while individual targets are linked to the performance of each individual employee.

Annual plans and projections are approved by the Management and Supervisory Boards. Group targets are monitored on the basis of a Group-wide management information system which includes detailed reporting of sales, costs and earnings.

Executive bodies

The Supervisory Board in 2014 was then comprised of Peter Kirn as Chairman, Rolf Baron Vielhauer von Hohenhau as Deputy Chairman, and Klaus Bauer.

The Management Board continues to comprise Andreas F.J. Obereder as CEO and Christof Leiber as Member of the Board of Management.

Corporate Governance

Since addressing the matter in connection with its flotation, ATOSS Software AG has concerned itself intensively with the subject of corporate governance and the associated statutory regulations. The company has reported regularly since 2001 on its activities in this regard. The company's boards examine developments and changes in the German Corporate Governance Code in particular detail. In contrast to the provisions of the law, however, the Code is not binding in its standardizing effect and in fact allows deviations from its recommendations.

Once again in 2014 the Management and Supervisory Boards have concerned themselves intensively with the new requirements of the German Corporate Governance Code, comparing these with the company's own principles and identifying those points in which deviations exist from the recommendations issued on June 24, 2014 by the Government Commission on the German Corporate Governance Code.

On December 2, 2014 the Management and Supervisory Boards adopted a new declaration of compliance pursuant to Section 161 of the German Stock Corporation Act in which it is confirmed that the recommendations of the Commission on Corporate Governance appointed by the German Government are complied with, with the exception of those points stated in the declaration. This declaration is published on the company's website. It is consequently evident that the company in broad measure conforms with the recommendations and deviates only in respect of a small number of points which in the company's view are of marginal importance.

Deviations apply in respect of the following points:

- The German Corporate Governance Code recommends that directors and officers liability insurances (D&O) arranged by an undertaking for its management and supervisory board members should include a self-insured deductible (Section 3.8 of the Code). ATOSS Software AG has taken account of this in its current contracts with Management Board members. With regard to the agreement of a self-insured deductible to be included in the corresponding insurances covering members of the Supervisory Board, the company is fundamentally not of the opinion that the commitment and responsibility with which the Supervisory Board members perform their duties would be improved by such a measure. The D&O insurances for members of the Supervisory Board of ATOSS Software AG therefore do not contain such a provision. No change to this situation is currently intended.

- The German Corporate Governance Code additionally recommends in Section 4.2.3 that when contracts are entered into with management board members, provision should be made in the event that the employment of a board member is ended prematurely other than for good cause to limit payments to board members to a maximum of two years' compensation including ancillary benefits and to make such payments for a period no longer than the remaining term of the employment contract. The company has made no provisions for settlements in the contracts with members of the Management Board, since these employment contracts are in each case concluded for the duration of their period of appointment and cannot be terminated during this time other than for good cause. Under these circumstances the company is of the opinion that making advance provision for a settlement in this way would be contrary to the nature of these fixed-term contracts. Moreover the contracts with the Management Board make no provision for settlement entitlements, for example in event of a change of control.

- In Section 4.2.5 the German Corporate Governance Code recommends a specified tabular structure for the disclosure of Management Board compensation. In reporting Management Board compensation the company will disclose the content specified by law. However the company reserves the right to report remuneration in a suitable form, even if this may deviate from the rigid tables annexed to the German Corporate Governance Code.

- Section 5.1.2 of the German Corporate Governance Code recommends that in determining the composition of the Management Board, the Supervisory Board should take due account of diversity and in particular endeavor to give adequate consideration to female representation. This recommendation is not complied with since in the opinion of the Supervisory Board of ATOSS Software AG it is not relevant to the effective and successful work of the Management Board as currently composed of two members. The Supervisory Board will consider the extent to which the recommendation can be complied with in future.

- The German Corporate Governance Code recommends the formation of supervisory board committees (Section 5.3). In view of the size of the company, ATOSS Software AG refrains from forming separate supervisory board committees. Moreover ATOSS Software AG is of the opinion that with a Supervisory Board comprised of three members, the efficiency with which the Board performs its tasks would in no way be increased by the formation of committees.

- The German Corporate Governance Code also recommends in Section 5.4.1 that the Supervisory Board should set specific targets for its own composition in consideration of the situation specific to the business undertaking and its international activities, potential conflicts of interest, a defined age limit for Supervisory Board members and also diversity. These specific targets should in particular provide for adequate female representation. This recommendation is currently not complied with since in the opinion of the Supervisory Board of ATOSS Software AG such targets are not necessary for the effective and successful work of a Supervisory Board composed of three members. The Supervisory Board will consider the extent to which the recommendation can be complied with in future.

  In respect of the publication of reports, it is recommended pursuant to Section 7.1.2 that interim reports should be made available within 45 days. The company publishes an extensive overview (sales revenues, types of sales, operating profit (EBIT), earnings before taxes (EBT), net profit, net earnings per share) within fewer than 30 days. The full interim report is published within two months following the end of the quarter. In applying this process of staggered publication the company furnishes the capital market with very prompt and extensive data over and beyond such information as may necessitate an ad hoc announcement. The company will continue to follow this publication procedure to ensure that the capital market receives information that is as up to date as possible.

Corporate governance report

The corporate governance declaration made by the Management Board pursuant to Section 289 a of the German Commercial Code (HGB) is published on the company web site at https://www.atoss.com/company/investor-relations/corporate-governance/2014.

Other disclosures

The company's capital is divided into 3,976,568 bearer shares each with a nominal value of one euro which carry full voting and dividend rights. The majority shareholder, Andreas F.J. Obereder of Grünwald, Germany, holds 1,988,285 shares representing 50.0000025 percent of the shares. His shares are held via the company AOB Invest GmbH of Grünwald, Germany, which is wholly owned by him. Apart from Mr. Andreas F.J. Obereder and AOB Invest GmbH, the company is not aware of any other shareholders with reportable holdings of more than 10 percent of voting rights.

In accordance with Section 312 of the German Stock Corporation Act, the Management Board has prepared a report for the reporting period detailing relations with associate companies which has been examined by our auditors. The dependence report by the Management Board concludes with the following statement:

"We declare that in the transactions undertaken and measures taken or omitted between January 1 and December 31, 2014 and listed in the report on relations with associate companies, in accordance with the circumstances known to us at the time these transactions were undertaken and measures taken or omitted, in each legal transaction the company received an adequate consideration. Nor did the company suffer any detriment as a result of the measures being taken or omitted."

The company is not aware of any restrictions regarding voting rights or the transfer of shares, even and including any such restrictions as may arise from agreements between shareholders.

No special rights exist that convey powers of control.

Insofar as employees have a participating interest in the company's capital, their rights of control are not restricted.

The Management Board was authorized by a resolution adopted by the general meeting on April 30, 2009 and entered in the Commercial Register at the Municipal Court of Munich on May 6, 2009 to increase the share capital of the company with the approval of the Supervisory Board on one or more occasions on or before April 29, 2014 by a total of up to EUR 402,566 through the issue of up to 402,566 new bearer shares in return for contributions in cash or kind.

The Management Board was further authorized at the general meeting on April 30, 2014 without further resolution by a general meeting not only to offer the purchased shares via the stock market or by a public offer to all shareholders, but also to the exclusion of existing shareholders' subscription rights and with the consent of the Supervisory Board

- to issue the shares to third parties in return for contributions in kind, insofar as it is understood to be in the interests of the company to acquire said contributions in kind and insofar as the countervalue per treasury share to be contributed by third parties is not unreasonably low;

- to issue the shares to third parties in return for contributions in cash, in order to place the shares of the company on a foreign stock exchange where the shares are not yet admitted to trading;

- to sell the shares at a cash price which shall not be materially lower that the stock market price of company shares at the time of the sale;

- to use the shares to fulfill option and/or conversion rights arising from convertible bonds, convertible profit share certificates, warrant-linked bonds or other option rights issued by the company or a Group subsidiary.

The Management Board was further authorized at the general meeting on April 30, 2014 to withdraw the treasury shares acquired without further resolution by a general meeting.

The authorizations concerning the use of treasury shares also extend to the use of shares in the company acquired on the basis of previous authorizing resolutions pursuant to Section 71, Para 1, No. 8 of the German Stock Corporation Act. The previous resolution adopted at the general meeting on April 26, 2013 regarding the repurchase of own shares was revoked at the general meeting on April 30, 2014.

Members of the Management Board are appointed and dismissed in accordance with Sections 84 and 85 of the German Stock Corporation Act and Article 6 of the company's Articles of Association.

Changes to the Articles of Association follow the regulations contained in Sections 133 and 179 ff. of the Stock Corporation Act.

No material agreements exist which are contingent upon a change of control resulting from a takeover offer. Nor have any agreements been entered into with members of the Management Board or employees regarding compensation in the event that a takeover offer is made.

In addition to its subsidiaries ATOSS Software Ges. m.b.H., Vienna, ATOSS Software AG, Zürich, ATOSS CSD Software GmbH, Cham, and ATOSS Software SRL, Timisoara, and ATOSS Aloud GmbH, Munich, that was founded on August 1, 2014, the parent company ATOSS Software AG of Munich also has business premises in Frankfurt, Hamburg, Meerbusch, Stuttgart and Utrecht, (Netherlands).

3. Business Report

Earnings

The earnings situation in financial year 2014 was principally defined by an increase in overall sales revenues which rose to EUR 39.7 million (previous year: EUR 35.5 million). Costs – without taking into account sales input – rose by 9 percent to EUR 26.0 million (previous year: EUR 24.0 million). As a result, taking into account continuing investments in sales and marketing and development, the company maintained its profitability with an EBIT margin slightly above the previous year's level.

The essential key figure determining the success of the company's operating performance, namely its earnings before interest and taxes (EBIT), improved markedly from EUR 8.4 million in the preceding year to EUR 9.8 million. The return on sales represented by EBIT stood at 25 percent (previous year: 24 percent).

EBT more than doubled, coming in at EUR 10.3 million (previous year: EUR 4.3 million). In the year before, EBT was impacted primarily by the non-recurring effects of realizing losses on the sale of gold holdings and the cost of a downward revision in the value of the remaining holdings in gold.

Net income for financial year 2014 amounted to EUR 7.0 million (previous year: EUR 3.0 million), some 133 percent higher than in the year before. Earnings per share accordingly increased to EUR 1.77 (previous year: EUR 0.76).

Thanks in particular to its success in winning further new customers and expanding business with existing clients, as well as to the efficient management of costs, notwithstanding the investments in sales and marketing and the continuing high level of expenditure on the development of functionally superior products, the company has maintained its profitability at the previous year's level and secured a sound financial basis for a long-term strategy which is proving to be correct.

Financial and asset position

The company regards equity as an essential balance sheet item in guarding against economic, sector- and company-specific risks. Therefore the company's financial strategy is directed towards maintaining a level of equity commensurate with such risks. The intention is to guarantee shareholders an appropriate return on equity and offer customers and suppliers investment security for their software decisions through the medium of long-term partnerships.

In this respect the ATOSS Group was highly successful in financial year 2014:

The cash flow from operating activities for the period from January 1 to December 31, 2014 amounted to EUR 8,071,628 (previous year: EUR 8,262,192), slightly lower than in the year before. Liquidity (cash and cash equivalents) rose from EUR 10.4 million to EUR 15.1 million. However the position as a whole comprising liquidity and other current and non-current financial assets (e.g. gold, equities) increased from EUR 15.3 million to EUR 20.6 million. Liquidity per share on December 31, 2014 including these other current and non-current financial assets accordingly stood at EUR 5.18 (previous year: EUR 3.83).

Cash flow from operations was boosted mainly by net earnings in the amount of EUR 7,032,186, write-downs on fixed assets in the amount of EUR 518,689, a reduction of EUR 728,766 in tax receivables, a reduction of EUR 1,201,392 in tax provisions, and a reduction of EUR 716,166 in miscellaneous liabilities arising from higher salary and commission commitments. On the other hand cash flow was reduced mainly as a result of an increase in trade receivables in the amount of EUR 812,172 and a reduction in deferred revenues in the amount of EUR 408,898.

In total, the Management Board is authorized by the Supervisory Board to invest in physical gold in an amount of up to EUR 17.0 million and in dividend-bearing securities in an amount of up to EUR 5.0 million. In financial year 2014 the company made no investments in gold or dividend-bearing securities. In the previous year as a result of the inflow of funds from the sale of gold and dividend-bearing securities, cash flow from investments amounted to EUR 8.2 million. The market value of the overall holdings in gold as of December 31, 2014 stood at EUR 5.5 million.

Liquidity was correspondingly reduced by the dividend distribution of EUR 0.72 (previous year: EUR 3.62) per share (EUR 2.9 million; previous year: EUR 14.4 million).

ATOSS is excellently supplied with financial resources which enable the company to counter both macro-economic as well as sector-specific risks and exploit opportunities for external growth. Similarly the ability of the company to meet its payment obligations remains securely guaranteed.

Tangible and intangible assets at EUR 2.9 million were on a par with the year before. Investments in fixed assets in the financial year, as in the year before, amounted to EUR 0.5 million.

The company's long-term holdings in gold are reported under the heading of non-current financial assets in the amount of EUR 0.5 million.

Trade receivables increased from EUR 3.0 million to EUR 3.8 million. The average time to receipt of 27 days (previous year: 27 days) remains extremely low – a fact which in the company's opinion is attributable to a high level of customer satisfaction as well as successful customer account management.

Due to the increase in value on the qualifying date and the resulting mark-up, other current financial assets classified as assets available for sale rose from EUR 4.4 million to EUR 5.0 million. In addition to dividend-bearing securities (kEUR 5), these include gold holdings in the amount of kEUR 5,018. As in the year before, no downward adjustments to the value of equity instruments (shares) were made as of December 31, 2014. In addition as a result of mark-ups recognized in equity, non-current financial assets classified as available for sale were kEUR 43 higher at EUR 0.5 million. On December 31, 2014 the market value of current and non-current gold holdings stood at EUR 5.5 million.

The company is financed through the ongoing cash flow generated from operations. Current liabilities include trade accounts payable in the amount of EUR 0.3 million (previous year: EUR 0.3 million), deferred revenues in the amount of EUR 2.5 million (previous year: EUR 2.9 million), tax provisions in the amount of EUR 1.3 million (previous year: EUR 0.1 million) and miscellaneous current liabilities in the amount of EUR 5.5 million (previous year: EUR 4.7 million). Current liabilities on December 31, 2014 had risen to EUR 9.7 million (previous year: EUR 8.2 million). This increase was essentially attributable to higher salary and commission liabilities and an increase in tax provisions. It remains the company's intention not to incur borrowings to finance business operations.

The miscellaneous current financial liabilities relate predominantly to commitments to employees in respect of variable salary components to be disbursed in the following year, and also to anticipated accounts payable. The company had no liabilities denominated in foreign currencies on December 31, 2014, and no bank loans. Nor does the company intend to use bank loans to finance business operations.

Unsecured current account credit lines in the amount of EUR 0.51 million (previous year: EUR 0.51 million) are available with the principal banks of the integrated companies. As in the year before, no loans were taken out during the past financial year.

Non-current liabilities essentially include the pension provision in the amount of EUR 4.2 million (previous year: EUR 2.7 million).

Group equity capital as of December 31, 2014 amounted to EUR 14.9 million (previous year: EUR 11.7 million), resulting in an equity ratio of 52 percent (previous year: 51 percent). The return on equity as of December 31, 2014 stood at 47 percent (previous year: 26 percent).

As a matter of principle, ATOSS reports its expenditure on research and development in its income statement. As in the past, intangible assets of our own manufacture are not capitalized.

In order to reduce the burden of administrative costs, the company vehicle fleet as well as various items of business equipment are leased. As of December 31, 2014 there were 83 leasing agreements for company vehicles (previous year: 86). In addition there were also 9 leasing agreements for copiers (previous year: 7).

Thanks to the continuing overall excellent earnings situation and to its continuing sound asset position, the company expects its ability to meet its financial commitments to remain unchanged in the future.

4. Remuneration Report

4.1 Management Board compensation report

The members of the Management Board are:

Andreas F.J. Obereder	Chief Executive Officer	Appointed until December 31, 2018
Christof Leiber	Member of the Board of Management	Appointed until March 31, 2017

The remuneration paid to members of the Management Board is oriented towards their contribution to the success of the business, and towards industry standards. It includes performance-related and non-performance related components. The performance-related components amount to between 19 percent and 40 percent. The non-performance-related compensation is paid monthly in the form of a salary. An advance on the performance-related compensation is paid monthly up to a maximum of 50 percent of the target profit-share payment for the financial year in question.
The Supervisory Board turns its attention at least once per year to the appropriateness of this compensation as a whole and sets new performance targets for the performance-related components yearly in advance. With regard to Section 4.2.3 of the Corporate Governance Code and to Section 87 of the German Stock Corporation Act (AktG) which has been revised following the introduction of the Appropriate Executive Compensation Act (VorstAG), when contracts with the Management Board are concluded in future the Supervisory Board will determine the level of compensation in consideration of the sustained development of the undertaking, of a multi-year basis for assessment and of both positive as well as negative aspects of the development in business. In addition the Supervisory Board reviews the appropriateness of Management Board compensation annually on the basis of a comparison with the remuneration paid to senior management and employees.

The level of the performance-related remuneration (profit-share payment) in 2014 was as a matter of principle geared to the Group sales target and the company's operating profit target.

The contract with the CEO, Mr. Andreas F.J. Obereder, was extended with effect from January 1, 2014 for a period of five years. Of the newly agreed targets, 40 percent are one-year targets and 60 percent are multi-year targets calculated over a period of three years. The one-year targets relate to sales and earnings, while the multi-year objects comprise quantitative targets over a three-year period.

The contract with Mr. Christof Leiber was extended with effect from April 1, 2012 for a period of five years. Of the newly agreed targets, 40 percent are one-year targets and 60 percent are multi-year targets calculated over a period of three years. The one-year targets relate to sales and earnings, while the multi-year objectives contain both qualitative and quantitative targets.

Moreover, the contracts with members of the Management Board also include other elements of remuneration in the form of insurance premiums paid by the company and other ancillary benefits, as well as the provision of company motor vehicles.

A non-forfeitable pension commitment also exists in favor of the CEO which is classified as a defined-benefits plan. Pursuant to this agreement, pension payments will commence when the recipient reaches the age of 65 and will be paid for life. The level of future pension rights will vary during the accrual period to an extent equal to future adjustments in the fixed salary of the CEO.

In respect of Management Board compensation, we further refer to Note 49 in the Notes to the consolidated financial statements.

4.2. Supervisory Board compensation report

The Supervisory Board of ATOSS Software AG is comprised of three members. Mr. Peter Kirn, Rolf Baron Vielhauer von Hohenhau and Mr. Klaus Bauer were re-elected to the Supervisory Board by a resolution adopted by the annual general meeting on April 30, 2014.

The members of the Supervisory Board are:

Peter Kirn	Chairman, corporate consultant, Böblingen
Rolf Baron Vielhauer von Hohenhau	Deputy Chairman, President of the Bund der Steuerzahler in Bayern e.V., Munich.
Klaus Bauer	Supervisory and advisory board member, Nuremberg

The compensation paid to the Chairman, Deputy Chairman and members of the Supervisory Board was determined by a resolution adopted by the annual general meeting on May 22, 2001. Their compensation is accordingly composed of a fixed component and a variable component that is dependent on the number of meetings.

In respect of Supervisory Board compensation, we further refer to Note 48 in the Notes to the consolidated financial statements.

4.3 Holdings of and trading in shares and financial instruments
Board members' shareholdings insofar as these relate to shares in the company are reported in Note 33.

4.4 Reportable securities transactions
The company publishes details of all reportable securities transactions by board members on its website at https://www.atoss.com/unternehmen/investor-relations/corporate-governance/2014.This information remains available for at least 12 months following publication.

In financial year 2014 no reportable transactions were undertaken by board members.

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 him.

5. Events after the Reporting Period

There have been no further reportable events of particular significance since the end of the reporting period.

6. Risk Management and Control System

6.1 Company-wide risk management and control system
As a capital market oriented company as defined in Section 264d of the German Commercial Code, the company is obliged in accordance with Section 289, Para. 5 of the Commercial Code to describe the essential features of its internal risk management and control system insofar as this affects its accounting procedures.

The law does not provide a definition of an accounting-related internal control and risk management system. Drawing upon the definitions given by the Institut der Wirtschaftsprüfer in Deutschland e. V., Düsseldorf, of an accounting-related internal control system (IDW PS 261 Tz. 19f) and of a risk management system (IDWPS 340, Tz. 4), we understand an internal control and risk management system to be an all-embracing system. An internal control system is accordingly considered to comprise the principles, processes and measures introduced internally within the undertaking by the management to support the organizational implementation of management decisions

- to safeguard the effectiveness and economic efficiency of business operations,
- to ensure the correctness and reliability of internal and external accounting processes, and
- to comply with the provisions of the law applicable to the company.

The Group-wide risk management system comprises the entirety of all organizational rules and activities designed to recognize risk and deal with the risks inherent in the conduct of business. Risk in this context is deemed to be a negative deviation from expectations. Against this background within the framework of the existing risk management system we concentrate solely on the identification of risks. The procedure for the recognition and management of risk is described in the following explanatory notes:

In accordance with its long-term business strategy the company endeavors to avoid exposure to any unreasonable risks. Nevertheless, in the course of its ordinary business activities the company is unavoidably exposed to a variety of risks that arise from these business operations, as well as from changes in environmental conditions.

In order to make these risks transparently clear and evaluate them, the company has developed a comprehensive risk management system. The object is not merely to identify and monitor risks on an ongoing basis, but also having assessed the probability of their occurrence and the conceivable level of damage that may be caused, to provide decision-making criteria which convey a transparent picture of the company's willingness to accept risk exposure. Overall in the view of the Management Board, ATOSS has at its disposal an extremely comprehensive and easily comprehended system which meaningfully supports the company's risk strategy.

In the past financial year two extensive risk reviews were undertaken. The results were compiled by the risk management committee in a risk report and submitted to the Management Board.

Material aspects of risk are perceived to lie in particular in the economic environment and market environment, the successful introduction of new target sectors, employee fluctuation, data protection and data security, the system and network infrastructure and liquidity losses resulting from fluctuations in the value of cash invested in financial assets. The company endeavors to counter these risks through organizational and other risk-reducing measures and via the installed risk management system which ensures that risks are communicated promptly to the Management Board.

Our high equity ratio and substantial liquidity offer security in economically challenging times. The market environment is continuously monitored, possible growth opportunities are explored, and the potential to distinguish ATOSS from its competitors is duly exploited. High levels of investment in research and development and the considerable technical skills of our employees serve to guarantee high product quality. In the case of major projects, the status of progress is continuously communicated to the administrative department. The risk resulting from the loss of key personnel is fundamentally covered by the fact that knowledge is distributed within departments. Likewise, in addition to implementing organizational data protection and data security measures, new employees are placed under obligation to comply with the data protection regulations. Risks resulting from system and network failures are countered in particular by continuous data backups and via emergency plans to deal with system failures, as well as by the high-availability platform that has been introduced and refined.

The Group counters the financial risk arising from the change in investment strategy by diversifying and limiting exposure to individual forms of investment and individual securities. Moreover the company does not invest its available liquidity in speculative forms of investment. Available funds are invested in whole or in part in short-life fixed term deposits with reputable banks, in equities and in physical gold. The Group's investment strategy is oriented towards preserving value and safeguarding against inflation in the long term. Financial risk is countered through regular monitoring of the financial market and regular reports to the Management and Supervisory Boards on the development in financial assets. In addition all investments in financial assets are reviewed and approved by the company management.

To hedge against financial risks arising from existing assets, in individual cases and after in-depth examination the Group avails itself of derivative financial instruments. No such financial derivatives existed on the balance sheet closing date.

Trade accounts receivable are continuously assessed in terms of viability and allowances are made where noticeable problems arise. Since the company has no single customers which account for more than 10 percent of sales, the credit risk does not present a potential hazard to the continued existence of the business.

In view of the substantial volume of cash funds available at short notice and as well as the positive cash flow from operations, the Group is not subject to any liquidity risk.

Risks arising from existing and future customer contracts are continuously monitored and assessed.

It is possible that legal risks or changes to regulatory requirements may impair business operations. Similarly, as a stock market-listed company there is a risk that at some point it may no longer be possible to satisfy increasing legal requirements in an economically tenable manner. For this eventuality formal procedures are created within our organization, the purpose of which is to take account of changes in conditions.

Finally, there is also the possibility that as yet unrecognized and unreported risks may arise which might also have negative effects on business activities. The combination of in principle mutually independent risks may present additional hazards to the company which may amplify one another. Therefore ATOSS will continue to constantly monitor its environment and review the effectiveness of measures taken and of the risk management system as a whole. Despite continuous adjustments to the risk management system, it is not possible to quantify either the probability of the described risks occurring or their level of financial impact.

Looking ahead to the coming two years, provided that there is no material change in either the market environment or general economic data, the Group anticipates a similar risk structure.

6.2. Risk management system and the accounting process

The essential features of the accounting-related internal control and risk management system at ATOSS Software AG and its subsidiaries may be described as follows:

- The companies exhibit a clear management, corporate and control structure.
- The functions of the financial accounting, order processing and controlling departments materially involved in the (Group) accounting process are clearly separated and responsibilities are unambiguously assigned.
- For the purpose of analyzing and managing risk factors that may impinge on earnings, we have integrated the risk management system previously described and established a coordinated planning and control system.
- In order to continuously monitor the development in our assets, financial position and earnings situation, a review is submitted to the management and to the Supervisory Board on a monthly basis.
- Uniform Group accounting procedures are assured by the application of uniform Group-wide guidelines which are adapted as necessary.
- Functions and responsibilities are unambiguously assigned in all areas of the (Group) accounting process.
- The departments concerned in the (Group) accounting process meet both quantitative and qualitative requirements.
- The IT systems employed in connection with the (Group) accounting process are protected by security features against unauthorized access.
- The financial systems employed are based on standard software.

- Matters with a material (Group) accounting relevance are discussed and clarified at weekly finance meetings.

- Essential (Group) accounting-related processes are subject to regular audit. Where necessary the risk management system is adapted in line with current developments.

- All essential (Group) accounting-related processes are consistently subject to the principle of dual control.

- The Supervisory Board concerns itself with matters of material importance pertaining to (Group) accounting, risk management and the audit assignment and its areas of emphasis.

- The Management Board bears overall responsibility for the (Group) accounting-related internal control and risk management system. All of the companies and departments included in the financial statements are integrated into a clearly defined management and reporting organization.

The (Group) accounting-related internal control and risk management system, the essential features of which are described above, ensures that business events are accurately recorded, treated and reflected in the internal accounts and correctly translated into external accounts. The system also guarantees that potential risks are identified at an early stage and appropriate counter-measures initiated where necessary in good time.

The clear management and corporate structure and the appropriate personnel and material resources made available to the Group accounting departments provide the basis for a correct, uniform and sustainable Group accounting process. The clear demarcation between areas of responsibility coupled with the various control and monitoring mechanisms ensures that the accounts are prepared coherently and without error.

The internal control and risk system further ensures that the Group accounts are prepared in compliance with legal regulations and statutory requirements as well as internal guidelines and that risks are recognized, assessed and communicated and where necessary counter-measures are taken in good time. With regard to the objectives and methods of financial risk management, we refer to Note No. 54.

7. Dividend Distribution

In proposing a dividend, the Management and Supervisory Boards take due account of the need to safeguard the company's financial resources as well as the principle of dividend continuity which requires that the dividend should not be lower than that paid in the previous year and should be increased if it is possible to do so at a distribution ratio of 50 percent of consolidated earnings per share generated in the financial year. The Management Board has accordingly resolved to propose to the 2015 annual general meeting that a dividend of EUR 0.88 (previous year: EUR 0.72) be paid in accordance with the dividend policy pursued in previous years.

8. Outlook: Future Economic and Sector Climate, Opportunities and Risks to Future Development, Future Position of the Company

The ifo Institute estimates that the global economy will gradually regain momentum in the coming year. Particularly in the USA and Great Britain, the existing pattern of growth is expected to continue. The structural problems that exist in some of the major developing countries and eurozone states, however, cast a cloud over the positive economic outlook. On the other hand, the recent oil price declines are likely to have a beneficial impact on global economic development.

In Germany, following moderate development in 2014, both the economic forecasting institutes and the federal government take a positive view going forward. This trend will, however, be driven mainly by domestic demand, while the European Central Bank is set to provide some important incentives through the continuation of its existing expansive monetary policy. The ifo Institute expects real gross domestic product overall to rise by 1.5 percent. Similarly, the recent upturn in the business climate index against a background of falling euro exchange rates and declining oil prices reflects an improvement in the outlook for the months ahead.

Following its moderate macro-economic growth forecasts for 2014, the industry association BITKOM takes an optimistic view of 2015. The software, IT, services and hardware segments that form the core of the BITKOM industry are expected to grow by a further 2.4 percent, once again outstripping growth in the economy as a whole.

We also refer to this outlook on opportunities in Section 2, Group basics, and in Section 6, Risk management and control system. Clearly distinguished as it is at the level of products and technology, financial stability and sustainability and with first-class references in all relevant markets, ATOSS is well positioned to take advantage of the opportunities that present themselves and convert these into business success. What's more, there is considerable potential to improve the competitiveness of our target customers and thereby secure sustained sales opportunities in the company's specialist field of solutions designed to enhance workforce management efficiency. It was for this reason that we were able to achieve last year's forecasts for the development in sales in full measure. Operating profits (EBIT), too, were advanced as expected.

Looking ahead to 2015, we expect to see a moderate increase in sales and earnings, while our cost structure remains largely constant. At the same time in financial year 2015 ATOSS intends to increase the level of investment in addressing new markets and associated opportunities for fresh growth in the field of workforce management. Investments are planned in particular in sales and marketing. Last year's forecast for a slight increase in sales was achieved and exceeded thanks to the number of new enterprise customers acquired in our Retail and Healthcare focus sectors.

9. Declaration by the Legal Representatives

The Management Board gives an assurance to the best of its knowledge and belief that the development in business, including the results and the situation of the company, are described in such a manner in this management report as to present a true and fair view, and that the essential opportunities and risks are described accordingly.

Munich, February 6, 2015

Andreas F.J. Obereder
Chief Executive Officer

Christof Leiber
Member of the Board of Management

CONSOLIDATED BALANCE SHEET TO 31.12.2014

Assets (EUR)	Note	31.12.2014	31.12.2013
Non-current assets	12		
Intangible assets	12, 24	141,584	145,046
Tangible fixes assets	11, 24	2,736,726	2,725,868
Other financial assets	6, 8, 9, 22	451,755	408,491
Deferred taxes	13, 25	1,006,914	630,402
Total non-current assets		**4,336,979**	**3,909,807**
Current assets	8, 9		
Inventories		6,861	8,642
Trade accounts receivables	6, 7, 8, 22	3,842,007	3,029,835
Other financial assets	6, 7, 8, 9, 22	5,023,032	4,448,182
Other non-financial assets	23	534,163	1,189,822
Cash and cash equivalents	8, 9, 21	15,107,722	10,392,796
Total current assets		**24,513,785**	**19,069,277**
Total assets		**28,850,764**	**22,979,084**

Equity and Liabilities (EUR)	Note	31.12.2014	31.12.2013
Equity	32		
Subscribed capital	33	3,976,568	3,976,568
Capital reserve	34	-661,338	-661,338
Equity deriving from unrealized profits/losses	32	-1,707,831	-734,394
Unappropriated net income	59	13,333,498	9,156,749
Equity attributable to equity holders of the parent		**14,940,898**	**11,737,585**
Non-controlling interests		-5,692	0
Total equity		**14,935,206**	**11,737,585**
Non-current liabilities	13, 16		
Pension provisions	16, 31	4,213,769	2,687,192
Deferred taxes	13, 25	0	354,275
Total non-current liabilities		**4,213,769**	**3,041,467**
Current liabilities	14, 15, 26		
Trade accounts payable	14, 26	320,388	327,290
Other liabilities	14, 26, 28	5,450,257	4,734,091
Deferred revenues	14, 26, 29	2,535,212	2,944,110
Tax provisions	13, 26	1,306,933	105,541
Other provisions	6, 15, 26, 30	89,000	89,000
Total current liabilities		**9,701,790**	**8,200,032**
Total equity and liabilities		**28,850,764**	**22,979,084**

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01.2014 TO 31.12.2014

EUR	Note	01.01.2014 –31.12.2014	01.01.2013 –31.12.2013
Sales revenues	6, 17, 35	**39,682,997**	**35,504,826**
Cost of sales	36	-12,370,014	-10,290,687
Gross profit on sales		**27,312,983**	**25,214,139**
Selling costs	37	-6,440,142	-6,239,860
Administration costs	38	-3,340,062	-3,092,364
Research and development costs	18, 39	-7,962,681	-7,480,360
Other operating income	42	264,128	97,310
Other operating expenses	42	-47,604	-66,901
Operating profit (EBIT)		**9,786,622**	**8,431,964**
Interest and similar income	41	605,783	438,384
Interest and similar expenses	19, 41	-97,381	-4,550,461
Earnings before taxes (EBT)		**10,295,024**	**4,319,887**
Taxes on income and earnings	25, 43	-3,262,838	-1,300,363
Net income for the year		**7,032,186**	**3,019,523**
Attributable to:			
Equity holders of the parent:		7,039,878	3,019,523
Non-controlling interests:		-7,692	0
Earnings per share (undiluted)	44	1.77	0.76
Earnings per share (diluted)	44	1.77	0.76
Average number of shares in circulation (undiluted)		3,976,568	3,976,568
Average number of shares in circulation (diluted)		3,976,568	3,976,568

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01.2014 TO 31.12.2014

EUR	Note	01.01.2014 –31.12.2014	01.01.2013 –31.12.2013
Net income for the year		**7,032,186**	**3,019,523**
Components not reallocated in profit and loss			
Profits/losses on the revaluation of defined benefit pension plans recognized in equity	31	-1,492,409	-348,810
Tax effects on profits/losses on the revaluation of defined benefit pension plans recognized in equity	31	486,525	64,447
Components reallocated in profit or loss in later periods			
Profits/losses recognized in equity on the disposal of financial assets available for sale	22	43,263	335,414
Tax effects on profits/losses recognized in equity on the disposal of financial assets available for sale	22	-10,816	-183,778
Other comprehensive income for the period after taxes		**-973,437**	**-132,727**
Comprehensive income after taxes		**6,058,750**	**2,886,796**

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 01.01.2014 TO 31.12.2014

EUR	Note	01.01.2014 –31.12.2014	01.01.2013 –31.12.2013
Net income for the year	44	**7,032,186**	**3,019,523**
Depreciation of fixed assets	24	518,689	575,509
Gains/losses from the disposal of fixed assets		286	1,674
Gains/losses from the disposal / valuation of financial assets available for sale		-574,850	3,884,686
Other financial investment income		-30,800	-29,219
Change in deferred taxes	25	-311,682	-129,613
Change in provisions for pension commitments	31	101,588	11,438
Adjustment for items not recognized in profit or loss		-10,816	-229,217
Change in net current assets			
Trade accounts receivable	22	-812,172	201,539
Inventories and other assets	23	657,440	166,775
Trade accounts payable	26	-6,902	-27,613
Other liabilities	26, 28	716,166	136,301
Deferred revenues	29	-408,898	662,111
Tax provisions	26	1,201,392	18,298
Cash flow generated from business operations (1)	45	**8,071,628**	**8,262,192**
Cash flow from investment activities			
Disbursements for the purchase of tangible and intangible assets	24	-526,374	-541,621
Receipts from the disposal of other financial assets	46	0	8,161,455
Interest received	46	30,800	46,866
Cash flow generated from investment activities (2)	46	**-495,574**	**7,666,700**
Cash flow from financing activities			
Proceeds from transactions with non controlling interests trough the formation of a subsidiary		2,000	0
Dividends paid	32	-2,863,129	-14,395,176
Loans disbursed		0	-3,500,000
Repayment of loans granted		0	3,500,000
Proceeds from the draw down of bank loans		0	3,000,000
Repayment of loans received		0	-3,000,000
Cash flow generated from financing activities (3)	47	**-2,861,129**	**-14,395,176**
Change in liquidity - total of (1) to (3)		**4,714,925**	**1,533,716**
Liquidity at beginning of year	21	10,392,796	8,859,080
Liquidity at end of year	21	15,107,721	10,392,796
Cash flow generated from business operations include:			
Income taxes paid		2,338,125	2,301,376
Tax refunds received		2,722	1,321

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 31.12.2014

	Attributable to the equity holders of the parent					
EUR	Subscribed capital	Capital reserve	Equity deriving from unrealized profits/losses	Profit shown on balance sheet	Non-controlling interests	Total
Note	33	34	32			
01.01.2013	**3,976,568**	**-661,338**	**-601,667**	**20,532,402**	**0**	**23,245,965**
Net income 2013	0	0	0	3,019,523	0	3,019,523
Other comprehensive income	0	0	-132,727	0	0	-132,727
Total comprehensive income	**0**	**0**	**-132,727**	**3,019,523**	**0**	**2,886,796**
Dividends	0	0	0	-14,395,176	0	-14,395,176
Status 31.12.2013	**3,976,568**	**-661,338**	**-734,394**	**9,156,749**	**0**	**11,737,585**
01.01.2014	**3,976,568**	**-661,338**	**-734,394**	**9,156,749**	**0**	**11,737,585**
Net income 2014	0	0	0	7,039,878	-7,692	7,032,186
Other comprehensive income	0	0	-973,437	0	0	-973,437
Total comprehensive income	**0**	**0**	**-973,437**	**7,039,878**	**-7,692**	**6,058,750**
Dividends	0	0	0	-2,863,129	0	-2,863,129
Non controlling interests	0	0	0	0	2,000	2,000
Status 31.12.2014	**3,976,568**	**-661,338**	**-1,707,831**	**13,333,498**	**-5,692**	**14,935,206**

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

Notes to the Consolidated Financial Statements 2014

I. Company information

ATOSS Software AG, hereinafter also called “ATOSS” or “the company”, is a stock corporation established in Munich, Germany, with limited liability. The company with headquarters at Am Moosfeld 3 in Munich is one of the leading providers engaged in the development and sale of software licenses, software maintenance, hardware and consulting services pertaining to the provision of electronic support for all corporate processes involved in the efficient deployment of personnel resources at business enterprises and public institutions. Each of the ATOSS product lines consists of integrated software modules that are employed by large numbers of customers.

II. Accounting and valuation methods

1. International Financial Reporting Standards (IFRS)

As in the past, the present consolidated financial statements were prepared for both the parent company and subsidiaries in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standard Board (IASB), as applicable in the EU and with the supplementary provisions of German commercial law applicable pursuant to § 315a, Para. 1 of the German Commercial Code (HGB).

The same accounting and valuation methods were applied as in the preceding year.

The Group applied the following new or modified standards for the first time in financial year 2014.

Standard or Interpretation	Name	For financial years with effect from
IAS 27	Separate Financial Statements (revised 2011)	01.01.2014
IAS 32	Offsetting Financial Assets and Financial Liabilities	01.01.2014
IAS 36	Impairment of Non-financial Assets	01.01.2014
IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	01.01.2014
IFRS 10	Consolidated Financial Statements	01.01.2014
IFRS 11	Joint Arrangements	01.01.2014
IFRS 12	Disclosure of Interests in Other Entities	01.01.2014

Application of these new or amended Standards had no material impact on Group accounting and did not affect either the presentation of the consolidated financial statements or the net assets, financial position and earnings situation of the Group.

The Group has not prematurely applied the following standards, amendments to standards and IFRIC interpretations of IFRS, which have been published but have not yet come into force, and does not plan to do so. The essential effects resulting from these changes are explained hereinafter.

Standard or Interpretation	Name	For financial years with effect from
IAS 1	Presentation of Financial Statements	01.01.2016
IAS 16 and 38	Clarification of Acceptable Methods of Depreciation and Amortization	01.01.2016
IAS 16 and 41	Agriculture: Bearer Plants	01.01.2016
IAS 19	Defined Benefit Plans: Employee Contributions	01.07.2014
IFRS 9	Financial Instruments	01.01.2018
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	01.01.2016
IFRS 14	Regulatory Deferral Accounts	01.01.2016
IFRS 15	Revenue from Contracts with Customers	01.01.2017
Annual Improvements to IFRSs 2010-2012		01.07.2014
Annual Improvements to IFRSs 2011-2013		01.07.2014
Annual Improvements to IFRSs 2012-2014		01.01.2016

As part of its disclosure initiative on December 18, 2014 the IASB published its amendments to IAS1 "Presentation of Financial Statements". The amendments in particular include clarifications of how to assess the materiality of information provided in the financial statements, the presentation of additional items in the balance sheet and statement of comprehensive income, the presentation of other income attributable to equity-accounted associates and joint ventures, and other information concerning the structure of notes and the presentation of principal accounting methods. The amendments must be applied for annual reporting periods commencing on or after January 1, 2016. The effects of applying the amended standards on the presentation of information in the consolidated financial statements and notes are currently being analyzed. It is not currently anticipated that the publications outlined above will be applied prematurely.

The final version of IFRS 9 that covers the reporting and measurement of financial instruments was published on July 24, 2014. This version of IFRS 9 now includes in full the sections concerning classification and measurement, impairment and reporting of financial guarantees and must be applied for financial years commencing on or after January 1, 2018. The newly included sections absent from previous versions cover impairments of financial instruments and amended measurement categories for financial assets. The new IFRS 9 also contains guidelines for the classification of financial assets. An analysis is underway to determine whether the application of IFRS 9 will impact on the consolidated financial statements, and if so what the effects may be.

IFRS 15, which provides new rules for the recognition of revenues, was published on May 28, 2014. This Standard contains a uniform 5-step model by which revenues are recognized in an amount equal to a counter-performance which may be expected in return for the transfer of goods or services to a customer. In addition IFRS 15 also introduces extensive new disclosure requirements. The new Standard replaces IAS 18 "Revenue", IAS 11 "Construction Contracts" and all associated Interpretations, and is to be applied for financial years commencing on or after January 1, 2017. The effects of IFRS 15 on the net assets, financial position and earning situation of the ATOSS Group are currently being analyzed.

The following new or amended Standards are not expected to have any material effects on the consolidated financial statements.

- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- Amendments to IAS 19: Defined Benefit Plans: Employee Contributions
- Amendments to IFRS 11: Joint Arrangements: Accounting for Acquisitions of Interests
- IFRS 14: Regulatory Deferral Accounts
- Annual Improvements to IFRSs 2010–2012
- Annual Improvements to IFRSs 2011–2013
- Annual Improvements to IFRSs 2012–2014

2. Bases for the preparation of the financial statements

The present consolidated financial statements were prepared to December 31, 2014 for the reporting period from January 1 to December 31, 2014. The financial year for all group companies coincides with the calendar year. As a matter of principle, the consolidated financial statements are prepared in application of the historical cost method, with the exception of current financial assets which are measured at fair value.

3. Reporting currency

The present consolidated financial statements were prepared in euro. Amounts are rounded up to whole euro units.

4. Consolidated group

The parent company is ATOSS Software AG, Munich. All subsidiaries are fully consolidated in the Group financial statements for ATOSS Software AG. Subsidiary companies are fully consolidated from the time of acquisition, that is to say, from the time at which the group acquires control. Companies cease to be consolidated when the parent company no longer has control.

A change in the level of participation in a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

Their annual financial statements have been prepared in accordance with national regulations and reconciled in accordance with IFRS.

Company	Share of subscribed capital	Equity as of 31.12.2014 in EUR	Result for the year 2014 in EUR
ATOSS CSD Software GmbH, Cham, Germany	100%	950,569	435,435
ATOSS Software AG, Zurich, Switzerland	100%	583,519	296,935
ATOSS Software Gesellschaft m.b.H., Vienna, Austria	100%	1,636,623	951,500
ATOSS Software S.R.L., Timisoara, Romania	100%	334,965	56,728
ATOSS Aloud GmbH, Munich, Germany	92%	-71,155	-96,155

The parent company with registered office and stock exchange listing in the EU is ATOSS Software AG. With the exception of agreements by way of the distribution contracts, the cost-plus contract and business financing, there were no business relationships of material importance in the financial year between the parent company and its subsidiaries.

5. Consolidation principles

In addition to the parent company ATOSS Software AG, Munich, the consolidated annual financial statements also include all subsidiaries.

The financial statements for subsidiaries are prepared in application of uniform accounting methods for the same reporting period as the financial statements for the parent company. All Group-internal balances, business events, unrealized profits and losses on internal transactions and dividends are eliminated in full.

Capital consolidation of fully consolidated companies was undertaken in accordance with the acquisition method. The recognized values of assets assigned and liabilities accepted representing the acquisition cost of the interest in each relevant company were offset against the equity capital reported by the subsidiary at the time of acquisition. Capital consolidation of the interest in ATOSS CSD Software GmbH, Cham, acquired in the year 2000, continues to be undertaken in accordance with IFRS 1 B1 by the pooling of interests method.

Business combinations are accounted for in accordance with IFRS 3 by the acquisition method. The cost of acquiring a company is deemed to be the sum of the consideration transferred measured at fair value at the time of acquisition and the shares without controlling interest in the entity acquired. In the case of every business combination, the acquirer must value the shares without controlling interest in the acquired entity either at fair value or at the appropriate proportion of the identifiable net assets of the acquired entity. Costs incurred in connection with the business combination must be expensed. Should the Group acquire a business, it must assess the appropriate classification and designation of financial assets and assumed debts in compliance with the terms of contract, business circumstances and conditions prevailing at the time of acquisition. This includes the separation of embedded derivatives in underlying contracts. No mergers between companies took place in financial year 2014.

ATOSS Aloud GmbH, Munich, which was newly established on August 1, 2014, is fully consolidated in the Group financial statements for ATOSS Software AG. The equity attributable to minority shareholders in ATOSS Aloud GmbH and the pro rata net earnings are each reported separately in the consolidated balance sheet, income statement, statement of comprehensive income and statement of changes in equity.

6. Estimates, assumptions and discretionary decisions made in preparing the consolidated financial statements

Preparing the annual financial statements in compliance with International Financial Reporting Standards (IFRS) necessitates estimates and assumptions which affect the figures shown in the consolidated balance sheet, consolidated income statement and the notes to the consolidated financial statements.

Thus for example estimates are made in determining sales revenues for long-term production orders. The amount here is dependent upon the anticipated duration of implementation and the resulting proportionate progress of the project. Sales revenues deriving from production orders in work at the end of the reporting period amounted in financial year 2014 to EUR 551,976 (previous year: EUR 824,087).

Impairments in the value of receivables are likewise calculated by estimating those factors which may influence their sustained value. The book value of receivables on December 31, 2014 amounted to EUR 3,842,007 (previous year: EUR 3,029,835).

On every reporting date the Group investigates whether there are objective indications to conclude that the value of a financial asset or group of financial assets available for sale is impaired. In the case of financial assets classified as available for sale, a significant or sustained decline in fair value below the cost of acquisition would constitute objective grounds. The decision as what constitutes “significant” or “sustained” is discretionary. In this context in addition to other factors the Group considers past fluctuations in price and the duration and extent to which the fair value of a financial investment falls below its cost of acquisition. Other financial assets are deemed to be impaired if the fair value on the closing date in the case of dividend-bearing securities is 25 percent or in the case of gold 10 percent below cost of acquisition, or has been below cost for an uninterrupted period of 6 months. The book value of other financial assets as of December 31, 2014 stood at EUR 5,474,787 (previous year: EUR 4,856,673).

The value of pension provisions is also subject to estimates in respect of the parameters listed in Note 31. The book value of the provision as of December 31, 2014 stood at EUR 4,213,768 (previous year: EUR 2,687,192).

Moreover, estimates are made when forming and assessing provisions for future risks. The book value of these provisions as of December 31, 2014 stood at EUR 89,000 (previous year: EUR 89,000).

Actual figures may deviate from estimates made.

7. Currency translation

The functional currency for all Group companies is the euro.

Foreign currency transactions are initially translated by Group companies into the functional currency at the spot rate on the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are converted into the functional currency at the exchange rate on the qualifying date.

Non-monetary items measured in foreign currency at historic cost of acquisition or manufacture are converted at the exchange rate applying the date of the transaction. Non-monetary items measured in foreign currency at fair value are converted at the exchange rate applying on the date on which fair value is ascertained.

Corresponding foreign currency profits and losses are recognized in the consolidated income statement.

8. Financial assets

First-time recognition and measurement
Financial assets within the meaning of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, financial assets available for sale or derivatives designed as hedging instruments and effective as such. The Group determines the class to which its financial assets belong upon first recognition. Financial assets are measured on initial recognition at fair value. In the case of financial investments which are not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of the asset are also taken into consideration.

All purchases and sales of financial assets that foresee delivery of the asset within a period determined by the regulations or conventions of the market in question (regular way purchases) are recognized on the trade date, that is to say, on the date on which the Group entered into a commitment to buy or sell the asset.

The financial assets of the Group comprise cash and cash equivalents, receivables and other financial assets.

Subsequent measurement
The subsequent measurement of financial assets is dependent on their classification, as follows:

Financial assets measured at fair value through profit and loss
The category of financial assets at fair value through profit and loss includes financial assets held for trading and financial assets that are designated on first recognition as assets to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of sale or repurchase in the short term. This category includes derivative financial instruments held by the Group that are not designated as hedging instruments pursuant to IAS 39. Derivatives, including separately recognized embedded derivatives, are also classed as held for trading with the exception of derivatives that are designated as hedging instruments and are such in effect. Financial assets measured at fair value through profit or loss are recognized on balance sheet at fair value, whereby changes in fair value are recognized in profit or loss as financial income or expenses.

When financial assets (held for trading) measured at fair value through profit or loss are subsequently valued, it must be considered whether the intention of selling these in the short term is still appropriate.

Insofar as the Group is unable to trade these financial assets as a result of inactive markets and the management abandons its intention of selling them in the short term, the Group may decide to reclassify these financial assets under extraordinary circumstances. Reclassification as loans and receivables or assets available for disposal or held to maturity will be dependent on the nature of the asset. This measurement does not affect financial assets classed as measured at fair value through profit or loss in exercise of the fair value option.

Derivatives embedded in underlying contracts are reported separately and recognized at fair value, provided that their characteristics and inherent risks are not closely associated with the underlying contracts and these contracts are not held for trading or designated as measured at fair value through profit or loss. These embedded derivatives are measured at fair value, whereby changes in fair value are recognized in profit or loss. Remeasurement takes place only in the event of a change in the contract terms, if this results in a significant change in the cash flows that would otherwise have derived from the contract.

The Group has not classified any financial assets as measured at fair value through profit or loss on first recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. Subsequent to initial recognition, such financial assets are measured at amortized cost by the effective interest method less any impairments. Amortized costs are calculated in consideration of any premium or discount at time of acquisition as well as fees or costs which represent an integral part of the effective interest rate. Amortization income in application of the effective interest method is recognized in the income statement as financial income.

Financial investments held to maturity
Non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as financial assets held to maturity, provided that the group intends and is in a position to hold these to maturity. Subsequent to first recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less any impairments. Amortized costs are

calculated in consideration of any premium or discount at time of acquisition and fees and costs which represent an integral part of the effective interest rate. Amortization income in application of the effective interest method is recognized in the income statement as financial income. Impairment losses are recognized in the income statement as financial expenses. In financial year 2014 the Group has no held-to-maturity financial investments.

Available-for-sale financial assets
Financial assets available for sale include debt and equity instruments. Equity instruments classed as available for sale are instruments that are classed neither as held for trading nor as measured at fair value through profit or loss. Debt instruments in this category are those intended to be held for an indefinite period and may be sold in response to a need for liquidity or changes in market conditions.

Subsequent to their initial valuation, in following periods financial assets available for sale are measured at fair value. Unrealized profits or losses are recognized as other income/expenses in a reserve for financial assets available for sale. If such an asset is eliminated, the cumulative profit or loss is reported among financial income and expenses. If an asset is impaired, the cumulative loss is recognized in profit and loss as a financial expense and removed from the reserve for financial assets available for sale.

It must be assessed by the Group, whether in the case of financial assets available for sale, it is possible and intended to sell these in the near future. Insofar as the Group is unable to trade these financial assets as a result of inactive markets and there is a material change in the intention of the management to sell them in the short term, the Group may decide to reclassify these financial assets under extraordinary circumstances. Reclassification as loans and receivables is permitted provided that the financial asset fulfills the definition of a loan or receivable and the Group intends and is in a position to hold the asset for the foreseeable future or until maturity. Reclassification among assets held to maturity is permitted only if the company is in a position and has the intention to so hold the asset.

In the case of a financial asset declassified as available for sale, all previous profits and losses associated with this asset that have been recognized in equity must be reversed in profit or loss over the residual life of the financial investment in application of the effective interest method. Differences between new amortized cost and expected cash flows must be liquidated by the effective interest rate method over the residual life of the asset. If the asset is subsequently determined to be impaired, the amount recognized directly in equity must be reallocated to the income statement.

Financial investments in gold and dividend-bearing securities are classified by the Group as financial assets available for sale.

Derecognition
A financial asset or a part of a financial asset or a part of a class of similar financial assets is derecognized if one of the following conditions is fulfilled:

- The contractual rights to receive the cash flow from a financial asset have expired.
- The Group has transferred its contractual rights to receive the cash flow from the financial asset to a third party or assumed a contractual obligation to immediately pass on the cash flow to a third party under an arrangement that meets the conditions in IAS 39.19 (a transmission arrangement), and has thereby either a) transferred substantially all the risks and rewards associated with ownership of the financial asset or b) neither transferred nor retained substantially all the risks and rewards associated with ownership of the financial asset, but relinquished control over the asset.

If the Group transfers its contractual rights to the cash flow from an asset or enters into a transmission arrangement whereby substantially all the risk and rewards associated with ownership of the asset are neither transferred nor retained but control over the asset is not relinquished, the Group must continue to recognize the asset to the extent that is has a continuing involvement with the asset.

In this case the Group must also recognize an associated liability. The transferred asset and associated liability are so measured as to take account of the rights and obligations retained by the Group.

If the continuing involvement formally guarantees the transferred asset, the extent of the involvement equates to the lower of either the original book value of the asset or the maximum amount of the consideration received which the Group might possibly have to repay.

Hierarchy of fair value
The Group uses the following hierarchy to determine the fair value of financial instruments and for the purpose of making disclosures regarding the measurement process:

Level 1: Quoted (unadjusted) prices on active markets for equivalent assets or liabilities,
Level 2: Procedures in which all input parameters which materially affect fair value are either directly or indirectly observable,
Level 3: Procedures that employ input parameters that have a material impact on the recognized fair value and are not based on observable market data.

9. Impairment of financial assets

On every reporting date the Group investigates whether there are objective indications that the value of a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if as a result of one or more events that have occurred subsequent to initial recognition there are objective indications of impairment, and this impairment will have an effect on the expected future cash flows from the financial asset or group of financial assets that can be reliably estimated. Impairment may be inferred if there are indications that the debtor or group of debtors are in severe financial difficulties, in the event of delay or default on interest or redemption payments or of the probability of insolvency or other restructuring, or if observable data indicate a measurable reduction in the expected future cash flow, such as for example alterations in arrears or economic conditions that correlate with business failures.

Financial assets carried at amortized cost

With regard to financial assets carried at amortized cost, it must first be determined whether there are objective indications of impairment individually among assets perceived as significant or individually or jointly among assets that are not perceived as significant. Should the Group determine that upon individual examination of a financial asset, whether significant or not, there are no objective indications of impairment, the asset is included within a group of financial assets with comparable default risk profiles and the group is then jointly examined for indications of impairment. Assets individually examined and found to be, or to continue to be, impaired are not included in such joint examination.

If there are objective grounds to believe that an asset is impaired, the impairment loss is calculated as the difference between the carrying value of the asset and the cash value of the expected future cash flow with the exception of expected future loan losses which have yet to occur. The cash value of the expected future cash flow is discounted at the original effective interest rate for the financial asset. If a loan bears interest at a variable rate, the discounted interest rate for the purpose of measuring impairment is the current effective rate.

In the case of receivables, the carrying value of the asset is reduced with the aid of a value adjustment account and the impairment recognized in profit and loss. Receivables including an associated impairment are derecognized if they are classed as uncollectable and all securities have been claimed and realized. Should the estimated impairment increase or decrease in subsequent reporting periods as the result of an event which occurs after the impairment has been recognized, the increase or decrease in the previously recognized impairment cost is recognized in profit or loss by adjusting the impairment account. If a derecognized receivable is subsequently considered to be collectable as the result of an event which takes place after derecognition, the corresponding amount is set off directly against other operating expenses.

Available-for-sale financial assets

On every reporting date the Group investigates whether there are objective indications to conclude that the value of a financial asset or group of financial assets available for sale is impaired.

In the case of equity instruments available for sale, a significant or sustained decline in fair value below the cost of acquisition would constitute objective grounds. The criterion of 'significance' should be assessed on the basis of the original cost of acquiring the financial investment and the criterion of 'sustainment' should be assessed on the basis of the period for which the fair value has lain below the original cost.

If there are indications of impairment, the cumulative loss – being the difference between the cost of acquisition and current fair value less any impairment of the instrument previously recognized in profit and loss – is separated from other income and expenses and recognized in profit and loss. Equity instrument adjustments are not reversed in profit and loss: A subsequent increase in fair value is recognized directly as other income.

In calculating the impairment of debt instruments classed as available for sale, the same criteria are applied as in the case of financial assets carried at amortized cost. The amount recognized as an impairment is the cumulative loss which is calculated as the difference between the amortized cost of acquisition and current fair value less any impairment of the instrument previously recognized in profit and loss.

Future interest income continues to be recognized on the reduced carrying value of the asset at the interest rate applied in discounting future cash flow for the purpose of calculating the impairment cost. The interest income is recognized under the heading of financial income. If the fair value of a debt instrument increases in subsequent reporting periods for reasons objectively attributable to an event that occurs after the impairment has been recognized in profit and loss, the increase in value is likewise recognized in profit and loss, unless the asset is recognized at remeasured value. Any increase in value of a remeasured asset must be treated as an increase in value through remeasurement.

10. Non-current non-financial assets

At the end of every reporting period the group investigates whether there are grounds to believe that the value of an asset is impaired. If such grounds exist or if an annual review of the sustained value of an asset is required, the group makes an estimate of the amount that may be achieved for the asset in question. The achievable amount is the higher of either the fair value of an asset or cash-generating entity less disposal costs or its utility value. The achievable amount must be determined for each individual asset, unless an asset generates no cash flow which is essentially independent of those generated by other assets or groups of assets. If the carrying value of an asset exceeds its achievable value, the asset is impaired and is written down to its achievable value. To determine the utility value, the expected future cash flows are discounted to their cash value at a pre-tax discount rate which reflects current market expectations regarding the interest effect and the risks specific to the asset. An appropriate valuation model is applied to determine the fair value less sales costs. This model is based on valuation multipliers or other available indicators of fair value.

Impairment costs at going-concern business units are recognized in the income statements under cost headings which correspond with the function of the impaired asset.

An investigation is similarly made at the end of every reporting period to determine whether there are grounds to believe that a previously recognized impairment no longer exists or is reduced. If such grounds exist the group makes an estimate of the achievable amount. A previously recognized impairment will only be reversed if the estimated amount that may be achieved has changed since the last occasion on which an impairment was recognized. Should this be the case, the carrying value of the asset is increased to its achievable value. This amount must not, however, exceed the carrying value that would apply after scheduled depreciation if no impairment of the asset were to have been recognized in preceding years. A write-up is recognized in the result for the period.

In the financial year under review there were no impairments of non-current assets pursuant to IAS 36.

11. Property, plant and equipment

Tangible fixed assets are valued at cost less cumulative scheduled linear depreciation. Assets are depreciated over periods of between three and five years. In deviation herefrom, leasehold fixtures are depreciated over the term of the lease or over their estimated service life if this is shorter. The business premises acquired in Meerbusch are depreciated over a service life of 33 years. The cost of acquisition is deemed to be the amount paid in cash or cash equivalents to purchase the asset.

Write-downs on tangible fixed assets are allocated to the relevant expense items in the income statement.

A tangible fixed asset is derecognized either when it is disposed of or when there is no economic benefit to be expected from the continuing use or sale of the asset. The profits or losses resulting from the derecognition of the asset are calculated as the difference between the net sale proceeds and the carrying value of the asset and recognized in the income statement in the period in which the asset is derecognized.

Residual values, service lives and methods of depreciation are reviewed at the end of each financial year and adjusted as required.

12. Intangible assets

Intangible assets are valued at cost upon acquisition and assuming a limited service life are subject to linear depreciation over an anticipated useful life of between three and five years. The cost of acquisition is deemed to be the amount paid in cash or cash equivalents to purchase the asset. At the end of the reporting period the company had no intangible assets with an indefinite service life.

Write-downs on intangible assets with limited service life are recognized in the income statement under the expense heading which corresponds with the function of the intangible asset.

Where there are indications that intangible assets with limited service life may be impaired, these assets are reviewed accordingly. The depreciation period and the method by which intangible assets with limited service life are depreciated are as a minimum reviewed at the end of each financial year. Alterations to the method or period of depreciation necessitated by changes in the expected service life or expected consumption of the future economic benefit of the asset are treated as changes in estimates.

Profits or losses resulting from the elimination of intangible assets are calculated as the difference between the net sale proceeds and the carrying value of the asset and recognized in the income statement in the period in which the asset is eliminated.

Residual values, service lives and methods of depreciation are reviewed at the end of each financial year and adjusted as required.

13. Taxes

Actual taxes on income

The actual tax refund claims and tax liabilities for current and previous periods are measured at the amount in which a refund is expected from or payment expected to the tax authorities. This amount is in turn calculated on the basis of the tax rates and tax regulations applying on the balance sheet closing date.

Actual taxes relating to items recognized directly in equity are themselves recognized not in the income statement but in equity also.

Deferred taxes

Tax deferrals are formed in application of the liability method, based on temporary differences existing at the end of the reporting period between the value at which an asset or liability is reported on the balance sheet and its value for tax purposes.

Deferred tax claims are recognized for all tax-deductible temporary differences, unused tax loss carryforwards and unused tax credits in the amount in which taxable income against which tax-deductible temporary differences and unused tax loss carryforwards and tax credits can be offset is likely to be available.

The carrying value of deferred tax claims is reviewed on each balance sheet closing date and reduced accordingly if it is no longer likely that adequate taxable income will be available against which the deferred tax claim might at least in part be offset. Deferred tax claims not carried on balance sheet are reviewed at the end of each reporting period and taken on balance sheet in the amount in which it is now likely that future taxable income will allow the deferred tax claim to be realized.

Deferred tax claims and liabilities are calculated at the tax rates likely to apply in the period in which an asset is realized or a liability satisfied. The tax rates and tax regulations applying on the balance sheet closing date are taken as a basis. Future changes in tax rates must be taken into account on the balance sheet closing date provided that the necessary material conditions for these changes to become effective are fulfilled in the form of legislation.

Deferred taxes relating to items recognized directly in equity are themselves recognized not in the income statement but in equity also.

Deferred tax claims and deferred tax liabilities are offset against one another provided that the Group has an enforceable claim to set off actual tax refund claims against actual tax liabilities and these relate to income taxes on the same taxable entity, levied by the same tax authority.

Turnover tax

Sales revenues, expenses and assets are generally recognized after deduction of turnover tax. Exceptions apply in the following cases:

- If the turnover tax incurred when assets or services are purchased cannot be reclaimed from the tax authority, the tax paid is recognized as a part of the manufacturing cost of the asset or as part of the expense.
- Receivables and liabilities are reported at an amount including the turnover tax.

The amount of turnover tax refunded by or remitted to the tax authority is recognized in the consolidated balance sheet under other non-financial assets or liabilities.

14. Financial liabilities

Financial liabilities such as trade accounts payable and other liabilities are measured on first recognition at cost, being the fair value of the counter-performance received. Thereafter these liabilities are carried on the balance sheet at amortized cost.

Deferred revenues are carried at fair value and essentially include amounts invoiced in advance for maintenance works and long-term orders not implemented until later and therefore pertaining to sales in later periods.

A liability is derecognized when the underlying obligation is satisfied, terminated or expired. If an existing liability is exchanged for another liability to the same creditor under substantially different terms of contract, or if the conditions pertaining to an existing liability are materially altered, the exchange or alteration is treated as if the original liability were eliminated and a new liability taken up. The difference between the respective carrying values is recognized in profit and loss.

15. Provisions

A provision is reported if the Group is under a present statutory or actual obligation resulting from a past event, if it is likely that resources having an economic value will be expended to satisfy the obligation and a reliable estimate can be made of the extent of the obligation. Insofar as the Group expects an accrual carried as a liability to be at least in part reimbursed as for example under an insurance contract, provided that it is as good as certain that it will be received, the reimbursement is carried as a separate asset. The cost of forming the provision is reported in the income statement after deduction of the reimbursement.

The company anticipates that the remaining time to maturity of current provisions will be less than one year.

16. Pension provisions

A non-forfeitable pension commitment exists in favor of the CEO of ATOSS Software AG, Munich, which is classified as a defined benefits plan. Pursuant to this plan, pension payments will commence when the recipient reaches the age of 65 and will be paid for life. To cover this pension commitment the company has arranged pension liability insurance cover with insurers who enjoy positive ratings and assigned the entitlements arising there from with the result that since financial year 2005 the attributable fair value of the assets of the plan deriving from the pension liability insurance policies are netted against the benefit obligation.

The pension commitment is underpinned by an actuarial report prepared on the basis of IAS 19 – Employee Benefits. The figure reported for the accrued and predicted pension obligation corresponds with the actuarially calculated cash value which since 2005 has been reduced by the fair value of the plan assets. The rules governing benefit commitments contained in IAS 19.63 ff. have been taken as a basis.

For measurement purposes, the projected unit credit method is applied. In accordance with this method, the pension units accrued in individual years are regarded as building blocks which collectively form the pension obligation. The cost of the pension is a product of the cost of interest on accrued pension rights already reported at cash value, the current service cost, the past service cost resulting from the changes in the pension commitment and the expected income from the plan assets. The defined benefit obligation is the dynamic cash value of the pro rata accrued pension units, taking into account the fact that future pension rights have already been proportionately accrued.

The pension provision was calculated on the basis of an assumed interest rate of 2.4 percent (previous year: 3.6 percent), a salary trend of 2.0 percent (previous year: 2.0 percent), an inflation rate of 2.0 percent (previous year: 2.0 percent) and a pension trend of 3.0 percent (previous year: 3.0 percent). The biometric tables prepared by Prof. Klaus Heubeck (Richttafeln 2005 G) were applied.

In addition there are also contributory pension plans for a member of the Board of Management and for employees with 15 or more years service. The company pays contributions for the latter into a private retirement pension scheme in the form of a pension fund for the duration of their employment. These contributions in financial year 2014 amounted to EUR 122,507 (previous year: EUR 98,003).

17. Recognition of sales revenues and income

The company generates sales revenues by licensing software products to end users and resellers, as well as from maintenance contracts, services and other receivables.

Discounts and turnover tax or other levies are not considered.

Pursuant to IAS 18.14, revenues deriving from licensing and other supplies and services are regarded as realized when

(a) The essential risks and rewards associated with the contractual rights to the use of licensed software have been transferred;
(b) The company has no further rights to dispose over the licensed material;
(c) The level of sales can be reliably determined;
(d) It is sufficiently probable that the economic benefits will flow (the receivable will be received), and
(e) The costs incurred in association with the sale can be reliably measured.

The company has also entered into reseller agreements in accordance with which resellers are granted discounts on the list prices for license fees. The license fees retained by the company are in principle regarded as having been realized when rights of use to the licensed software have been granted to the reseller's end customer and the essential risks and rewards have thereby been transferred either to the end user or to the reseller.

Consultancy sales are directly associated with services rendered under essentially separate contracts. Pursuant to IAS 18.20, income from the performance of services is realized when

(a) The level of sales can be reliably determined;
(b) It is sufficiently probable that the economic benefit of the transaction will flow to the company (the receivable will be received);
(c) The degree of completion at the end of the reporting period can be reliably measured, and
(d) The costs incurred in performing the service can be reliably measured.

Maintenance sales are accrued over the period during which maintenance works are performed.

Software licenses and maintenance works are generally sold together. Sales revenues are realized in accordance with IAS 18.13.

Production orders are deemed to exist insofar as the contractual agreements are structured in accordance with the law on contracts for work and services or the orders cannot be fulfilled by ATOSS partners or by services rendered by the customer on own account. If a customer commissions a long-term production order, the sales revenues and income are measured by the percentage of completion method, provided that the conditions required by IAS 11.23 are met. Individual sales components are in principle realized in the ratio of the progress of the project services thus far rendered to the anticipated overall volume of services. The progress of the project is in turn measured on the basis of documentation maintained by the project managers and the overall assessment of the management.

Interest earnings are recognized when the interest arises.

18. Expenditure on research and development

The company recognizes the costs of researching and developing its software products as an expense in its income statement. The criteria contained in IAS 38.57 which would provide for development costs to be carried as assets are not fulfilled, since the original development of today's products to some extent took place through the medium of customer projects and it is not possible to reliably measure the income achievable in future from the development of individual functions and releases.

19. Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred.

20. Leasing

Whether an arrangement constitutes a lease is determined on the basis of the economic content of the arrangement at the time the arrangement is entered into and necessitates an estimate of whether fulfillment of the contractual agreement is dependent on the use of a specific asset or assets and whether the agreement affords a right to use the asset.

The company regularly reviews its contractual relationships with suppliers to determine whether pursuant to the provisions of IFRIC 4 - Determining Whether an Arrangement Contains a Lease they should be classified as leases. On December 31, 2014 as in the preceding year there were no contractual arrangements which meet the criteria specified in IFRIC 4.

Lease payments for operating leases are recognized over the relevant periods in linear fashion as expenses in the income statement.

III. Notes to the Consolidated Balance Sheet

21. Cash and cash equivalents

EUR	31.12.2014	31.12.2013
Fixed-term deposits	6,818,000	718,000
Cash at banks	8,289,722	9,674,796
Total of cash and cash equivalents	**15,107,722**	**10,392,796**

The fixed-term deposits are deposited for various periods dependent on the Group's cash requirements, with remaining times to maturity of up to 3 months and at interest rates of between 0.01 percent and 0.45 percent per annum. The other cash sums held at banks earn interest at up to 0.45 percent.

As a result of the positive cash flow from operations in the amount of EUR 8,071,628, but also the negative cash flow from investments of EUR 495,574 as well as the dividend distribution of EUR 2,863,129, cash and cash equivalents rose from EUR 10,392,796 to EUR 15,107,722.

Fixed-term deposits and other cash sums are invested with financial institutions with positive ratings.

The fair value of cash and cash equivalents stood at EUR 15,107,722 (previous year: EUR 10,392,796).

22. Other financial assets

31.12.2014 (EUR)	Held for trading	Available for sale	Held to maturity	Loans and receivables	Other
Trade receivables	0	0	0	3,842,007	0
Other current financial assets					
of which at fair value	0	5,023,032	0	0	0
Other non-current financial assets					
of which at fair value	0	451,755	0	0	0

31.12.2013 (EUR)	Held for trading	Available for sale	Held to maturity	Loans and receivables	Other
Trade receivables	0	0	0	3,029,835	0
Other current financial assets					
of which at fair value	0	4,448,182	0	0	0
Other non-current financial assets					
of which at fair value	0	408,491	0	0	0

The default risk associated with other financial assets that are neither overdue nor impaired is continuously monitored and assessed by the management. In view of the existing customer structure and current estimates of customer creditworthiness, the management estimates the default risk to be extremely slight and sees no need for adjustments.

Trade receivables

The reported trade accounts receivable were composed as follows:

EUR	31.12.2014	31.12.2013
Gross receivables (at fair value)	3,850,222	3,045,182
Less impairments	-8,215	-15,347
Net receivables (carrying value)	**3,842,007**	**3,029,835**

These accounts payable include receivables relating to long-term production orders in the amount of EUR 187,686 net (previous year: EUR 86,233).

As of December 31, 2014 receivables with due dates which had been extended amounted to EUR 7,145.

During the financial year revenues resulting from the collection of previously devalued receivables in the amount of EUR 808 (previous year: EUR 632) were taken to income. As in the preceding year there were no receivables with a remaining time to maturity of more than one year.

The age structure of overdue and unadjusted receivables on December 31, 2014 was as follows:

EUR	31.12.2014	31.12.2013
Neither overdue nor adjusted	2,666,133	1,865,052
Up to 30 days overdue	988,202	1,035,778
31 to 60 days overdue	107,038	64,109
61 to 90 days overdue	58,701	30,816
91 to 120 days overdue	14,005	41,089
More than 120 days overdue	16,143	8,338
Gross receivables	**3,850,222**	**3,045,182**
Adjustments	-8,215	-15,347
Net receivables	**3,842,007**	**3,029,835**

At the end of the reporting period value adjustments on doubtful trade receivables amounted to EUR 8,215 (previous year: EUR 15,347). These were based on assessments by the management of the feasibility of collection. Adjustments are implemented in the amount of the carrying value of the receivable if the due date has been exceeded by more than 120 days and an assessment of the general payment pattern and credit-worthiness of the customer indicates that such action is appropriate. In the event of a customer becoming insolvent, the full value of the receivable is reported as a loss.

As a matter of principle, trade accounts receivable are due for payment within 10 days. In exceptional cases varying terms of payment may be granted.

The value adjustment account developed as follows:

EUR	2014	2013
Account balance on January 1	15,347	9,246
Expense allocations	8,215	15,347
Usage	-2,365	-542
Reversals	-12,982	-8,704
Account balance on December 31	**8,215**	**15,347**

The company demands no securities from its customers. A description of the risk management system which also covers risks arising from financial instruments can be found in Section 6 of the Group Management Report.

Financial assets available for sale were composed as follows:

Current financial assets available for sale

EUR	31.12.2014	31.12.2013
Dividend-bearing securities	4,792	4,502
Gold	5,018,240	4,443,680
Total of (current) financial assets available for sale	**5,023,032**	**4,448,182**

Non-current financial assets available for sale

EUR	31.12.2014	31.12.2013
Gold	451,755	408,491
Total of (non-current) financial assets available for sale	**451,755**	**408,491**

In financial year 2014 the Group identified increases in the value of financial assets available for sale in the amount of EUR 574,560 (previous year: decreases of EUR 4,252,423) which were recognized as financial income (previous year: financial expenses) in the income statement.

Profits on non-current assets available for sale in the amount of EUR 43,264 (previous year: losses of EUR 168,119) were recognized in equity as other income. In respect of the profits/losses recognized in other income, deferred taxes on temporary differences between the carrying value of the asset on balance sheet and the value for tax purposes were formed (previous year: liquidated) in the amount of EUR 10,816 (previous year: EUR 42,030).

The fair value of financial assets available for sale is measured on the basis of stock market prices on active markets (Level I).

23. Other (current) non-financial assets

Other non-financial assets in the amount of EUR 534,163 (previous year: EUR 1,189,822) were reported at fair value and essentially comprise deferrals in the amount of EUR 407,354 (previous year: EUR 377,835) and rental deposits of EUR 85,471 (previous year: EUR 42,292). In the previous year, on December 31, 2013 the company reported tax receivables due from the tax office in the amount of EUR 728,766.

24. Fixed assets

The development in fixed assets in the financial year was as follows::

	Acquisition and manufacturing costs				**Cumulative depreciation**				**Net carrying values**	
EUR	01.01.2013	Additions	Disposals	31.12.2013	01.01.2013	Additions	Disposals	31.12.2013	31.12.2013	31.12.2012
I. Intangible assets										
Software	1,395,678	129,922	4,500	1,521,100	1,254,076	126,478	4,500	1,376,054	145,046	141,602
	1,395,678	**129,922**	**4,500**	**1,521,100**	**1,254,076**	**126,478**	**4,500**	**1,376,054**	**145,046**	**141,602**
II. Property, plant and equipment										
Land and buildings	2,138,011	0	0	2,138,011	173,382	57,930	0	231,312	1,906,699	1,964,629
Technical equipment	516,476	46,151	23,333	539,294	469,264	16,512	23,333	462,443	76,851	47,212
Office and business equipment	3,614,489	365,548	59,066	3,920,971	2,861,457	374,589	57,393	3,178,653	742,318	753,032
	6,268,976	**411,699**	**82,399**	**6,598,276**	**3,504,103**	**449,031**	**80,726**	**3,872,408**	**2,725,868**	**2,764,873**
III. financial assets										
Non-current financial assets available for sale	576,610	0	0	576,610	0	168,119	0	168,119	408,491	576,610
	576,610	**0**	**0**	**576,610**	**0**	**168,119**	**0**	**168,119**	**408,491**	**576,610**
Total	**8,241,264**	**541,621**	**86,899**	**8,695,986**	**4,758,179**	**743,628**	**85,226**	**5,416,581**	**3,279,405**	**3,483,085**

EUR	01.01.2014	Additions	Disposals	31.12.2014	01.01.2014	Additions	Disposals	31.12.2014	31.12.2014	31.12.2013
I. Intangible assets										
Software	1,521,100	86,785	0	1,607,885	1,376,054	90,247	0	1,466,301	141,584	145,046
	1,521,100	**86,785**	**0**	**1,607,885**	**1,376,054**	**90,247**	**0**	**1,466,301**	**141,584**	**145,046**
II. Property, plant and equipment										
Land and buildings	2,138,011	0	0	2,138,011	231,312	57,930	0	289,242	1,848,769	1,906,699
Technical equipment	539,294	37,961	0	577,255	462,443	19,817	0	482,260	94,995	76,851
Office and business equipment	3,920,971	401,628	4,400	4,318,199	3,178,653	350,695	4,111	3,525,237	792,962	742,318
	6,598,276	**439,589**	**4,400**	**7,033,465**	**3,872,408**	**428,442**	**4,111**	**4,296,739**	**2,736,726**	**2,725,868**
III. financial assets										
Non-current financial assets available for sale	576,610	0	0	576,610	168,119	-43,264	0	124,855	451,755	408,491
	576,610	**0**	**0**	**576,610**	**168,119**	**-43,264**	**0**	**124,855**	**451,755**	**408,491**
Total	**8,695,986**	**526,374**	**4,400**	**9,217,960**	**5,416,581**	**475,425**	**4,111**	**5,887,895**	**3,330,065**	**3,279,405**

All non-current assets are located in the countries of origin of the respective software companies (Germany, Austria, Switzerland, Romania).

25. Income taxes

The tax provisions in each case comprise the taxes on income for the past financial year and also preceding years if appropriate. For details of tax charges and refunds, please refer to Note 43.

The deferred taxes reported in the accounts were composed as follows:

EUR	31.12.2014	31.12.2013
Deferred taxes on reporting and valuation differences carried as assets		
- Pension provisions	1,149,175	630,402
- Costs of the AGM	50,100	0
Subtotal	**1,199,275**	**630,402**
Deferred taxes on valuation differences carried as liabilities		
- Available-for-sale financial assets	-39,030	-28,214
- Long-term production orders	-153,331	-326,061
Subtotal	**-192,361**	**-354,275**
Total	**1,006,914**	**276,127**

EUR	2014	2013
Tax charge resulting from the accrual of deferred taxes carried as liabilities		
- on long-term production orders	-153,331	-189,826
Tax income resulting from the accrual of deferred taxes carried as assets		
- on pension provisions	47,106	69,901
- Costs of the AGM	50,100	0
Tax income resulting from the reversal of deferred taxes carried as liabilities		
- on long-term production orders	326,061	249,539
Total	**269,936**	**129,614**

The tax rate applicable to ATOSS Software AG, Munich, is composed as follows:

EUR	2014	2013	2012
Earnings before taxes	100%	100%	100%
Trade tax	-16.77%	-16.77%	-16.77%
Corporation tax at 15.00% on taxable profits	-15.00%	-15.00%	-15.00%
Solidarity surcharge of 5.50% on corporation tax	-0.83%	-0.83%	-0.83%
Nominal proportion of earnings taxed	67.40%	67.40%	67.40%
Computed tax rate	**32.60%**	**32.60%**	**32.60%**

The tax rates for subsidiary companies amounted in Austria to 25 percent, in Switzerland to 21 percent and in Romania to 16 percent. The translation from the expected group tax charge to the actual tax charge as per IAS 12.81 is illustrated as follows:

EUR	2014	2013
Pre-tax earnings as per IFRS	**10,295,022**	**4,319,887**
Expected tax charge (2014: 32.60%; 2013: 32.60%)	-3,356,177	-1,408,283
Non-deductible operating expenses	-20,308	-79,353
Interests as per § 8b KStG	0	75,337
Tax payments/refunds for previous years	3,303	-19,606
Lower tax rates at group companies and branches	157,109	131,540
Current losses for which no deferred tax claim has been recognized	-112,897	0
Other	66,132	0
Actual Group tax charge	**-3,262,838**	**-1,300,363**

The Group has taxable loss carry-forwards in the amount of EUR 346,310 for which no deferred taxes have been capitalized.

The company anticipates that in future financial years the tax rate applicable to the parent company will be 32.6 percent. As a result - on the one hand - of non-deductible operating expenses and interests as per § 8b KStG and on the other of lower tax rates at group companies and branches, the actual tax charge may be somewhat higher or lower than this figure.

26. Liabilities

The remaining times to maturity are illustrated individually in the breakdown of liabilities:

	Qualifying date	Time to maturity up to 1 year	Time to maturity 1-5 years	Time to maturity over 5 years	Total
Trade accounts payable	31.12.2014	320,388	0	0	320,388
	31.12.2013	327,290	0	0	327,290
Deferred revenues	31.12.2014	2,535,212	0	0	2,535,212
	31.12.2013	2,944,110	0	0	2,944,110
Other (current) liabilities	31.12.2014	5,450,257	0	0	5,450,257
	31.12.2013	4,734,091	0	0	4,734,091
Tax provisions	31.12.2014	1,306,933	0	0	1,306,933
	31.12.2013	105,541	0	0	105,541
Other provisions	31.12.2014	89,000	0	0	89,000
	31.12.2013	89,000	0	0	89,000
Total	**31.12.2014**	**9,701,790**	**0**	**0**	**9,701,790**
	31.12.2013	**8,200,032**	**0**	**0**	**8,200,032**

The trade accounts payable and other financial liabilities do not attract interest.

27. Credit lines

Unsecured current account credit lines in the amount of EUR 0.51 million (previous year: EUR 0.51 million) are available with the principal banks of the integrated companies. No loans were taken out during the financial year. On the closing date, as in the previous year, there were no liabilities to banks.

28. Other (current) liabilities

Other liabilities essentially comprise the following amounts:

EUR	31.12.2014	31.12.2013
Liabilities for salaries and commissions	4,203,789	3,475,160
Anticipated charges	685,651	752,585
Other liabilities	560,817	506,346
Total	**5,450,257**	**4,734,091**

The liabilities for salaries and commissions include claims deriving from variable salary components arising in the reporting period but not disbursed until the following year, as well as wage tax liabilities and provisions for vacation commitments. The anticipated charges relate to performances received but not yet billed prior to the qualifying date. Other liabilities essentially include provisions for costs associated with the financial statements and auditing as well as turnover tax liabilities.

29. Deferred revenues

Deferred revenues as of December 31, 2014 were composed as follows:

EUR	31.12.2014	31.12.2013
Amounts invoiced in advance for maintenance works	602,446	603,692
Amounts invoiced in advance for long-term production orders	394,946	538,415
Other	1,537,820	1,802,003
Total	**2,535,212**	**2,944,110**

The other amounts stated here include sums invoiced in advance for hotline services as well as for software, hardware and services yet to be supplied. The sums invoiced in advance for long-term production orders include down payments in the amount of EUR 286,693.65 (previous year: EUR 528,415).

30. Other provisions

These provisions essentially comprise the following amounts:

EUR	31.12.2013	Utilization	Liquidation	Allocations	31.12.2014
Other provisions	89,000	0	0	0	89,000
Total	**89,000**	**0**	**0**	**0**	**89,000**

These other provisions essentially comprise the provision for restoration costs. This amount will be due when the lease ends. The level of this provision is based on estimated costs. The amount required to settle this liability may differ from the provision formed.

31. Pension provisions

Pension costs were comprised as follows:

EUR	2014	2013
Current service cost	176,623	160,293
Net interest cost	92,469	88,357
Pension expenses	**269,092**	**248,650**

Current and past service costs are reported in the income statement under sales and marketing costs, while the cost of interest and income from plan assets are reflected in net interest. Following the revision of IAS 19, actuarial profits and losses are no longer recognized in the income statement, but in other comprehensive income.

The actual return on plan assets in 2014 amounted to EUR 29,402 (previous year: EUR 20,688). The expected return on plan assets is 2.4 percent (previous year: 3.6 percent). Expected interest earnings are capped at the discount rate.

For the year 2015 the company expects pension expenses to amount to EUR 330,976.

The obligation translates to the balance sheet as follows:

EUR	31.12.2014	31.12.2013
Defined benefits obligation	6,442,250	4,651,347
Fair value of plan assets	-2,228,482	-1,964,155
Pension provision	**4,213,768**	**2,687,192**

The company assigned its claims arising from the pension liability insurance arranged to cover the pension commitment in 2005 and 2010.

The changes in the cash value of the defined benefits obligation are illustrated as follows:

EUR	31.12.2014	31.12.2013
Defined benefits obligation as of January 1	4,651,347	4,033,199
Cost of interest	167,448	161,328
Current service cost	176,623	160,293
Actuarial profits and losses	1,446,832	296,527
Defined benefits obligation as of December 31	**6,442,250**	**4,651,347**

The adjustments to be allowed for in other income are attributable to actuarial profits and losses:

EUR	2014	2013
Experience-based demographic adjustments	43,752	53,089
Changes in financial assumptions	-1,490,584	-349,616
Changes in demographic assumptions	0	0
Deviation in actual income from plan assets relative to income calculated at the discount rate	-45,577	-52,283
	-1,492,409	**-348,810**

In respect of losses recognized in equity, deferred taxes in the amount of EUR 471,667 on the temporary differences between the carrying value of the pension provision on the balance sheet and the value for tax purposes.

The changes in the fair value of plan assets are illustrated as follows:

EUR	31.12.2014	31.12.20123
Fair value of plan assets effective January 1	1,964,155	1,706,255
Returns on plan assets calculated at the discount rate	74,979	72,971
Employer's contributions	234,925	237,212
Actuarial profits and losses	-45,577	-52,283
Fair value of plan assets effective December 31	**2,228,482**	**1,964,155**

In financial year 2015, subsequent to the reporting period, contributions to the pension plan are expected to total EUR 234,925.

Sensitivity analyses

A rise or fall in essential actuarial assumptions of one half of one percent would have affected the cash value of the pension liabilities as of December 31, 2014 as follows:

EUR	Development in pension commitment	
	+0.5%	**-0.5%**
Discount interest rate (initially 2.4%)	-715,524	828,999
Pension trend (initially 3.0%)	532,982	-478,412

The above sensitivity analyses were prepared by a method which extrapolates the effect of realistic changes in the principal assumptions as of the end of the year on the defined benefit obligation.

The mean duration of the defined benefit obligation as of the end of the reporting period was 22.85 years (previous year: 20.3 years).

32. Equity

The development in equity is evident from the statement of changes in consolidated equity. The dividend paid in 2014 amounted to EUR 0.72 (previous year: EUR 0.72) per share. Equity deriving from unrealized profits and losses is attributable to write-ups recognized in equity on non-current financial assets and the associated tax effects, as well as to the recognition in application of IAS 19 of actuarial profits and losses and the deferred taxes thereon.

33. Subscribed capital

Issued shares in circulation

The company's capital is divided into 3,976,568 shares each with a nominal value of EUR 1.00. All shares carry full voting and dividend rights. On average during the year there were 3,976,568 shares in circulation (previous year: 3,976,568).

ATOSS Software AG shares held by board members

At the end of the reporting period board members possessed the following holdings of ATOSS Software AG stock:

	31.12.2014	31.12.2013
Andreas F.J. Obereder	1,988,285	1,988,285
Peter Kirn	14,760	14,760
Total	**2,003,045**	**2,003,045**

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 him.

Authorized capital

The Management Board was authorized by a resolution adopted by the general meeting on April 30, 2009 and entered in the Commercial Register at the Municipal Court of Munich on May 6, 2009 to increase the share capital of the company with the approval of the Supervisory Board on one or more occasions on or before April 29, 2014 by a total of up to EUR 402,566 through the issue of up to 402,566 new bearer shares in return for contributions in cash or kind. No use was made of this right in financial year 2014, nor was any new authorization approved in 2014.

34. Capital reserve

As of December 31, 2014 the capital reserve stood at EUR -661,338 (previous year: EUR -661,338).

The purpose of this reserve is to carry the premium achieved over and above the subscribed capital (share premium) in connection with a flotation or increase in capital, as well as to carry the amount achieved through the issue of convertible bonds for the purchase of shares (convertible bond premium). Due to losses incurred in the application of treasury shares in connection with the convertible bond program in 2012, the capital reserve showed a negative balance.

IV. Notes to the Consolidated Income Statement

35. Sales revenues

The sales revenues were composed as follows:

EUR	2014	2013
Software licenses	8,517,231	7,538,564
Software maintenance	15,360,661	14,307,600
Total software	**23,877,892**	**21,846,164**
Consulting	10,103,707	8,962,290
Hardware	4,466,067	3,356,308
Other	1,235,331	1,340,064
Total sales revenues	**39,682,997**	**35,504,826**

For long-term production orders, pursuant to IAS 11 the company realizes sales in accordance with the progress of each project. That is to say, the revenues are realized in line with the degree of completion. The degree of completion is in turn calculated as the ratio of hours already worked to the expected number of hours required for implementation. A project schedule is prepared for each long-term order. Deferrals which include both amounts invoiced in advance for production orders as well as maintenance services are used to demarcate sales that will be implemented in subsequent periods and be realized at that time.

Overall, in financial year 2014 the amount of EUR 2,155,758 (previous year: EUR 2,098,806) was realized as revenues deriving from long-term orders. The costs of long-term production orders during the financial year amounted to EUR 1,304,854. On December 31, 2014, as in the previous year, there were no profits from projects realized by the percentage of completion method and not yet billed.

The company has customers in all branches of industry as well as in the public sector. In financial years 2014 and 2013 no single customer accounted for a proportion of 10 percent or more of total sales.

The geographic breakdown of sales revenues was as follows:

EUR	2014	2013
Germany	34,353,386	32,396,287
Austria	3,785,013	2,231,141
Switzerland	1,083,944	566,659
German-speaking territories in total	**39,222,343**	**35,194,087**
Other countries	460,654	310,739
Total	**39,682,997**	**35,504,826**

Sales revenues are attributed to individual countries dependent on the location of the invoice recipient.

36. Cost of sales

In addition to the material cost of goods bought for resale (hardware and other merchandise), the cost of sales also includes expenditure on external services as well as the personnel costs and overhead incurred in the provision of services by the consulting, services and support departments.

EUR	2014	2013
Material costs (goods for resale)	4,062,410	3,257,805
Material costs (external services)	70,946	32,094
Personnel costs	6,110,130	5,093,956
Scheduled depreciation	145,766	158,222
Overheads	1,980,762	1,748,610
Total	**12,370,014**	**10,290,687**

37. Marketing costs

The marketing costs include personnel costs and overheads attributable to marketing, as well as advertising costs recognized as an immediate expense.

EUR	2014	2013
Marketing personnel costs	4,262,837	3,801,193
Scheduled depreciation	94,653	134,638
Marketing overheads	1,375,672	1,456,801
Advertising costs	706,980	847,228
Total	**6,440,142**	**6,239,860**

38. Administration costs

The administrative costs were composed as follows:

EUR	2014	2013
Personnel costs	2,472,758	2,175,069
Scheduled depreciation	49,752	45,633
Overheads	817,552	871,662
Total	**3,340,062**	**3,092,364**

39. Expenditure on research and development

The expenditure on research and development was composed as follows:

EUR	2014	2013
Research and development personnel costs	6,353,627	5,930,001
Scheduled depreciation of tangible assets	228,518	237,016
Research and development overheads	1,380,536	1,313,343
Total	**7,962,681**	**7,480,360**

40. Personnel expenses

EUR	2014	2013
Wages and salaries	15,930,754	14,095,679
Social security contributions and expenditure on retirement pensions and welfare	3,268,597	2,904,540
of which expenditure on retirement pensions and welfare EUR 241,109 (previous year: EUR 229,948), service costs EUR 166,623 (previous year: EUR 160,293)		
Total	**19,199,351**	**17,000,219**

41. Financial investment income and expenses

The financial investment income in the amount of EUR 605,783 (previous year: EUR 438,384) essentially comprised income from the appreciation of other financial assets in the amount of EUR 574,560 and interest on short-dated fixed-term deposits as well as overnight deposits and current accounts in the amount of EUR 30,933 (previous year: EUR 39,581). In the previous year the company made profits of EUR 381,491 on the sale of financial assets.

In 2014, the company recorded financial expenses amounting to EUR 97,381 (previous year: EUR 4,550,461). This essentially concerned financial expenses in connection with pension provisions amounting to EUR 92,469 (previous year: EUR 88,357). In the previous year additional financial expenses were incurred in connection with the revaluation of other financial assets in the amount of EUR 2,355,150 and losses on the sale of financial assets amounting to EUR 1,872,130.

42. Other operating income and expenses

Other operating income essentially includes income from the liquidation of miscellaneous liabilities and provisions in the amount of EUR 221,585 (previous year: EUR 58,382) as well as income from exchange rate differentials in the amount of EUR 21,849 (previous year: EUR 23,550).

Other operating expenses essentially comprise the amount of EUR 37,840 (previous year: EUR 50,030) in connection with exchange rate differentials.

43. Tax charge / tax income

EUR	2014	2013
Current tax charge	3,532,774	1,429,977
Deferred taxes	-269,936	-129,614
Tax charge	**3,262,838**	**1,300,363**

44. Earnings per share

The figure for earnings per share is arrived at in accordance with IAS 33 by dividing the result for the year by the weighted average number of shares issued.

EUR	2014	2013
Net income for the year	7,032,186	3,019,523
Weighted average number of shares outstanding	3,976,568	3,976,568
Earnings per share	**1.77**	**0.76**

V. 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 of personnel and workforce management. In accordance with the company's strategy as a provider of end-to-end solutions to issues of time and attendance management and workforce scheduling, these software solutions comprising software licenses, maintenance services, consulting services and the supply of hardware for time recording and access control purposes (merchandise for resale) are offered to customers as integrated packages and exhibit a comparable risk structure. These software solutions are employed both by small and medium-sized customers comprising the SME market and by high-end small businesses and major, large scale customers that comprise the premium market. The choice of software solution is essentially dependent on the specific technical and functional requirements of the individual customer. The company's endeavors in addressing the SME and premium markets differ only in terms of the marketing approach.

The following tables depict sales revenues broken down by software solutions and their contributions to the operating result. As a result of an adjustment in the allocation of costs between the two software products, for comparison purposes the previous year's figures have been similarly adjusted.

The individual software solutions comprise:

- ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE): ASES and ASE are time and attendance and workforce scheduling solutions for customers of all sizes in all industries. Alongside these software solutions, other services are generally also provided to implement the solutions at the customer's place of business and train the customer's employees. In addition, consulting services are rendered with the object of making meaningful use of the available scope and developing optimum solutions for the workforce management under company agreements or collectively agreed regulations. The company also sells hardware components for time recording and access control purposes.

ASES/ASE software is used 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 irrespective of size and sector.

- ATOSS Time Control (ATC): ATC offers a software solution to for 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 services as well as consulting services geared to optimizing efficient workforce management. Merchandise including hardware and recording media is also available. 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.

The sales revenues were distributed between product groups as follows:

EUR	2014	2013
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	34,732,025	31,781,372
ATOSS Time Control	4,950,972	3,723,454
Total	**39,682,997**	**35,504,826**

Earnings before interest and taxes (EBIT) were distributed between product groups as follows:

EUR	2014	2013
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	8,783,723	7,528,130
ATOSS Time Control	1,002,899	903,834
Operating profit	**9,786,622**	**8,431,964**

The geographic breakdown of Group revenues is listed in Note 35. The non-current assets are essentially held in Germany. In financial years 2014 and 2013 no single customer accounted for a proportion of 10 percent or more of total sales.

VI. Notes to the Consolidated Statement of Cash Flows

45. Cash flow from business operations

Cash flow from operations for the period from January 1 to December 31, 2014 amounted to EUR 8,071,628 (previous year: EUR 8,262,192), slightly lower than in the year before.

The operating cash flow was boosted mainly by net earnings, writedowns on fixed assets, a reduction of EUR 728,766 in tax receivables, a reduction in tax provisions, and a reduction in miscellaneous liabilities arising from higher salary and commission liabilities. On the other hand, cash flow was reduced mainly as a result of higher trade receivables and lower deferred revenues.

The average time to receipt in financial year 2014 was 27 days (previous year: 27 days), and may be regarded as very low.

Similarly, operating taxes also impact in full on the cash flow from operations.

46. Cash flow from investment activities

Cash flow from investments for the period from January 1 to December 31, 2010 amounted to EUR -495,574 (previous year: EUR 7,666,700). This was the result of disbursements to cover investments in fixed assets in the amount of EUR 526,374 (previous year: EUR 541,621), which were partially offset by interest income amounting to EUR 30,800 (previous year: EUR 57,061). In the previous year as a result of the inflow of funds from the sale of gold and dividend-bearing securities, cash flow from investments amounted to EUR 8,161,455.

47. Cash flow from financing activities

The cash flow from financing activities for the period from January 01 to December 31, 2014, amounted to EUR -2,861,129 (previous year: EUR -14,395,176) and was thereby EUR 11,534,047 higher than in the year before. This resulted from the payment of a dividend of EUR 0.72 per share (previous year: EUR 0.72 + a special payment of EUR 2.90) and payments in connection with minority interests due upon the establishment of ATOSS Aloud GmbH, Munich, on August 1, 2014.

VII. Other disclosures

48. Supervisory Board

The members of the Supervisory Board are:

Peter Kirn	Chairman, corporate consultant, Böblingen
Rolf Baron Vielhauer von Hohenhau	Deputy Chairman, President of the Bund der Steuerzahler in Bayern e.V., Munich.
Klaus Bauer	Supervisory and advisory board member, Nuremberg

In the past financial year the members of the Supervisory Board held other supervisory board positions with the following companies:

Peter Kirn	Stadtwerke Böblingen GmbH, Böblingen (up to 30.06.2014) Stadtwerke Holding GmbH, Böblingen (up to 30.06.2014) Fernwärme Transportgesellschaft mbH, Böblingen (up to 30.06.2014) Peter Kirn was also a member of Böblingen town council (up to 30.06.2014)
Rolf Baron Vielhauer von Hohenhau	Europäischer Wirtschaftssenat e.V., Munich (Supervisory Board Chairman) Member of the Administrative Board of Stadtsparkasse Augsburg
Klaus Bauer	Schwanhäußer Industrie Holding GmbH & Co. KG, Heroldsberg Schwanhäußer Grundbesitz Holding GmbH & Co. KG, Heroldsberg

The compensation paid to Supervisory Board members was composed as follows:

EUR	2014	2013
Peter Kirn		
Compensation pursuant to the Articles of Association	20,000	20,000
Attendance allowances	6,000	6,000
Total	**26,000**	**26,000**

EUR	2014	2013
Rolf Baron Vielhauer von Hohenhau		
Compensation pursuant to the Articles of Association	20,000	17,500
Attendance allowances	6,000	5,250
Total	**26,000**	**22,750**

EUR	2014	2013
Klaus Bauer		
Compensation pursuant to the Articles of Association	10,000	7,500
Attendance allowances	3,000	2,250
Total	**13,000**	**9,750**

In financial year 2014 there were no payments made for consultancy work beyond the scope of Supervisory Board activities (previous year: EUR 0).

49. Member of the Management Board

The members of the Management Board are:

Andreas F.J. Obereder	Chief Executive Officer, businessman, Grünwald
Christof Leiber	Member of the Board of Management, lawyer, Munich

The compensation paid to the Management Board in the financial year was composed as follows:

EUR	2014	2013
Andreas F.J. Obereder		
Non-performance-related remuneration		
Salary	290,000	290,000
Miscellaneous	111,865	144,334
Performance-related remuneration		
Single-year profit-share payment	39,866	84,505
Multi-year profit-share payment	84,000	0
Overall remuneration	**525,731**	**518,839**

EUR	2014	2013
Christof Leiber		
Non-performance-related remuneration		
Salary	195,000	180,000
Miscellaneous	66,367	65,561
Performance-related remuneration		
Single-year profit-share payment	56,951	48,288
Multi-year profit-share payment	85,375	87,627
Overall remuneration	**403,693**	**381,476**

As a result of the extension of his contract effective January 1, 2014 for a further five years, the profit-share payment to the Chief Executive Officer, Mr. Andreas Obereder, includes entitlements for the achievement of single-year (40 percent) and pro rata multi-year targets (60 percent, three-year target-based profit share payment). Given that these entitlements are confirmed only after the financial year has ended, actual payments may deviate.

As a result of the extension of his contract effective April 1, 2012 for a further five years, the profit-share payment to Board Member Mr. Christof Leiber, includes entitlements for the achievement of single-year (40 percent) and pro rata multi-year targets (60 percent, three-year target-based profit-share payment). Given that these entitlements in respect of single-year targets are confirmed only after the financial year has ended, actual payments may differ from the calculated profit-share payment. The multi-year profit-share payment entitlement for 2014 is calculated on the basis of the estimated achievement of targets for 3 years. Part-amounts are disbursed by way of advance payments. The actual multi-year profit share payment entitlement may vary dependent on the extent to which targets are achieved over the overall period from 2012 to 2015.

The miscellaneous amounts include insurance premiums paid by the company and the benefit in money's worth of other ancillary items such as the provision of company cars.

With regard to expenses incurred in 2014 for benefits after the retirement of the CEO, please refer to Notes 16 and 31.

At the end of the reporting period there were deferred liabilities to members of the Management Board amounting to EUR 251,044 (previous year: EUR 166,918) in respect of variable compensation elements not yet disbursed.

50. Business relations with closely related persons

The wife of the Chief Executive Officer provides services to the company. In 2014 the value of services provided amounted to EUR 4,048 (previous year: EUR 3,276). These are standard market terms.

On December 6, 2012 the majority shareholder, Andreas F.J. Obereder of Grünwald, Germany, transferred 1,988,285 shares in ATOSS Software to the company AOB Invest GmbH of Grünwald, Germany, which is wholly owned by him. Accordingly, AOB Invest GmbH is the ultimate parent company of ATOSS Software AG.

With the exception of the existing contract between the company and Mr. Andreas F.J. Obereder and the contract newly entered into effective January 1, 2014, there were no reportable events during the financial year in the relationship between our company and AOB Invest GmbH (controlling company) and Mr. Andreas F.J. Obereder, nor with any company associated with AOB Invest GmbH (controlling company) or Mr. Andreas F.J. Obereder. The company is in no way disadvantaged by the abovementioned contracts.

No further transactions took place in the 2014 reporting period with members of the Management or Supervisory Boards or other affiliated persons other than those specified in Note 48 (Supervisory Board) or Note 31 (Pension provisions).

51. Employees

On December 31, 2014 the company had 305 employees (previous year: 289). The average number during the year stood at 299 (previous year: 283); excluding the Management Board, trainees and interns and temporary staff, the average number of employees was 287 (previous year: 270).

The quarterly average number of employees was as follows:

	2014	2013
Sales and marketing	44	41
Consulting	81	73
Development	129	126
Administration	45	43
Total	**299**	**283**
Of which trainees	4	3
Of which temporary staff and interns	6	8
Of which Management Board members	2	2

52. Auditors' fees

The following fees paid to Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft Stuttgart, Munich branch, and associated companies for auditing, verification and valuation services were recognized as expenses:

EUR	2014	2013
Audit of the annual financial statements	62,320	60,320
Other verification and valuation services	0	2,000
Total of fees	**62,320**	**62,320**

No further payments were made to the auditors.

53. Financial obligations

The financial obligations relate to rental and leasing contracts.

The company leases its vehicle fleet, as well as copiers and servers from various leasing companies. The arrangements are classified as operating leases since essentially all risks and rewards associated with ownership remain with the lessor. In individual cases expiring leases may be extended. No provision is made for an option to buy at the end of the term. Pursuant to IAS 17.33 the lease payments are recognized over the relevant periods in linear fashion as expenses in the income statement. The lease contracts have an average term of between three and five years.

The company rents office premises at various locations.

The agreements also in some cases include price adjustment clauses on standard market terms.

The financial obligations in respect of rents and lease payments for the coming financial years are composed as follows:

EUR	Rents for premises	Other rents and lease payments
2015	636,356	569,783
2016 to 2018	537,584	520,350
post 2018	0	0
Total	**1,173,940**	**1,090,133**

The overall costs of all rental and lease agreements in financial year 2014 amounted to EUR 1,291,936 (previous year: EUR 1,183,985).

54. Objectives and methods of managing financial risk

The company regards equity as an essential management parameter in guarding against economic, sector- and company-specific risks. Therefore the company's financial strategy is directed towards maintaining a level of equity commensurate with such risks.

The Group manages its capital structure and makes adjustments in consideration of changes in the economic climate. In order to maintain or modify its capital structure, the Group can adjust its dividend payments to shareholders, or make a repayment of capital to the shareholders, or issue new shares. As of December 31, 2014 and December 31, 2013 no changes were made in the Group's objectives, policies or procedures. Further information on how the capital structure of the Group is managed is contained in the Management Report.

The principle financial liabilities of which the Group avails itself are trade accounts payable. The main purpose of these financial liabilities is to finance the business activities of the Group.

The Group has various financial assets at its disposal including for example trade accounts receivable, financial assets available for sale and cash and cash equivalents. The essential risks deriving from the financial assets comprise market, liquidity and credit risks.

The market risk in connection with financial assets available for sale is regarded as being of material significance. The market risk is namely the risk that the fair value of or cash flows from a financial instrument may fluctuate as a result of variations in market prices. The investments made by the Group in physical gold and equities are susceptible to market price risks arising from uncertainties in the future development in the value of these financial instruments. The Group manages the market price risk through diversification and by limiting its investments in individual forms of investment and investment securities. Moreover the company does not invest its available liquidity in speculative forms of investment. The Group's investment strategy is oriented towards preserving value and safeguarding against inflation in the long term. The Group management and Supervisory Board regularly receive reports on the development in financial assets available for sale. All decisions concerning investments in financial assets are reviewed and approved by the company management.

In the case of financial assets invested in gold, the risk on the closing date amounted at fair value to EUR 5,469,995 (previous year: EUR 4,852,171). A further fall of 10 percent in the gold price as a consequence of changes in market conditions would impact earnings in the amount of EUR -501,824 (previous year: EUR -444,368) and equity in the amount of EUR -535,706 (previous year: EUR -475,005). The value of gold is deemed to be impaired insofar as the fair value is 10 percent below cost, or remains below cost for 6 months without interruption. An increase of 10 percent in the value of gold would affect equity or earnings, dependent on whether an impairment had previously been recognized.

These sensitivity analyses each relate to the situation as of December 31, 2014 and were prepared on the basis of the financial assets held as of that date.

The Group holds no derivative financial instruments. In accordance with internal policy, the Group did not engage in any trading in derivatives in financial years 2014 or 2013, nor will it do so in future.

To manage these credit risks the Group enters into transactions exclusively with creditworthy third parties. All customers with whom the Group wishes to enter into credit-based transactions are subjected to credit checks. In addition the trade accounts receivable are permanently monitored with the result that the Group is not exposed to any significant risk of default. The maximum default risk is limited to the carrying value detailed in Note 22. In the case of the Group's other financial assets such as cash and cash equivalents, the maximum credit risk in the event of a counterparty default equates to the carrying value of these instruments.

In addition in order to continuously monitor the risk of a liquidity shortage, the Group prepares liquidity forecasts with a fixed planning horizon of one year.

The Group assesses the concentration of risk in connection with other financial assets as low. Receivables are due from customers in a variety of sectors, operating in independent markets. The Group also invests its available liquidity in various forms of investment such as gold, equities and fixed-term deposits. When investing in equities, in the interests of diversification the Group additionally ensures that its investments are spread between a variety of issuers in varying sectors.

The strategies and procedures adopted by company management for the purpose of managing risks of varying types are described in the Management Report.

55. Events after the closing date

There have been no reportable events of particular import subsequent to the balance sheet closing date.

56. German Corporate Governance Code

The Management and Supervisory Boards issued a declaration of compliance with the German Corporate Governance Code as required by Section 161 of the German Stock Corporation Act on December 2, 2014. The full text of the declaration is available on the Internet at https://www.atoss.com/unternehmen/investor-relations/corporate-governance/2014/corporate-governance-2014.aspx. The Management and Supervisory Boards each year study and form an opinion on the recommendations of the German Corporate Governance Code and report their findings in the Annual Report.

57. Notifiable participating interests

In financial year 2014 the company received the following notifications regarding changes in participating interests pursuant to Sections 21 ff. of the German Securities Trading Act:

On July 8, 2014 the interest held by MainFirst SICAV, Luxembourg, fell below the threshold of 5 percent of voting rights and amounted at this time to 4.78 percent.

On December 16, 2014 the interest held by MainFirst SICAV, Luxembourg, rose above the threshold of 5 percent of voting rights and amounted at this time to 5.07 percent.

58. Adoption of the consolidated financial statements

The present annual financial statements were passed on February 6, 2015 by the Management Board and submitted to the Supervisory Board, which may make alterations to the said statements up to and including the time of the Supervisory Board meeting to adopt the accounts on March 3, 2015.

The Management Board is satisfied that all of the information given conveys an impression of the economic situation of the company, its net assets, financial position and earnings situation and its cash flow accords with the true circumstances.

59. Appropriation of net income

The Management and Supervisory Boards propose that the surplus net income reported by ATOSS Software AG, Munich, for the past financial year 2014 in the amount of EUR 6,759,096 should be used to pay a dividend of EUR 0.88 per dividend-bearing share.

The remainder of the net income will be carried forward to new account.

Munich, February 6, 2015

Andreas F.J. Obereder
Chief Executive Officer

Christof Leiber
Member of the Board of Management

Audit Opinion

We have audited the consolidated financial statements prepared by ATOSS Software AG, Munich, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the consolidated financial statements, together with the group management report for the fiscal year from January 1 to December 31, 2014. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": "German Commercial Code"] are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Munich, February 10, 2015

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Bostedt	Dr. Burger-Disselkamp
Wirtschaftsprüfer	Wirtschaftsprüferin

Declaration by the Legal Representatives

We hereby give an assurance to the best of our knowledge and belief that in accordance with the applicable reporting standards the consolidated annual financial statements and consolidated management report for ATOSS Software AG and the annual financial statements and management report for ATOSS Software AG, Munich, each convey an impression of the net asset, financial position and earnings situation of the Group and of ATOSS Software AG which accords with the true fact; and that the development in business including the results and the situation of the Group and of the company are so described in the consolidated management report and in the management report for ATOSS Software AG, Munich, as to convey an impression which likewise accords with the true facts; and that the essential opportunities and risks associated with the anticipated development of the Group and of ATOSS Software AG are so described.

Munich, February 6, 2015

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

Corporate Calendar

January 30, 2015	Press Release Preliminary Results 2014
March 12, 2015	Publication Annual Report 2014
March 12, 2015	Balance Sheet Press Conference
April 22, 2015	Press Release Three Months' Statement
April 28, 2015	Annual General Meeting
May 13, 2015	Publication Three Months' Statement
July 22, 2015	Press Release Six Months' Statement
August 14, 2015	Publication Six Months' Statement
October 22, 2015	Press Release Nine Months' Statement
November 13, 2015	Publication Nine Months' Statement
November 23 – 25, 2015	ATOSS at the German Equity Forum

Imprint

RESPONSIBLE
ATOSS Software AG
Am Moosfeld 3
81829 Munich
T +49 89 4 27 71 0
F +49 89 4 27 71 100
www.atoss.com

INVESTOR RELATIONS
ATOSS Software AG
Investor Relations
Christof Leiber
T +49 89 4 27 71 265
F +49 89 4 27 71 100
christof.leiber@atoss.com

PHOTOGRAPHY
ATOSS Software AG
Customers of ATOSS Software AG
P. 22 © Flughafen München GmbH, Werner Hennies
P. 34 © Deutsche Lufthansa AG
P. 44 © Deutsche Bahn AG, Christian Bedeschinski
P. 64 © Fraport AG
P. 70 © Österreichische Post AG
P. 84 © ÖRK/WRK/KHD Dokuteam, Markus Hechenberger

DESIGN & TEXT
designfactory-munich.de
Maisberger Unternehmenskommunikation Munich

FSC MIX Paper from responsible sources FSC® C013903 www.fsc.org

ClimatePartner climate neutral
Print | ID: 53405-1503-1001

ATOSS Locations

HEADQUARTERS

ATOSS Software AG
Am Moosfeld 3
81829 Munich
Germany
T +49 89 4 27 71 0
F +49 89 4 27 71 100
info@atoss.com
www.atoss.com

REPRESENTATIONS

Germany

ATOSS Software AG
Robert-Bosch-Straße 14
40668 Meerbusch
T +49 21 50 9 65 0

ATOSS Software AG
Campus Carré
Herriotstraße 8
60528 Frankfurt/Main
T +49 69 13 82 43 0

ATOSS Software AG
Osterbekstraße 90b
22083 Hamburg
T +49 40 27 81 63 0

ATOSS Software AG
Zettachring 10a
70567 Stuttgart
T +49 7 11 2 14 74 500

Netherlands

ATOSS Software AG
Newtonlaan 115
3584 BH Utrecht
T +31 30 210 60 28

AFFILIATED COMPANIES

Germany

ATOSS CSD Software GmbH
Rodinger Straße 19
93413 Cham
T +49 99 71 85 18 0

ATOSS Aloud GmbH
Am Moosfeld 3
81829 Munich
T +49 89 4 27 71 0

Austria

ATOSS Software Ges. m.b.H.
Europaplatz 2/1/2
1150 Vienna
T +43 1 25 39 15 562

Switzerland

ATOSS Software AG
Leutschenbachstraße 95
8050 Zurich
T +41 44 308 39 56

Romania

SC ATOSS Software SRL
Bd. Liviu Rebreanu Nr. 76-78
300755 Timisoara
T +40 356 71 01 70

atoss.com