ATOSS 2013

ATOSS in Figures

CONSOLIDATED OVERVIEW ACCORDING TO IFRS: 12 MONTH COMPARISON IN TEUR PER 31.12.

	01.01.2013 - 31.12.2013	Proportion of total sales	01.01.2012 - 31.12.2012	Proportion of total sales	Change 2013 to 2012
Total Sales	35,505	100%	33,005	100%	8%
Software	21,847	62%	20,143	61%	8%
Licences	7,539	21%	6,987	21%	8%
Maintenance	14,308	40%	13,156	40%	9%
Consulting	8,962	25%	8,716	26%	3%
Hardware	3,356	9%	2,663	8%	26%
Others	1,339	4%	1,483	4%	-10%
EBITDA	9,007	25%	8,191	25%	10%
EBIT	8,432	24%	7,620	23%	11%
EBT	4,320	12%	8,528	26%	-49%
Net Profit	3,020	9%	5,760	17%	-48%
Cash Flow	8,262	23.3%	3,355	10%	146%
Liquidity (1/2)	15,249		25,444		-40%
EPS (in EUR)	0.76		1.45		-48%
Employees (3)	289		276		5%

CONSOLIDATED OVERVIEW ACCORDING TO IFRS: QUARTERLY COMPARISON IN TEUR

	Q4/13	Q3/13	Q2/13	Q1/13	Q4/12
Total Sales	9,025	8,949	8,840	8,691	8,490
Software	5,617	5,369	5,585	5,275	5,292
Licenses	1,965	1,779	2,025	1,769	1,931
Maintenance	3,652	3,590	3,560	3,506	3,361
Consulting	2,375	2,165	2,264	2,158	2,182
Hardware	768	1,126	569	893	600
Others	264	289	422	365	416
EBITDA	2,094	2,373	2,322	2,218	1,851
EBIT	1,946	2,230	2,186	2,070	1,702
EBIT margin in %	22%	25%	25%	24%	20%
EBT	1,404	2,487	-1,968	2,397	1,772
Net Profit	886	1,707	-1,307	1,733	1,197
Cash Flow	-186	5,658	297	2,493	-1,945
Liquidity (1/2)	15,249	16,177	10,418	24,370	25,444
EPS (in EUR)	0.22	0.43	-0.33	0.44	0.30
Employees (3)	289	280	280	279	276

(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 April 2013 (TEUR 14,395)
(3) At the end of the quarter / half year

Developments over eight record years from 2006 to 2013

+74%	Total sales
+88%	Software licences sales
+81%	Consulting sales
+84%	Capital investment on R&D
+1,399%	EBIT
1,462	New customers

ATOSS

ANNUAL REPORT 2013

We shape working environments

Productivity is the ultimate benchmark, in industrialized nations and emerging markets alike. In many cases, productivity can only be boosted by focusing on the most valuable and increasingly scarce resource – people, and the processes involved. The decisive factor is to unleash the potential of the existing workforce in an optimal manner. ATOSS Workforce Management solutions make a significant contribution towards higher value creation and increased competitive strengths on a daily basis for around 4,500 customers. At the same time, we ensure greater job satisfaction – in 31 countries all around the world.

CONTENTS

The ultimate flexibilization

Mr. Obereder, it's been more than half a decade since the banking and financial crisis rocked the global economy. The Eurozone would also appear to be returning to normality. Many corporations are reporting record profits. Does this relegate the issue of workforce management to the back seat?
Absolutely not. The massive amounts of liquidity pumped into the economy by the central banks is forcing businesses looking for high-return investments worldwide into fierce competition. Most businesses are also sailing close to the wind, with very little reserves onboard. Our globally interlinked economy is now prone to ever faster and wilder fluctuations, while it is becoming increasingly difficult to forecast at the same time. Top managers such as Volkswagen board member Hubert Waltl agree that businesses must counter these developments by becoming more flexible – a view that I wholeheartedly share. Over the long term, only those businesses will survive that have first class productivity and efficiency in place. At the same time, they must be able to manage complex processes and structures flexibly and effectively.

Why is workforce management in particular so decisive in attaining and maintaining a cutting-edge status?
When it comes to flexible resources and optimized workflows, we are basically talking about personnel processes in the employment intensive sectors within high-wage countries. Workforce management provides corporate management and operational managers with a control and steering cockpit that enables them to make flexible use of their most valu-

able resource within the business. This is the only way of harmonizing conflicting demands induced by rapidly changing market requirements – for instance, the order situation in manufacturing or footfall in retail – with employee wishes, legal and collectively agreed regulations. Companies such as Deutsche Lufthansa, Douglas, Hornbach, Ritter Sport or Tommy Hilfiger are well aware of this. By now, most businesses have perfected their production and logistics processes. Unfortunately, when it comes to demand- and employee-oriented workforce management many companies are still resorting to pencil and paper, or spreadsheets at best. Considerable potential lies untapped here – potential that can be leveraged immediately. Intelligent potential, if you like …

Why is workforce management often the smarter solution?

Even today the overriding tendency is to make general cutbacks in critical situations, disrupting existing performance processes and impairing a company's future viability. In most cases, this approach is not sustainable either: an Ernst & Young study shows that in the banking sector, for instance, 70 percent of the cost-cutting measures fail to have any ongoing benefit within three years. It is more efficient to optimize and flexibilize core processes which have not been the focus of attention to date. This is precisely what workforce management is capable of delivering, and, what is more, with a sustainable impact.

Where are the potentials to be found?

In virtually all industries! Take retailing for instance. According to a recent 2013 study by Porsche Consulting and Forsa, 66 percent of customers in the retail sector feel they receive poor service; 81 percent of customers will not make a purchase if the service is not up to par. To date, just around a fifth of companies in the high-end market segment can actually plan and work in line with demand. These agile companies are capable of synchronizing their workforce resources to short-term demand. In turn, they increase their conversion rates, while optimizing personnel costs. The knock-on effects are therefore positive – on costs and revenue. Demand-driven, transparent and fair deployment, coupled with attractive working time models also boost employee motivation. Or let's take a look at the banking sector, which is on the verge of momentous change worldwide. Many banks are going back to their roots in the branch business. Banks have to meet increasing customer requirements, while cost pressure remains stubbornly high. Longer opening times or higher service levels can only be achieved through a more intelligent, more flexible deployment of the existing workforce.

Aren't our companies already capable of workforce management?

That is generally true. German companies, for example, took their first steps toward working time flexibilization back in the 1970s and have reaped enormous benefits as a result. To maintain or even extend their lead they now have to flexibilize the flexibilization. Annual working time, flextime and working time accounts are no longer sufficient. Today, the aim is to gear workforce management consistently to the company's requirements.

“By now, most businesses have perfected their production and logistics processes. Unfortunately, when it comes to demand- and employee-oriented workforce management many companies are still resorting to pencil and paper, or spreadsheets at best.”

Does that mean that many companies are good, but not good enough?
You could say that. The strategic importance of the issue of workforce management is often underestimated. Not long ago, we had a presentation of a retailer´s best stores. The management firmly believed that everything was running optimally in these stores. But the analysis revealed just how wide off the mark they actually were! Workforce scheduling was insufficient on four out of six days. Shortfalls or surpluses of 30 percent and more were not uncommon and directly impacted on service levels, revenue and employee productivity. This kind of scenario is not an exception, by any means. We have had similar experiences involving projects in manufacturing, logistics and healthcare. In logistics, for instance, an average of almost 20 percent of working time is spent unproductively.

Do you have specific examples of how workforce management pays off?
EBIT improvements of 5 percent plus can be achieved in the retail sector thanks to better demand forecasts and more flexible deployment of the workforce. Or take healthcare. More than half of all hospitals in Germany operate at a loss. Already with 1,000 employees, optimized workforce management can achieve annual savings of up to 30,000 working hours otherwise spent with unproductive administrative tasks. Ad-hoc control mechanisms are the only means of gearing the business model transparently and calculably to new strategies in many places. As part of a current hospital project our customer managed to record quantifiable benefits amounting to a high six-figure sum following the initial roll out stage. Once the project is fully up and running, we expect this figure to have increased almost fivefold.

„We support our customers with best practice expertise in workforce management, which we have amassed in several thousand projects across the widest range of different sectors and industries. And we do so around the globe – from the United States to Japan."

Are high budgets inevitable?
Absolutely not. For a retail business with 2,000 employees, workforce management can be rolled out with a budget running to a low six-figure sum. The payback period for most projects is between six and twelve months. These projects deliver a positive return on investment in the first year already.

In actual practice, how does ATOSS support companies in mastering these challenges?
Workforce management is not just about tools and software. At the start of a project our consultants specifically analyze our customers' processes. Thanks to our extensive cross-industry expertise we are able to very quickly identify shortcomings and optimization potential within existing processes.

What are your solutions capable of achieving?
Our highly specialized algorithms enable future staffing needs to be forecasted precisely, and provide, at the push of a button, demand-optimized schedules for as many as several thousand employees, factoring in all the relevant criteria. That alone is an absolute mammoth task, as even just with 20 employees with four different starting times you have billions of possible daily schedules. In retail we can forecast footfall to an accuracy of +/- 2 percent. Most companies do not even come close to this. The true potential of workforce management is, however, unleashed through a combination of highly intelligent software solutions and constant fine-tuning of the company's functional organization and organizational structure. The cross-divisional standardization of processes enhances efficiency, planning quality and the benchmarking opportunities throughout the whole company.

What makes ATOSS so successful?

We support our customers with best practice expertise in workforce management, which we have amassed in several thousand projects across the widest range of different sectors and industries. And we do so around the globe – from the United States to Japan. What's more, our customers benefit from the effectiveness, stability and scalability of our software in which we have invested over 80 million euros to date.

So far we have mainly been talking about companies. Does workforce management benefit employees, too?

Absolutely! What are employees looking for? Suitable remuneration, a rewarding job, flexibility, room for maneuver and creativity, as well as fairness, among other things. Workforce management makes it possible for employees to actively take part in the planning process. For things to be planned in a fair way, and for the timing of the service provisioning to be handled more flexibly in general. All these factors demonstrably increase employee motivation and ultimately also contribute to positive employer branding. Mobility is another aspect that brings employees a step closer to the goal of achieving a positive work-life-balance. Workforce management offers suitable solutions for all these areas.

Is that also a strategic success factor?

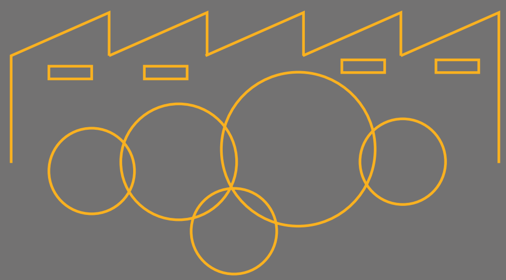
Of course. Staff shortages and costs are set to spiral over the medium and long term – affecting a company's most valuable resource. The ability to retain qualified staff over the long term while deploying them flexibly and efficiently is set to become one of the key challenges over the next few years.

What is your vision for the workforce management market?

The relevant market and demand are growing rapidly. The Gartner analysts confirm that the market holds excellent growth potential. Hardly surprising given the limited scope for further global outsourcing. Now, it is all about raising the processes in Europe and the industrialized nations to the next level. Players who are unable to manage their workforce precisely and in tune with demand and employee needs will not be able to compete in the long run. Workforce management is becoming a "must have" for all companies.

***Professor Dr. Max Otte** conducted the interview. He teaches in the Department of Corporate Leadership and Entrepreneurship at the University of Graz. The business and financial specialist has published numerous books and articles and is an acknowledged authority in the field of value investing.*

TOP TOPICS



Fluid organizations

The global economy has attained an enormous degree of complexity, networking and integration. Surprising and disruptive events, of both a positive and negative nature, will become more frequent and have greater impact in the future – while becoming ever more difficult to forecast. Managers will need to be able to respond with appropriate process and cost optimization at all times as a consequence. According to Signium International, rapid response organizations are required more than ever in fast-changing times. Agile personnel processes and flexibility in working time management are an absolute requirement in this context. Workforce Management is becoming a strategic instrument, helping companies to survive in volatile markets.

Flexible working worlds

Thirty-eight hour weeks, timed lunch breaks and salary increases for long service periods do not form part of their working lives. They switch employers frequently and quickly, and choose their new bosses consciously. The acquisition of experience is favored ahead of a well-trodden and conventional career path. This growing class of project workers, also referred to as the "working avant-garde", is characterized by the way they work, their understanding of work and their aspirations and demands. This new spirit of independence makes great demands on companies as well as employees. The challenge is to create flexible working organizations based on new employment types. Workforce Management is the instrument that allows this type of flexibility to be handled successfully.

Demographic change

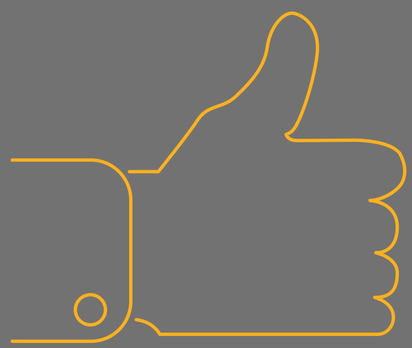
In Europe, the total number of persons employed is set to decrease by 30 million between the end of the decade and the year 2050. Global sourcing, employability and diversity management will become more important as a consequence. Varied workforce structures require a working environment that ensures the performance of all staff, irrespective of age, gender or background. Age-aligned shift models, lifetime working accounts, ergonomic occupational structures, intercultural expertise, health management, job-sharing, sabbaticals and mixed-aged tandems comprise just a few of the instruments that companies need to fully master. Only then will they be well positioned with a personnel policy meeting the challenges of demographic change.

Mobility

Digitalization is revolutionizing the workplace: business is happening everywhere. And this is no longer just true of digital natives. Already more than half of all employees work at least partly mobile, according to IDC. By 2019, data traffic via mobile devices will increase ten-fold compared with today. Mobility is a key factor behind the decentralization of the new networked intelligence. In the Network Economy 4.0, successful collaboration between staff on the move and organizations is critical to value creation. With high pressure, companies are designing mobility strategies to structure working environments more productively. Integrating a growing mobile workforce into corporate processes will prove essential.

Industry 4.0

The company of the future will be distinguished by capacity for change, resource efficiency and ergonomics. Management will face the challenge of integrating customers and partners into business processes, while employee productivity will need to rise at the same time. Transparent processes, seamless communications and real-time management of value creation chains will play a critical role. The Industry 4.0 concept can only be implemented with the help of high-performance information systems and the combination of both virtual and real worlds. Workforce Management provides real-time data, as well as the optimal management of the most valuable resources within companies – the people working.



Employer branding

Image videos and job adverts are not the essence of employer brands. What counts in employer marketing is a corporate culture, and how employees perceive it. The ability to work flexibly and in harmony with family and private interests is highly valued among employees, and is becoming a key factor in the competition for talent, and in staff retention. Futurologist Sven Gábor Jánszky believes that companies with conventional recruiting methods will have considerable problems finding employees in the future. "Caring companies" that offer an attractive working environment – or "corporate life" – with lots of structural flexibility, will then have decisive USPs. Such approaches also include a forward-looking working time concept that centers on employees' individual requirements.

Work-life-balance

Whether baby boomers, Generation X, Y or Z – work-life-balance is a topic of controversial debate. One thing is beyond question, however. People have only one working life, and only one opportunity to allocate it as best possible. Current surveys show that many employees, whether full-time or part-time, are unsatisfied with their working hours. And it is particularly the millennial generation that values a balanced relationship between life, work and professional development. Companies will need to address these demands in the future if they wish to utilize this potential and increase labor market participation. The employee-oriented organization of working times based on preferred duty planning, shift exchange platforms, and highly diverging life and work concepts will prove to be a decisive success factor.

We just love efficiency

In the following section we would like to give you an insight into ATOSS projects in a wide variety of sectors and companies of different size. The diversity of our customers' requirements is clearly matched by the diversity of our solution options. The projects, however, all have one thing in common: the more flexible and more intelligent use of the workforce – that highly valuable resource – for the benefit of employees and companies alike.

RETAIL

Reduction of personnel cost ratio by	13%
Forecasting accuracy demand vs. actual footfall	+/-2%
Like-for-like sales increased by	>5%
Staff productivity increased by	48%

"Originally,
the issue of
workforce management
was not a priority on my
personal agenda.
The outcome of
the process analysis
surprised me.
I had not expected
so much potential."

Reiner Unkel
CEO BASLER FASHION

Adler Modemärkte
ALDI SÜD
Alimentana
AppelrathCüpper
BASLER
Benetton
Budnikowsky
CHRIST
Combi Supermarkets
Conrad Electronic
coop
Deerberg
Dodenhof
Douglas
Eddie Bauer Japan Inc.
EDEKA
engelhorn
eterna
eurotrade
Gebr. Heinemann
Gigasport
Globus Fachmärkte
HORNBACH
Hugendubel
K&L Ruppert
Kastner & Öhler
LANDS' END
Leffers & Co.
Marc Cain
mister*lady
Möbel Martin
MPREIS
Orell Füssli Thalia
Peter Hahn
PUMA
RUNNERS POINT
s.Oliver
SportScheck
Sport Schuster
Strenesse
Telekom Shops
The Body Shop Germany
Tommy Hilfiger Europe
Versandhaus Walz
WEZ Supermarkets
Wolford
...

Bonjour! Hola! Konnichiwa!

We go where our customers go, 365 days a year, around the globe, and multilingual. In the international fashion business, rapid changes of collections, trendy styles, swift deliveries, and consistent customer-orientation are what counts. This also entails perfect service at the point of sale, by having the right number of staff with the right skills available on the shop floor exactly at times when they are required. Solely agile and market-oriented organizations will be successful over the long-term.

The international luxury fashion brand **Wolford** is no exception. This company opted for ATOSS Time and Attendance Management for staff at its shops in Austria, Germany, Italy, Switzerland, the Benelux, Slovenia, France, and more recently also in the United States and the United Kingdom. Ensuring that specific national regulations and labor agreements are smoothly integrated into the software is a "must have" for us.

Something that **Eddie Bauer Japan Inc.** can also confirm. Our solution was adapted in record time to reflect Japanese legislation, corporate agreements and Japanese characters, and was launched in the company's 56 stores within just five months. A visit to ATOSS reference customer **SportScheck** in Munich and a detailed process analysis at Eddie Bauer in Tokyo convinced the management of the power and benefits of our workforce management solution. In order to offer even better service the outdoor label wants to optimize workforce scheduling at its shops in Japan.

Productivity knows no frontiers. The tasks are as varied and complex as the countries and cultures involved. This is a challenge that can be readily mastered with our solutions and the support of our experienced consultants, many of whom are internationally certified project managers.

Image: ATOSS CUSTOMER **WOLFORD**

A touch of glamour

Founded in Berlin in 1936, **BASLER** today is an internationally successful, growing fashion house with glamorous evening wear and feminine collections for modern, self-assured women. The brand is represented around the world with over 300 stores in 54 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 which is aligned to the value chain. Personnel processes were also subjected to scrutiny. The workforce management project was initiated throughout Germany after ATOSS had conducted a comprehensive analysis of the processes involved. A modern working time system is being introduced for about 400 employees at head office using self services and approval workflows. This creates the scope for value adding activities. Strategically, however, BASLER is focusing on planning and managing staff at their branches and concession stores, where huge potential is waiting to be tapped. In future, ATOSS Retail Solution will be used to forecast personnel demands by the minute and sales staff will be deployed to match customer frequency. This should reduce personnel costs in the long term and increase service levels and sales. The second phase of the project will see the ATOSS solution rolled out internationally. After all, sustainability is the company's motto. BASLER customers have two things to look forward to – an even more pleasurable shopping experience and sophisticated collections bearing the creative signature of designer Brian Rennie.

A professional process analysis carried out at **Peter Hahn**, specialist mail order company for high-quality women's fashion, also convinced its management of the potential of a company-wide workforce management solution. This Swabian company with 950 staff offers exclusive women's and men's fashion from 250 renowned brands in ten country-specific catalogues and online shops as well as at 24 branches, including the BASLER, BOGNER and ESCADA brands. Via self services, the entire staff is integrated into time and attendance management. In addition, the automatic duty plan is deployed for the workforce forecasting and workforce scheduling of 100 call center agents, 200 employees at the branches and 220 employees in the logistics center. Our conclusion: process optimization and customer focus all along the line!

Image: ATOSS CUSTOMER **BASLER**

Established brand on an expansion path

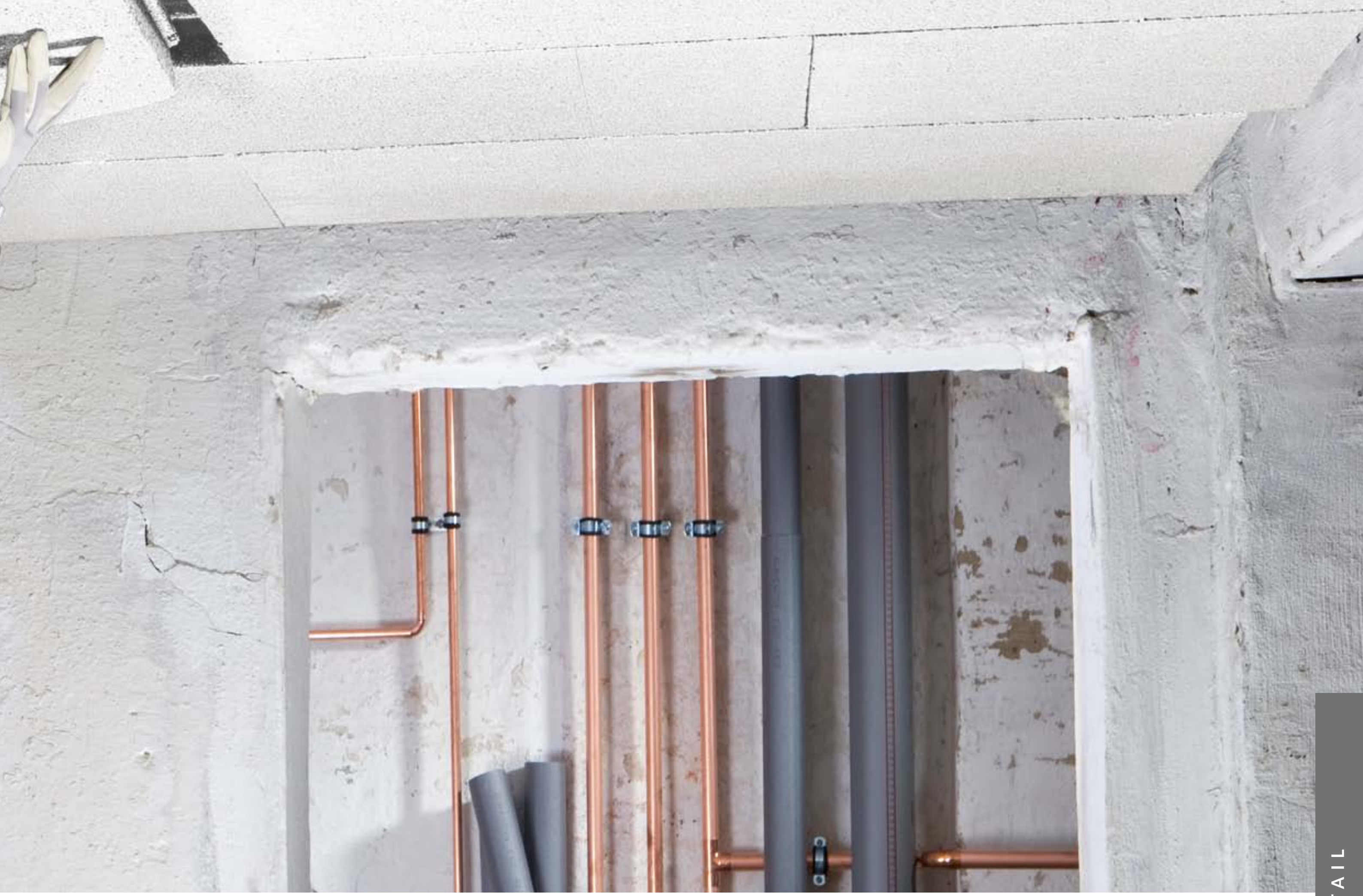
Produced in Europe, fabrics from Switzerland, designed in Germany: **eterna** is closely linked with high-class business fashion and Bavaria's "City of Three Rivers," Passau. eterna produces more than four million shirts and blouses, which are sold through 5,000 retailers, 360 shop-in-shops, 62 monobrand stores and online. The shirt and blouse specialist has carved itself out a top competitive position based on first-class quality and customer-oriented service. Product development and design, administration, logistics and shipping are handled by a staff of some 190 at the headquarters in Passau. The service that goes with it all is provided by 160 employees in eterna's monobrand stores. Our solution for SMEs, ATOSS Time Control, is what the successful and long-established company relies on for its time and attendance management and for optimizing store processes. The acceptance of staff and management was quickly achieved thanks to efficient workflows and intuitive operation. The solution also supports the company's expansion plans as new stores are easy to integrate. And clearly, eterna has strong ambitions. Receiving the award "TOP BRAND for blouses 2013" by trade magazine Textilwirtschaft marks just one more milestone in the success story of this company so rich in tradition.

Image: ATOSS CUSTOMER **ETERNA**

Customer focus across all borders

With an average store size of over 11,000 sqm, **HORNBACH** is the market leader in the do-it-yourself megastore segment in Germany and Europe. The expanding retail group runs 141 large DIY stores and garden centers in nine European countries. The company strategy is based on a perfect combination of selection, price and advice. After all, customer concerns are paramount at HORNBACH. More than 15,500 employees translate this aspiration into practice every day, in Austria, the Czech Republic, Germany, Luxembourg, the Netherlands, Romania, Sweden, Switzerland and Slovakia. ATOSS Retail Solution seamlessly maps the diversity of working time models, qualifications, country-specific regulations and labor agreements.

Image: ATOSS CUSTOMER **HORNBACH**



Even the highly complex collective agreement in Austria did not prove an obstacle for our solution. ATOSS Employee & Manager Self Services provide the workforce with the transparency they require in relation to working time accounts, vacation planning and deployment times. As a strategic planning tool, ATOSS Retail Solution now supports 130 stores and helps deploy the right number of employees at the right time in the right place. By the end of 2015, the ATOSS solution will be in full operation at all HORNBACH DIY stores and garden centers so that employee deployment can be managed in a demand- and cost-optimized manner at all locations. Just like the well-known HORNBACH claim says: There's always something that needs doing …

Service from the heart – at any time

LANDS' END is an American lifestyle company which epitomizes outstanding product quality, fair prices and extraordinary service. Customers shop conveniently from home – mainly over the phone or Internet. Around 500 fully trained advisers are at hand 24/7 free of charge to answer any questions on the range of goods. The ATOSS Call Center Solution helps LANDS' END balance best service quality with optimized personnel costs. The duty plan is produced on the basis of the forecast call volume, which depends on factors such as season and time of day. As part of this process, qualifications and employee wishes are factored into the planning. Julia Barth, Business Analyst Operations, explains: "Our customer advisers embody the company's values and guarantee the success of LANDS' END. Availability, training and motivation simply have to be right, too." With no ifs and buts. The same also applies to workforce management – that is the standard we gladly set ourselves.

Customer satisfaction also takes center stage for the approximately 1,400 employees at mail-order company **Versandhaus Walz** with its successful sales brands The workforce scheduling in 51 specialist stores in Austria, Germany and Switzerland is revenue-based on the basis of POS data so that sufficient staff are always on hand. Managers use ATOSS Mobile Workforce Management to check up-to-the-minute performance indicators on the sales and personnel situation in the individual stores at any time – allowing them to act quickly where necessary. Walz not only adopts efficiency and optimized processes in its specialist stores and the headquarters in Bad Waldsee. The working times of the 400 employees in the in-house logistics center are also managed on a demand-optimized basis. After all, next-day delivery is nowadays the standard in the successful mail-order business. Richard Kessler, HR Director at Walz: "Today, we can respond even faster and better to our customers' requirements and compete effectively on a daily basis."

Image: ATOSS CUSTOMER **VERSANDHAUS WALZ**


Deerberg
SCHÖN & BEQUEM
VOLVO
UE DE 25H

Satisfied customers, motivated employees

Online, offline or hotline: **Deerberg** aims to turn every touchpoint into a positive experience for the customer – in the online shop, in dispatch logistics or in one of the four outlets. “The customer is king” is the motto lived by some 500 employees of the mail-order company based in northern Germany. For Deerberg, that means high-quality clothing and shoes from sustainable production, as well as high service levels, not to mention motivated and committed employees thanks to a people- and family-friendly corporate policy. The company also pursues a holistic strategy when it comes to workforce management and relies on ATOSS solutions. The working times in all areas are tailored to actual personnel demand. Naturally, Deerberg also includes employee wishes into the planning process. All thanks to Preferred Duty Planning, Employee & Manager Self Services and, in future, even a Shift Exchange Platform. The customer service center is staffed by 80 agents who are on hand during defined service times that are tailored to the forecasted call volumes. Backoffice operations are also factored in. Up to 2,800 calls are handled a day at peak times. Following the introduction of the new POS system planning in the outlet stores will be revenue-based. And Deerberg is implementing the Automatic Duty Plan in its Logistics Center in Lüneburg where 200 employees pick, pack and send 3,500 parcels on average every day. At peak times the figure can be up to 10,000. After all, the company is continually working on becoming even better for its customers. Managing Director Stefan Deerberg explains: “Customer and employee focus is paramount at Deerberg. At the same time, we need to ensure sustainable growth to secure the company’s success and, in turn, safeguard jobs. Workforce management helps us deploy the existing staff precisely and optimize personnel costs.”

RETAIL

Images: ATOSS CUSTOMER **DEERBERG**

Business according to flight plan

With around 5,500 employees worldwide, **Gebr. Heinemann** ranks among the top three players in the international travel market. Every day some 150,000 customers buy merchandise in about 230 Heinemann Duty Free & Travel Value Shops, in licensed brand boutiques and concept shops at 61 international airports. The working times in the airport shops prove highly complex, with long opening times from around six in the morning to midnight, seven days a week, 365 days a year. The situation is complicated further by massively fluctuating footfall, numerous part-time employees, a wealth of qualifications and working time models as well as country-specific collective agreements and complex company agreements. As project manager Jan-Peter Credo explains: "A large number of demand drivers are incorporated into our planning – for instance the size of the aircraft, terminals and gates, arrival and departure times as well as the destination and the point of departure. If, for instance, an aircraft is dispatched early in the morning to or from Moscow, ideally you would also

Image: ATOSS CUSTOMER **GEBR. HEINEMANN**

have an employee on duty that speaks Russian. And of course the shop near the gate must be opened in good time before the take-off or landing." Gebr. Heinemann deploys ATOSS Retail Solution at virtually all the major airports in Germany and Austria as well as in Wroclaw in Poland. Staff in the headquarters in Hamburg's HafenCity also benefit from workforce management. In addition to a classic time and access solution, they can record working times via self services, make holiday requests and consult their up-to-date working time account. As a distributor, the Hamburg-based company supplies around 1,000 customers in over 100 countries. The fast, on-schedule supply of goods is ensured via a state-of-the-art logistics center in Hamburg's Allermöhe district. Here, the company also relies on the ATOSS solution for planning and scheduling the working time of 650 in-house employees and 200 temporary workers involved in logistics.


my Douglas .de
nails


CHRIST
FOSSIL
FOSSIL
AL COROGELLNER
WAN
ERWIN REICH

Premium

The ultimate shopping experience for customers – that is the declared corporate aim of **Douglas**. The market leader in the perfume sector with 450 stores in Germany epitomizes customer enthusiasm, a service-driven approach and operational excellence. The expertise, motivation and service ideal of the roughly 7,800 staff and their presence on the sales floor play a decisive role. "We want our staff to invest their valuable time entirely in dealing with customers. That is what is crucial at the end of the day for our productivity performance," says Angelika Tschau, Team Manager for personnel-based store processes at Douglas. This is the only way to ensure value-driven growth. ATOSS Retail Solution optimizes the match between customer footfall and staff numbers as well as the way in which store processes are organized. Workforce forecasting, automated workforce scheduling and in-depth management analyses provide valuable support in this process. Douglas aims to offer customers a personalized service to make them enjoy a pleasurable and top-class shopping experience at all times.

The highest quality levels, exclusive brand and designer collections, more than 200 attractive shops and a state-of-the-art online shop are all part of the success strategy of the No. 1 jewelry store in Germany. As part of the DOUGLAS group, **CHRIST** also attaches great importance to offering the highest quality, excellent service and that famous dash of luxury to its customers. Customer satisfaction has top priority for this long-established company with around 2,400 staff. Personnel deployment is therefore consequently aligned with actual demand. On the sales floor that means customers, and in the warehouse it means the flow of goods. ATOSS Retail Solution ensures that customer footfall and staff presence at the point of sale are closely matched and that the supply chain in the background runs smoothly. As Melanie Thomann-Bopp, Commercial Director at CHRIST, puts it: "For us, everything revolves around customers. That's why the timing has to be right both upfront and behind the scenes. Our aim is to create genuine added value with the ATOSS solution."

Images: ATOSS CUSTOMERS **DOUGLAS (top) | CHRIST (bottom)**

Pure shopping pleasure

A first-rate place for a unique shopping experience is **engelhorn** in Mannheim. The family business embodies high-end fashion and a broad portfolio of brands, with 8 designer stores spanning 38,000 sqm in Mannheim city center and an elegant online shop. A total staff of 1,500 – with 400 working in logistics – guarantee friendly, expert and fast service. The company relies on ATOSS Workforce Management in the stores and in the logistics center. Information from PoS, ERP and order systems are incorporated in the staff demand forecasts. As Frank Geis, Head of IT at engelhorn, outlines: "The fashion business, whether online or offline, is characterized by major seasonal fluctuations. Our automatic workforce scheduling is extremely helpful to us in ensuring that we always have enough skilled staff available for our customers. This is a crucial success factor for us." A studio, bike services, golf simulator, child care, VIP lounge and a climbing wall for a quick ascent to the fifth floor – these are just some of the examples of the uncompromising customer-centric and experience-based approach of Mannheim's successful family business.

Image: ATOSS CUSTOMER **ENGELHORN**

RETAIL

Kastner & Öhler, Austria's most glamorous fashion store in Graz, is about more than shopping. "We strive to surprise and delight our customers time and again," declares Director Thomas Böck, describing the philosophy of the company with a long tradition. With its flag-ship store in Graz and 13 other stores around the country, Kastner & Öhler is one of the ten biggest fashion retailers in Austria. It also operates 18 Gigasport outlets in Austria and Slovenia. More than 1,900 skilled and dedicated staff, 600 of them in Graz alone, are tasked with offering customers a fascinating shopping experience day by day. We help them put these high standards into practice. Some 120 floor managers plan and manage their staff in the 32 branches based on ATOSS Retail Solution. Demand is calculated to the minute on the basis of past sales data, budgeted sales and defined performance indicators. The automated scheduling delivers a proposed plan optimized from the perspective of service and costs. Higher staff productivity, a 65 percent reduction in overtime within two years and improved controlling are some of the positive effects achieved. The staff are thrilled to see that the latest regulations from the highly complex union wage agreement, the super-weekend, are already incorporated in the ATOSS solution.

Image: ATOSS CUSTOMER **KASTNER & ÖHLER**


Norweger Lachsfilet 0,99
geräucherte Makrelen 0,49
Forellen 0,49
Essthetik
Grüne Oliven 0,99
Rote Peperoni 2,99


H-MILCH
EDEKA

Always different, always EDEKA

Supported by more than 4,000 independent retailers, the EDEKA network is one of the largest food retailers and most important employers in Germany with around 318,000 employees. Whether it's EDEKA Markt, EDEKA Center, NP-Markt or Marktkauf – with distinct sales concepts and around 11,700 shops EDEKA serves all customer groups. Seven regional companies ensure that retailers receive the best possible supply of food, as well as a range of tailor-made services. Six of the seven regional EDEKA companies plan and manage their employees in administration and affiliated production, logistical and franchise companies with ATOSS Workforce Management. The dimensions of such projects and the flexibility involved in deploying our solutions are aptly exemplified by the **EDEKA regional company Minden-Hannover.** The company is responsible for 600 independent retailers with 1,100 shops as well as around 500 EDEKA-owned supermarkets, 12 large logistic centers and the production facilities for own brands like Bauerngut and Schäfer's. EDEKA Minden-Hannover currently manages the working time of more than 30,000 employees with ATOSS solutions. And a growing number of independent EDEKA retailers of all sizes are now opting for ATOSS Workforce Management in the customer-oriented deployment of their employees – either as a hosted operation or inhouse. Just like **EDEKA Reichelt.** The 54 shops in Berlin are known for their excellent service and the wide range of products they offer. More than 2,000 employees ensure that all customer wishes will be met. In order to optimize its costs, EDEKA Reichelt manages its employee deployment with ATOSS Workforce Management hosted by EDEKA Minden-Hannover. Also the nine **EDEKA Paschmann** shops in the **EDEKA Rhein-Ruhr** area rely on their 600 employees to be deployed with pinpoint accuracy. In this way, the award-winning retailer ensures that service levels and staff costs are on track, and that a sufficient number of qualified employees are always at hand for both day-to-day business as well as the frequent promotional campaigns. The company opted for its own installation – just like the largest independent retailer in the EDEKA Group, **Karl Preuß GmbH & Co** with 25 WEZ supermarkets. But even smaller retailers such as **EDEKA Stadler + Honner** with eight outlets in Bavaria or **EDEKA Glahn** in Thüringen are benefiting from ATOSS Workforce Management. EDEKA Glahn, for example, plans and manages its staff with an inhouse ATOSS solution. Around 50 employees access their working hours by way of self services, while workflows are advancing personnel management efficiency. After all, customer focus and service orientation are paramount concerns throughout the entire EDEKA Group.

Images: ATOSS CUSTOMERS **EDEKA PASCHMANN (top) | EDEKA CAMPAIGN »SUPERGEIL« (bottom)**


sky
Herzlich willkommen.
sky
sky

The sky is the limit!

Successful retailers see integrated, transparent branch management as the key to higher productivity. One of the biggest challenges in the personnel-intensive retail world is how to plan, manage and monitor working times. That is why **coop eG**, Germany's largest consumer cooperative in the retail food industry with over 200 stores in North Germany, has been relying for several years on an integrated workforce management system from ATOSS. The declared aim of the project was to achieve homogeneous, cost-optimized workforce scheduling in all stores of all sales divisions. The regional production facilities for own brands such as "Unser Norden" or "Landklasse" were also integrated into the solution. coop is now expanding ATOSS Retail Solution to include the Workforce Forecasting and Automatic Duty Plan modules. In the future sales staff is to be deployed to match customer numbers even better in the sky hypermarkets, sky centers and the extensive sky XXL stores in the plaza center as well as plaza DIY and Gardening centers. Precise demand forecasts are created for every branch using cash register data. These form the basis for automated, cost-optimized workforce scheduling. And of course the interests of the staff are also taken into account when drawing up duty plans. Four stores are currently running pilot operations and by the middle of 2014 the working times of the roughly 9,000 staff will be planned and controlled via automated duty planning. The company will manage the national roll out in-house. The level of expertise of some 500 planners will be reflected in the implementation concept. Planning quality and planning input will be once again significantly improved. The weekly planning per branch will take just ten minutes instead of around two hours. But the positive effect on customer and staff satisfaction is even more crucial than the efficiency gains. Stefan Pilz, Managing Director Human Resources at coop: "Workforce management delivers a measurable contribution in our company – for customers, staff and the company. And we are also ideally equipped when it comes to shaping tomorrow's working worlds."

Image: ATOSS CUSTOMER **COOP eG**

SERVICES

Capacity gains

39,500 hours / year

Company size, 1,100 employees

Expenditure for approval workflows reduced by

80 %

Planning costs lowered by

8,000 hours / year

Company size, 2,000 employees

Payroll costs reduced by

100,000 EUR / year

Company size, 1,600 employees

"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."

Marina Herbst-Böhm
Head of Human Resources Management
HUK-COBURG

aha Waste Industry Hannover
ARAG Insurance
ARBÖ
A-ROSA Resort
AVIS
Balzac Coffee Company
BAWAG P.S.K.
BEIT Systemhaus
BGN
CARGLASS
CinemaxX
City of Würzburg
Credit Suisse Germany
Deutsche BKK
Deutsche Postbank
District of Lower Franconia
Federal Agency of Post & Telecommunication
German Statutory Pension Insurance Scheme of North Bavaria
German Statutory Pension Insurance Scheme of Rhineland-Palatinate
HUK-COBURG
Jeppesen
KVNO
LSG Sky Chefs Germany
Luzerner Kantonalbank
Medical University of Innsbruck
MeridianSpa Germany
Mozarteum University of Salzburg
Municipality Regensburg
Radio Bremen
radio ffn
ReiseBank
Ringier
Santander
Schörghuber Foundation
SIXT
Starbucks Coffee Company
Vienna City Administration
Vienna Social Fund
Ville de Luxembourg
Zurich Insurance
• • •

Reliable, dedicated, agile

HUK-COBURG is a company you can rely on. The insurance group operates out of 41 business locations across Germany. A staff of 9,000 efficiently handle the day-to-day support of more than ten million customers. Security is important for any company dealing with such huge data volumes. That's why, for HUK-COBURG, data protection begins with extensive access controls. Some 700 access terminals and 120 authorization zones describe the project dimensions. And the numbers are big when it comes to time and attendance management, too. Almost 2,500 full-time 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 Automatic Duty Plan on a demand-optimized basis depending on the volume of calls. The amount of time needed for back-office work is also included in the planning and scheduling. Whenever direct customer contact is involved, it's absolutely crucial to have motivated staff, competent service and rapid response. And the insurance provider is committed to becoming even more agile, which is why HUK-COBURG is currently scrutinizing all processes concerned with workforce management. Together with our advisors, the company is reorganizing and optimizing all of the planning processes and workflows involved in staffing. The concept includes such aspects as new rules for overtime and breaks, as well as self services. The new module ATOSS Task Management with its warning and reminder functions for staff and management is also set to be deployed. A high degree of personal responsibility and flexibility are elements of the HUK-COBURG strategy. "The job satisfaction of our staff is important to us. That is because we define ourselves as a services provider primarily through the dedication and commitment of our team," explains Human Resources Manager Uwe Keller.

Image: ATOSS CUSTOMER **HUK-COBURG**

Profitable service

The banking sector has been operating in a difficult economic environment for many years and is facing massive changes in its customer structure and customer behavior. For **BAWAG P.S.K.,** Austria's largest retail bank with roots dating back to 1883, this situation prompted a realignment of their strategy and the initiation of profitability boosting measures. The branch offensive project in cooperation with **Österreichische Post**, also an ATOSS customer, gave rise to the largest, centrally managed branch network in Austria. Competent banking and postal services are now offered with extended opening hours under a single roof. Consistent customer focus, optimum advice and efficient processes play a pivotal role in the 550 branches. BAWAG is supporting this ambitious goal with demand- and service-optimized workforce scheduling in the branches and transparent management information at the head office. The ATOSS solution precisely calculates which personnel demand arises, when and where; the Automatic Duty Plan allocates the 2,300 employees cost-optimized based on availability and qualifications. ATOSS Mobile Workforce Management ensures that the sales managers are always updated on the latest personnel status even while on the move and can react

Image: ATOSS CUSTOMER **BAWAG P.S.K.**

quickly where necessary. Apart from increasing productivity, the active integration of employees in arranging the duty plan was a key issue. After all, the bank knows from experience gained over decades that motivated employees are quite simply better employees.

The **Luzerner Kantonalbank** is also successfully combating fierce competition in the financial sector. It ranks among Switzerland's leading banks with around 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 philosophy of Luzerner Kantonalbank, which is one of the largest employers and training institutions in Central Switzerland. Efficient personnel processes and flexible working times create the basis for greater efficiency and customer proximity, as well as an attractive working environment – for the good of customers, employees and company. In this context, we support Luzerner Kantonalbank with innovative workforce management.


ffn
Lena

Let us entertain you!

Cinema is an experience. And **CinemaxX**? "More than cinema!" The entertainment group is setting industry standards with this principle. CinemaxX embraces a very special service focus which some 2,000 employees in Germany and Denmark put into practice every day. Around 17 million people visit the company's 33 cinema centers every year. Perfect workforce organization is required at each theater. Long waiting times, poor service, cheap snack bars and unmanned call centers do not square with the company's self-image. "CinemaxX offers its guests a very special kind of cinema – more service, more quality and more contents! This not only means greater satisfaction and fun for our visitors, but also improves the bottom line," says Tim Boller, Head of Commercial Project Management and Controlling at CinemaxX Entertainment. Germany's best-known cinema chain manages the working times of all employees down to the minute with ATOSS Workforce Management. The planning and administration costs were reduced by 8,000 working hours a year, while personnel costs and service were optimized. Moviegoers enjoy an all-round superb cinema experience.

Ringier operates just as successfully. Switzerland's largest international media company runs over 120 newspapers and magazines, printing houses, radio and TV stations, and over 80 web and mobile platforms with a worldwide workforce of approximately 8,000 employees. Titles produced by the Blick Group, at Zurich headquarters, form the heart of the media company. Blick.ch is one of Switzerland's most frequently visited news-platforms. The online multimedia content is produced in Switzerland's largest integrated newsroom. Up-to-date news calls for commitment. Our solution manages the duty scheduling of around 300 print and online editors. After all, news never stops.

Radio ffn, northern Germany's largest and most successful private broadcaster, offers a varied and entertaining schedule – 24 hours a day. Behind that success lies sophisticated editorial and presenter planning. The radio station employs around 130 staff, including 65 employees involved in the editorial office and show presentation. Our SME solution, ATOSS Time Control, ensures that ffn morning show host Franky and his colleagues are live on air right on the minute …

Images: ATOSS CUSTOMERS **RADIO FFN (top) | CINEMAXX (bottom)**

Image: ATOSS CUSTOMER **JEPPESEN**

Worldwide workforce

Jeppesen, a wholly owned Boeing subsidiary, opted for ATOSS Staff Efficiency Suite as its guidance system in Europe. The global market leader in aeronautical charting offers more than 60,000 charts, and they need to be up to the minute at all times – whether as a digital app or a traditional paper chart. A total of 6,000 airports, 300,000 pilots and 400 airlines worldwide rely on the information in the Electronic Flight Bag. Some 600 staff work on this responsible task at the Neu-Isenburg site in Germany. The company's matrix, with its many different reporting lines spanning the globe, calls for flexible and transparent staffing processes, for which our solution provides efficient support. Our mobile app and self services ensure that managers can book, assign and approve working time for staff any time, any place. The integration of Jeppesen's 400 employees in Sweden was realized on time and on budget. Specific national circumstances such as the complex parental leave rules and national payroll systems are covered in the flexible ATOSS Standard. The UK with its 100 staff and Poland with 200 are set to follow shortly. As Mayleen Becker, Director HR EMEA, comments: "Not only are we impressed with the speed and quality of the international roll out. The solution expertise the ATOSS team demonstrates in the face of difficult challenges is also compelling."


BALZAC COFFEE
BALZAC COFFEE
FINEST ESPRESSO SPECIALTIES

First come, first served

In 1998 the **Balzac Coffee Company** opened their first coffee bar in Hamburg – bringing the concept of coffee shops to Germany. Today, this successful restaurant chain operates a total of 49 Balzac Coffee branches and World Coffee Shops with 700 employees. Balzac's trademarks are superior quality and friendly service. In order to guarantee high service levels at the branches without personnel costs exploding, the deployment of resources has to be spot on, tailored to needs and transparent. The Balzac Coffee Company manages this challenge with the help of the ATOSS Retail Solution supplied through MICROS with an interface to their MICROS Oscar point of sales system. Whether shop-in-shop, 6-man coffee bar in a retail location or a large branch with 50 employees at Hannover central station – each coffee shop has different opening hours, different customer flows and different sales. No branch is like any other and they all must be individually managed. And that is exactly our strength. The ATOSS Retail Solution ensures that the number of employees planned on a quarter-hourly basis is exactly right for the number of customers forecast. The forecasting and planning process includes the size of receipts, amount of sales, number of customers, seasonal fluctuations, special circumstances peculiar to the location, a wide variety of different shift models, working conditions, availabilities and the defined level of staff productivity. ATOSS Retail Solution and Employee & Manager Self Services create a higher degree of transparency throughout the company at Balzac. This is appreciated by employees and management alike as Benedikt Butt, manager of the project, reports: "Our branch managers can draw up the duty plan online, while our employees can view their personal data at any time. At headquarters, management accesses detailed analyses with a single mouse click. We have found the tool for keeping a firm grip on one of the most important levers in the restaurant business, personnel costs." The next objective the coffee pioneers from North Germany have set themselves is to introduce the Automatic Duty Schedule for even greater planning quality. At the end of the day it is the customer who benefits: from an even better service and a delicious espresso or cappuccino served up on the spot.

Image: **BALZAC COFFEE COMPANY**
A PROJECT OF OUR PARTNER **MICROS**

The citizen is king

Closer to the people, better service, lower costs. Public administrations are now called upon to think and act like businesses. They need to offer local citizens an optimum level of service while simultaneously reducing administrative costs. Leading edge workforce management supports the public sector in mastering this challenge.

The **Vienna City Administration** employs around 30,000 people and is the port of call for a local population of about 1.7 million, as well as countless tourists from around the world. From drinking water supply to garbage disposal, pre-school facilities to schools and emergency services – the service company is instrumental in making sure that everyday life in this city works. The municipality relies on the ATOSS enterprise solution to ensure that the service runs smoothly in all the various departments and that there are always enough staff to deal with the concerns of the citizens. As Christian Praschek, HR Service, explains: "Being close to our citizens and providing quick service are top priorities for us. Workforce management means greater efficiency, which in turn means that we have more time for the concerns of Vienna's population and visitors."

Leaner processes and top-quality service for the local population are also fundamental principles for the **City of Würzburg** with its 2,800 employees. Consequently, the city is continually expanding its ATOSS solution. The ATOSS mobile app is currently being road tested, given that the city is in charge of a huge area and faces a wide range of diverse responsibilities. Numerous mobile teams are out and about in the fields of planning and building inspection, landscaping, sports, street cleaning and many more. But the way they are linked up with the central time and attendance management system could be better. Smartphones are now set to be used to make group bookings, on an area-by-area basis, to record working hours and to book work on different accounts in the course of a day. The pilot project is proceeding very well so far, with the roll out for the maintenance yard already planned. Claus Erlenbach, responsible for Human Resources/Time and Attendance at the City of Würzburg, comments: "We have many different areas where it makes sense to use mobile solutions. We are still in the early days of our project, but one thing is already clear: Mobile Workforce Management definitely leads to more efficient staff management and optimized process costs in the public sector in particular."

Image: ATOSS CUSTOMER **VIENNA CITY ADMINISTRATION**

What really matters

Achieving quality in academic education is one of the biggest and most formidable challenges facing a modern knowledge society. That's because highly skilled teaching staff and prestigious educational establishments cost money. Universities are therefore increasingly relying on efficient administration and optimized processes to leave them more funds to spend on research and teaching.

Innsbruck Medical University is a young and modern research institution with a long tradition. It is now one of Austria's most significant facilities for medical research and teaching boasting some 3,000 students and 1,800 staff. All personnel processes in the administrative departments were recently subjected to scrutiny during the implementation of a university-wide agreement on more flexible working times. The Medical University is now relying on ATOSS Workforce Management for its future plans, which include having time and attendance management for the 800 admin staff handled by the system, and possibly project time recording, too.

Some 1,600 students from all corners of the globe are receiving their education at **Mozarteum University Salzburg**. In a bid to cut staffing costs and make processes more efficient, the university introduced ATOSS Time and Attendance Management for its administrative staff numbering some 600. Besides its role as an excellent educational establishment, Mozarteum University Salzburg has also established itself as a cultural institution, playing an important role in the cultural life of Salzburg with the many events it stages. The 50 stage hands also have their working time planned and scheduled by the ATOSS solution. So it's curtain up for modern workforce management!

Image: ATOSS CUSTOMERS **INNSBRUCK MEDICAL UNIVERSITY (top) | MOZARTEUM UNIVERSITY OF SALZBURG (bottom)**

HEALTH CARE

Fluctuation rate	< 5 %
Days lost in operating rooms in 12 months due to poor planning	0 days
Reduction of planning time by	75 %
Capacity gains	13,000 hours/year

Company size, 2,700 employees

"We have placed a clear focus on process optimization. With around 70 percent personnel costs at the hospital, there is tremendous potential for more profitability here. Given the recent experience with process costs we are anticipating potential savings of up to a six-digit amount in the medium term."

Detlef Odendahl
Director of Legal & Human Resources,
Clinical Functions
Leverkusen Clinical Center

Bavarian Red Cross Blood Donor Service
BGU Frankfurt / Main
Center of Psychiatry Emmendingen
Clinical Center District of Erding
Danube Hospital Vienna
Diakoniewerk Bethel
District Clinics of the Main-Taunus
District Clinics Reutlingen
District Hospital of Mainkofen
Evangelic Foundation Alsterdorf
Evangelic Foundation Hephata
Foundation Pfennigparade
Frankfurt's University Hospital
Fulda Clinical Center
German Heart Centre Munich
German Kidney Care Foundation KfH
Hessing Foundation
Hospital Bad Trissl
Hospital of the Merciful Brothers Trier
HSK, Dr. Horst Schmidt Hospitals
Ingolstadt Clinical Center
Itzehoe Clinical Center
Kuratorium Wohnen im Alter
Leverkusen Clinical Center
Marienhospital Herne
Medgate
Medical Chamber North Rhine
Murnau Trauma Center
Oberhavel Hospitals
RoMed Hospital Rosenheim
Rotkreuzklinikum Munich
Saarbrücken Clinical Center
Social Fund of Bamberg
Unimed Mainz
University Hospital Salzburg
Vitos Rheingau
• • •


DEUTSCHES HERZZENTRUM
MÜNCHEN
TUM

Stable processes!

With 200 kidney centers and 19 ambulatory healthcare centers, the German Kidney Care Foundation **KfH Kuratorium für Dialyse und Nierentransplantation e.V.** provides high-quality care nationwide. More than 7,200 employees – doctors, nurses and administrators – are on the books to serve the 18,500 dialysis patients and some 50,000 outpatients. They work around the clock and everywhere in Germany. KfH opted for ATOSS Medical Solution as the best way to manage the diverse range of duty plans, tasks and workplaces and to allow the staff a great deal of scope to determine their work schedules. A Workforce Self Service will be created on the basis of our solution. The new ATOSS Task Management is instrumental in this concept – proactively helping staff and managers stay on top of appointments and processes.

Optimizing processes and introducing flexible working time were also among the project goals for the **Evangelic Foundation Alsterdorf,** which employs a staff of more than 4,500 at over 180 locations in Northern Germany. In all working areas the charitable foundation firmly centers on their customers – people with or without disabilities. Some 5,000 different working time models reflect the organization's particular focus on individual customer care. The approach, which can be described as "less medical care taking, more individual assistance," presented a number of major challenges for workforce management. Top-quality service, fairer workforce scheduling, greater transparency and economical service provision were the focal issues addressed by the ATOSS solution.

For the **German Heart Centre Munich** the objectives were similar. Currently employing a workforce of some 1,200, the hospital has gone down in history as a paragon of cardiovascular medicine by providing state-of-the-art medical treatment at one centralized location. Its guiding principle is to bring together the various medical branches required for the diagnosis and treatment of cardiovascular disorders, providing optimal patient care through interdisciplinary cooperation. ATOSS Medical Solution supports the centre in its demanding mission. Interfaces with the care performance system and the surgery area schedule ensure the efficient deployment of resources. Self services keep staff informed at all times. Which all goes to show that high tech really can be at the heart of patient care.

Image: ATOSS CUSTOMER **GERMAN HEART CENTRE MUNICH**

Positive side effects

Staffing costs of around 70 percent – this alone is good reason for hospitals to ensure optimum deployment of their most important and valuable resource, their staff. The lack of highly qualified staff is another issue. That's because inflexible shifts, long working hours and on-call duties are not attractive for doctors and nursing staff. What hospitals need today are concepts that offer work-life-balance. ATOSS Medical Solution is the right tool to put that into practice in an economical manner, for the good of patients, staff and the company

For years now, the **Ingolstadt Clinical Center** has been planning and managing its workforce of some 3,000, including 1,450 doctors and nurses, with ATOSS Medical Solution. From an organizational perspective the focus is consistently placed on processes that are medically necessary. Staff, working time models and qualifications are deployed on an interdisciplinary basis. The staff have almost complete autonomy over what shifts, on-call attendance and weekend work they take on. This combination of transparency and personal responsibility has paid off in the battle for highly skilled and motivated staff: the hospital's fluctuation rate is below 5 percent.

Image: ATOSS CUSTOMER **SAARBRÜCKEN CLINICAL CENTER**

At **Saarbrücken Clinical Center**, staff have real choice over their working hours. Every full-time member of staff has the option to reduce their contracted working hours to 80 percent on a permanent or temporary basis, whether for personal, family or health reasons. Director of Human Resources, Edwin Pinkawa, calls it "personnel policy geared to each phase of working life". The hospital has put itself in a good position in the competition for medical specialists on the global market. And successfully so: with its staff of 2,000, the hospital has already been distinguished as the best local hospital – several times, in fact – and has just recently been awarded the status of "family-friendly company" by the federal state of Saarland.

Murnau Trauma Center is another hospital to have recognized the benefits of staff co-determination when it comes to working hours. Here, some 250 doctors put themselves on the automatic duty plan independently. Staff scheduling is performed flexibly across departments and organizational units. All 1,750 employees are systematically integrated in the time and attendance management system through self services and workflows, while individual requests are incorporated in the planning.

Image: ATOSS CUSTOMER **MURNAU TRAUMA CENTER**

Top-level

Advanced, hi-tech medicine and the pressure to innovate on the one hand, and cost-savings, staff shortages and growing patient numbers on the other – university clinics find themselves in a field of tension.

According to “Focus” news magazine, **Frankfurt's University Hospital** is the best in the German federal state of Hesse, and ranks at seventh place in Germany. In order to keep things this way, the hospital focuses on top supply-quality, efficient working processes and optimized work schedules. ATOSS Medical Solution allows the deployment of 4,000 staff in 32 specialist clinics and 22 research institutions to be planned economically, in line with demand, and across disciplines. Some departments are already in productive operation, including anesthesia, which made the highest demands of our solution's functional scope and our consultants' expertise when it comes to planning the deployment of doctors and integrating their pay schemes. Full roll out will be completed by mid-2015.

The University Medical Center of the Johannes Gutenberg University Mainz (Unimed Mainz) sets standards in offering optimal patient care with state-of-the-art diagnosis and therapy procedures. To achieve this, Unimed Mainz relies on Automatic Duty Scheduling for its doctors, special services, functional services, and on-call duty services. By the end of 2014, a total of 2,000 doctors and staff will be deployed using our solution. Our SAP® Connector ensures a seamless data exchange between ATOSS Workforce Scheduling and the existing SAP® HCM system. Without risks and side-effects …

A further challenge is encountered at the **University Hospital Salzburg (SALK)**: Infringements against maximum working hour limits in Austria incur expensive fines imposed by the country's labor inspectorate. One prime objective for implementing ATOSS Medical Solution was to prevent such working hour violations. Laws, collectively bargained pay scales, company agreements, working hour regulations, special agreements and working hour requests have been logged precisely in the system. Workflows make complex and multi-level approval processes easier. The solution now allows the management of around 1,500 doctors and medical technical service staff. SALK's head of HR, Waltraud Weissengruber, states: "Over the course of our project, the potential offered by ATOSS Medical Solution became evident to us. Today, we have more efficient processes, and significantly more flexibility and transparency where working time organization is concerned. This has helped us to optimize our personnel costs."

HEALTHCARE

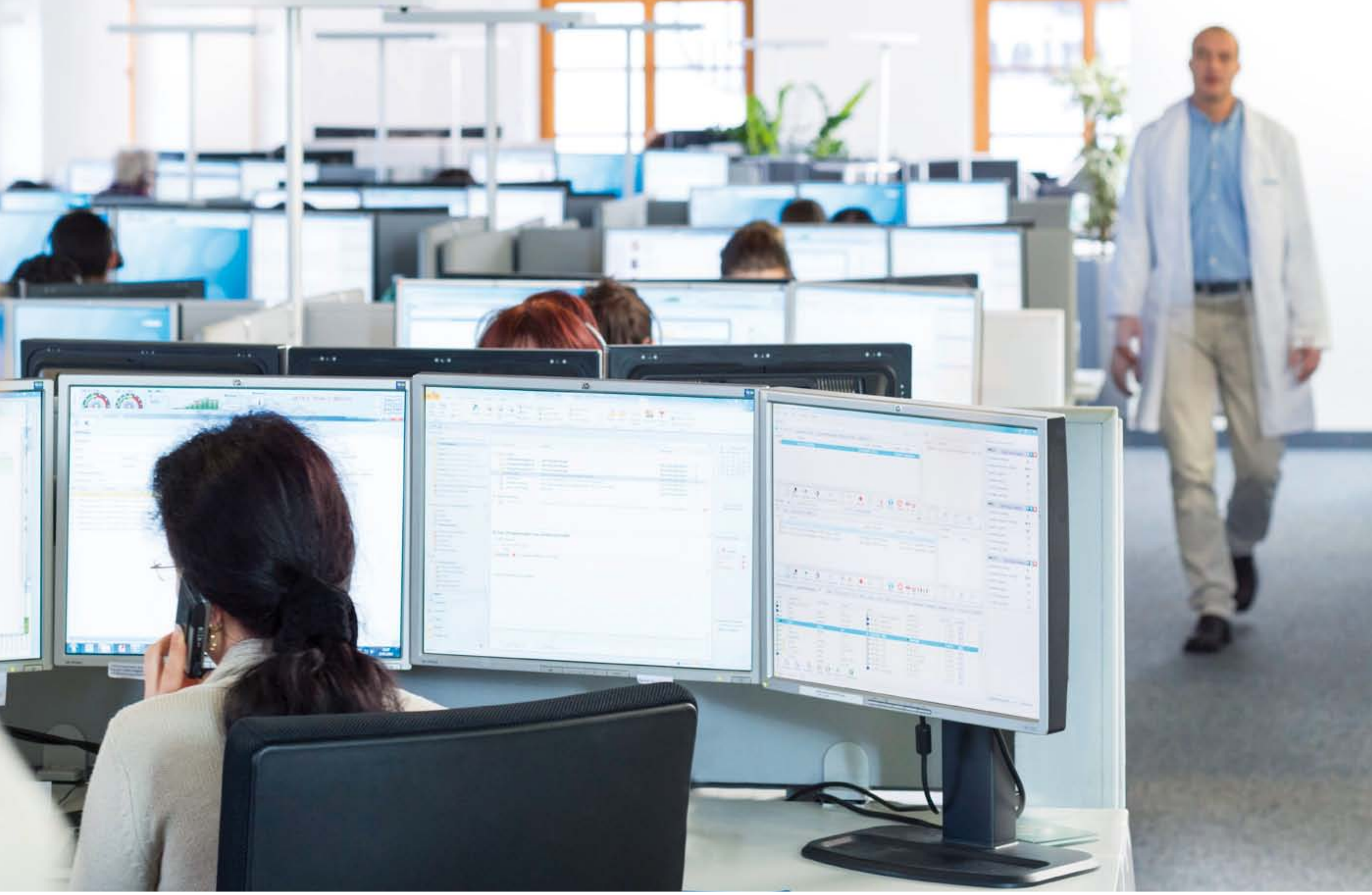
Images: ATOSS CUSTOMERS **UNIMED MAINZ (top) | FRANKFURT´S UNIVERSITY HOSPITAL (bottom)**

Economically sound

Hospitals and care facilities are feeling the pressure of demographic and economic change to a particular extent. **Leverkusen Clinical Center** addresses these challenges by providing healthcare services of the highest levels and a responsible deployment of all of its resources. ATOSS Medical Solution plays a valuable role here. A center of comprehensive medical expertise for the region, the hospital employs a staff of some 2,200 and boasts a capacity of about 750 beds. The high quality of care provided is ensured by demand-driven and interdisciplinary duty scheduling, efficient personnel controlling and lean processes. Comparisons and statistics between wards and across functions create the necessary transparency to consistently optimize processes and working times. This resulted, for example, in more efficient shift handovers, and costs of traveling have been reduced by 25 percent. Wolfgang Welling, Head of Legal & Human Resources, comments: "We have two

Image: ATOSS CUSTOMER **LEVERKUSEN CLINICAL CENTER**

objectives on our agenda: efficient processes throughout the whole company and attractive employment concepts for our staff. Our workforce management system is a crucial success factor in meeting both of these challenges." Innovative and flexible working time models for a better work-life-balance are easy to map in ATOSS Medical Solution. Self services and preferential duty rosters actively integrate the employees into staffing processes. Our app for mobile workforce management supplements traditional duty scheduling and provides a way to complete associated tasks any time, any place. Even the management and rescheduling of on-call duties can be handled via smartphone or tablet. An innovative working time concept is part of the employer branding strategy in Leverkusen. And the outcome is certainly impressive: satisfied employees, a great deal of scope for patients and a healthy company.




SPENDE
BLUT
BEIM ROTEN KREUZ
www.blutspendedienst.com

Yes, we are open!

"doc around the clock". That is Medgate's guiding principle. The **Medgate** Telemedicine Center is Europe's largest telemedicine facility, with a team of 60 employees in patient reception, 50 telemedicine assistants and 70 doctors providing patients with support for health matters around the clock, over the phone, the Internet or by video. The team handles up to 4,300 teleconsultations a day. All of which calls for efficient workflows and workforce management tailored to patient frequency. ATOSS Workforce Management helps provide qualified outpatient healthcare on a demand- and cost-optimized basis around the clock.

The Bavarian Red Cross Blood Donor Service (BSD) also operates 24/7, 365 days a year, thereby safeguarding healthcare provision. The BSD organizes 5,000 blood donor sessions a year with around 500,000 blood donations throughout Bavaria, ensuring that hospitals and doctors are fully covered. A total of 21 interdisciplinary teams, each consisting of between four and twelve staff members, need to be managed accordingly. Many factors come into play: fluctuating blood donation levels, working shifts, collectively bargained pay scales, qualifications and billing modalities. ATOSS gets to the heart of the highly complex requirements for more than 700 staff and 200 fee-based doctors. The solution enables the BSD to calculate demand linked to donors, and to provide cost-effective workforce scheduling. At the same time, employees can be more closely involved in the organization of working time. HR Director Christina Greif explains: "Blood saves lives. Bavaria alone needs 2,200 blood donations a day. In order to provide a universal supply, workforce management and logistics need to be coordinated precisely." The business intelligence tool integrated into the ATOSS solution provides the basis for meaningful management analysis and identifying further optimization potential.

Images: ATOSS CUSTOMERS **MEDGATE (top) | BAVARIAN RED CROSS BLOOD DONOR SERVICE (bottom)**

LOGISTICS

Productivity gains	20 %
Reduction of holiday accruals	70 %
Increase in service level	50 %
Capacity gains	38,000 hours / year

Company size, 7,200 employees

"Our customers expect excellent service at good terms and conditions – around the clock. This can only be achieved with efficient workflows and flexible software."

Michael C. Wisser
Chairman of the Management Board
WISAG Aviation Service Holding

Austrian Post
Austro Control
BLG LOGISTICS GROUP
Color Line
Condor
DB Mobility Networks Logistics
DHL Global Forwarding
EUROGATE
EUROGATE Technical Services
FedEx
FIEGE
FraCare Services
HOYER Group
INGRAM MICRO Distribution
Kühne + Nagel
Loxxess
Lufthansa
Lufthansa Cargo
LuxairGroup
North Sea Terminal
Nordfrost
NVV/NEW
NYK Line
S-Bahn Berlin
Schäflein
Scherm Group
Swiss International Air Lines
Vienna Airport
Ville de Luxembourg - Service des Transports
West Energie und Verkehr
WISAG Aviation Service Holding
WISAG Facility Service Holding
Witron
Zillertaler Verkehrsbetriebe
• • •

Just-in-time solutions

WISAG Aviation Service Holding provides a wide variety of ground-based transport and logistics services at ten major German airports including Berlin, Frankfurt, Hamburg, Cologne/Bonn and Munich: reliably, rapidly and efficiently. From cabin services, loading and unloading, and aircraft deicing to passenger services, ticketing, baggage sorting and air freight – there are a host of tasks that need to mesh smoothly together in the interval between landing and take-off. The company has around 4,000 employees on duty 365 days each year to ensure that turnaround proceeds without a hitch and aircraft, passengers and baggage reach their destination on time. And for this expanding services provider, doing a quality job under maximum time pressure is all part of a day's work. Tight timescales, efficient staff deployment, rapid response times and perfectly coordinated work processes all necessitate high-performance workforce management. After intensive evaluation and practical testing, WISAG Aviation Service Holding opted for ATOSS Time Control. The clearly set goals of the

Image: ATOSS CUSTOMER **WISAG AVIATION SERVICE HOLDING**

project were to bring added flexibility to the company's personnel processes, along with optimized duty rosters and group-wide transparency. At the same time, WISAG was eager to simplify system landscapes throughout the company and upgrade from home-grown programs. Varying industry-wide and sector-specific pay agreements and a large number of working time patterns and complex overtime arrangements were replicated 1:1 in the software. Relevant data from the ERP and hub control systems are also integrated into the scheduling process. Group-wide data access is regulated by a detailed concept of authorizations. The new software quickly became accepted thanks to the intuitive user guidance which made it easy for even inexperienced users to come on board. Even in the early stages of introduction, some impressive payroll benefits were achieved. The next step involves introducing the ATOSS solution for around 6,000 employees in the company's **Security & Service** business unit. However, one of Germany's largest service companies is already convinced: choosing ATOSS was a precision landing.


ICE

Destination: top employer

The **Deutsche Bahn** Group is an international mobility and logistics services provider and operates in over 130 countries worldwide. The world's second largest logistics company is aiming to be one of Germany's top ten employers by 2020. Consequently, one of the central pillars of the Group strategy DB2020 – besides economy and environment – is the HR strategy. The company has set itself the goal of increasing employee satisfaction, becoming more attractive as an employer and combating the skills shortages resulting from demographic change. The current employer campaign "A job like no other" received the Queb Award in 2013 for innovative employer branding. Deutsche Bahn has been relying on our enterprise solution ATOSS Staff Efficiency Suite for time and attendance management and workforce scheduling for over 20 years. With more than 60 clients, the company manages the deployment of around 70,000 employees in various Deutsche Bahn subsidiaries. The individual requirements of specific areas have been mapped to widely varying degrees of intensity. Up to 1,200 time management officers, dispatchers and system 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 an important component of our corporate strategy. This also includes efficient time and attendance management and optimized workforce scheduling," as Helmut Täger, Head of Human Resources Service Center, Deutsche Bahn AG, emphasizes.

Image: ATOSS CUSTOMER **DEUTSCHE BAHN**


HOYER
GROUP
STRALIS
400
IVECO

Liquid logistics

The continents are getting more closely connected, and goods are flowing faster. Every minute counts in the global growth market of transport and logistics. All of which requires smart logistics concepts, which link the various carriers to form a transport chain, and precise workforce management. The **HOYER Group** ranks as one of the world's leading bulk logistics service providers with around 5,000 employees in over 80 countries. The successful family business with sales running into billions of euros has specialized on moving liquids for the chemicals, food, gas and petroleum industries. The Petrolog business unit operates in seven European countries, supplying petrol station networks of international groups with petroleum-based products and airports with fuel. By leveraging planning synergies, the 700 vehicles comprising the tank truck fleet are used for multiple clients. The Petrolog business unit opts for ATOSS solutions to plan and manage its drivers and their equipment in Germany, Denmark, the Netherlands, the United Kingdom and now in Ireland, too. Expensive empty runs and extended waiting periods must be avoided, while at the same time complying with drivers' statutory driving and rest periods. Planning also needs to integrate factors such as qualifications, differing target working periods, shift cycles ranging from between 2 and 13 weeks, multi-shift operations, availability periods, travel times and various compensation systems. In short, planning and scheduling drivers and tankers is a highly complex undertaking. Together, we developed the principle of mobile workplaces. In other words drivers, tractor units and trailers can be planned and scheduled separately, and combined on a cost-optimized basis – enabling HOYER to remain competitive over the long term in a tough and extremely price-sensitive market.

Image: ATOSS CUSTOMER **HOYER GROUP**

Global system

WITRON plans, implements and operates highly dynamic logistics and commissioning systems for industry and the retail sector. The company, headquartered in Germany's Upper Palatinate region, has completed more than 2,000 projects in its over forty years of corporate history, and is positioned as one of the international market and innovation leaders. WITRON currently employs around 1,600 staff worldwide. Top companies from highly varied industries and sectors in Europe and North America manage their distribution centers using WITRON solutions. These include our customer **EDEKA Nord**, which is building a state-of-the-art fully automated 30,000 sqm logistics center in the German state of Mecklenburg-Vorpommern. In order to ensure the highest availability levels 365 days a year for the sophisticated systems, qualified specialists in on-site teams work round the clock and around the globe. The teams are currently based in Germany, Austria, Belgium, Finland, Norway, the United Kingdom, the USA and Canada. ATOSS Workforce Management handles the planning. Specific national laws, collective agreements and regulations are included 1:1 in the planning and scheduling. ATOSS SAP® Connector ensures seamless data exchange with the existing SAP® HCM system. The solution is deployed at WITRON in logistics, production and for the IT helpdesk. Apart from representing an important planning tool for the successful company, it has become the frontend for all tasks relating to workforce management.

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

PRODUCTION

Increased productivity by >4 %

Capacity gains 10,000 hours / year

Company size, 1,000 employees

Reduction of planning time by 70 %

Reduced planning costs by 120,000 EUR / year

Company size, 1,600 employees


Allgaier-Group

"Today, we have standardized, up to the minute deployment plans in all our production areas. At the push of a button, we can produce analyses and forecasts on capacity utilization, availability and working time balances. This enables us to react quickly and flexibly to changed schedules or demand fluctuations. Even across different divisions. Our planning quality has improved significantly – and takes considerably less time than before."

Uwe Schnell
Team Manager Car Body Production
Allgaier-Group

AHC Oberflächentechnik
AKG-Group
Allgaier-Group
apetito
BERLIN-CHEMIE
Brandstätter Group
CeramTec
CIBA VISION
Coca-Cola
DURABLE
Erdinger Weißbräu
Fränkische
GKN Driveline
GLOBALFOUNDRIES
Huhtamaki
Kann Baustoffwerke
Knauf Insulation
Kodak
Leica Camera
Leitner Ropeways
Magna Steyr
Medi
Meffert AG
MEGGLE
Mercedes-AMG
MEYER WERFT
Power Plant Mainz-Wiesbaden
Reckitt Benckiser
Rheinisch-Bergische Druckerei
Rischart
RITTER SPORT
RKW-Group
Robert Bosch Bamberg
Scherer & Trier
Schmitz Cargobull
Schreiner Group
Sektkellerei Schloss Wachenheim
TEREX Germany
The Kunert-Group
ThyssenKrupp Rasselstein
Uponor
Vetter
Voglauer
W.L. Gore & Associates
• • •

Welcome to the future

The semiconductor industry is a fiercely competitive business. Chip contract manufacturing in particular is subject to extreme cost pressure. Rapid time-to-market, innovative strengths and optimized production processes are crucial in this respect. **GLOBALFOUNDRIES**, the number two in the global market with fabs in the USA, Singapore and Germany, operates Europe's largest cutting-edge plant for chip production at its Dresden location: Fab 1. Around 4,000 highly qualified employees manufacture innovative semiconductor products on the site, especially processors for smartphone, PC and tablet manufacturers. After five years of constant investment in capacity and new technologies, the company is now increasingly shifting its focus to productivity and profitability.

Image: ATOSS CUSTOMER **GLOBALFOUNDRIES**
A JOINT PROJECT OF ATOSS AND OUR PARTNER **KWP**

This also includes future-proof workforce management. The high-tech company opted for ATOSS Workforce Scheduling with integration of its existing SAP® HCM solution after in-depth examination of all the options at hand. The aim is to optimize workforce management within production so they can respond to demand fluctuations and customer requirements even faster and more efficiently. At the same time, the company is striving to reduce the costs and input involved in HR administration. Even though full operation in Fab 1 only got underway very recently, GLOBALFOUNDRIES is already seeing the benefits in managing working times and the complex shift system. The foundations for a flexible, competitive working environment have been laid – the future can begin.

Pinpoint workforce navigation

After just 15 months under construction, the 146,600-GT (gross-tonnage) Norwegian GETAWAY cruise liner leaves the **MEYER WERFT** construction dock on route to its new American owner. The success of the Papenburg shipyard that looks back on a long tradition, is firmly rooted in its ability to deliver vessels on time and on budget. To date, it has built 37 luxury liners for customers from around the globe, including AIDA, Disney and P&O. The sheer size of the Norwegian GETAWAY is just one aspect of this impressive liner: 326 meters long, 18 decks, 15 restaurants, around 4,000 inside and outside cabins – most with balconies. The ocean liner also boasts luxurious fixtures and fittings and leading edge technology. Approximately 300,000 liters of paint were used, while a total of 2,145 km of wiring and 400 km of piping were laid. The construction of such an “ocean giant” is based on block construction; the hull comprises 74 building blocks, each

Image: ATOSS CUSTOMER **MEYER WERFT**

of which has a complete infrastructure. In this way, several work steps can run in parallel. This complex make-to-order production requires a high level of planning and flexibility matched by optimum resource management – often across company borders. A total of one million suborders are processed in the shipyard for a luxury liner, involving around 3,000 in-house employees and up to 4,000 supplier employees. The MEYER WERFT builds two to three luxury liners per business year with support from around 2,000 suppliers in total. ATOSS Workforce Management ensures smooth human resource logistics. Employee working time is planned and managed on the basis of flexible working time accounts and in up to three shifts in a demand-optimized process. Our system also manages employee, supplier and guest access to one of the world's most modern shipyards.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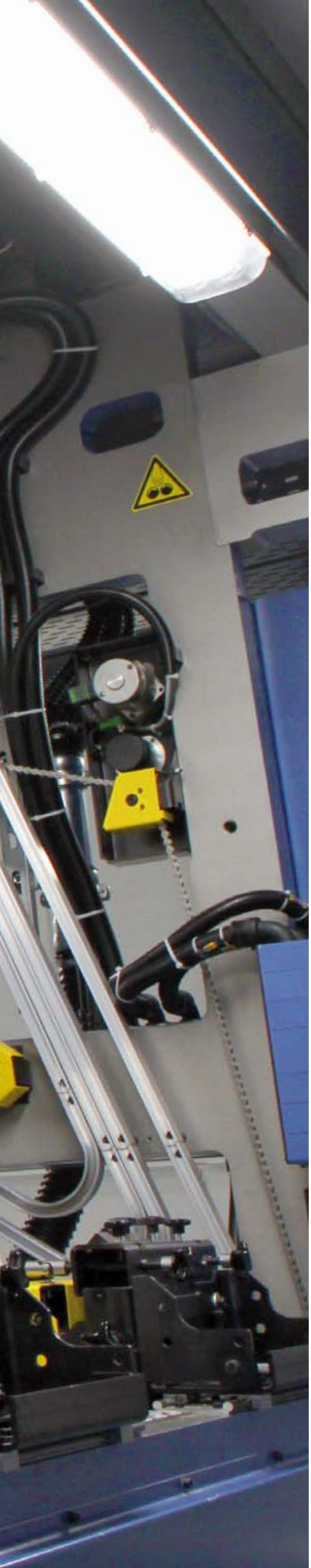
In excellent shape

Innovation, quality and customer focus have always been key to **ThyssenKrupp Rasselstein's** success. The company, a subsidiary of ThyssenKrupp Steel Europe AG, ranks among Europe's top three packaging steel producers. In Andernach in the German federal state of Rhineland-Palatinate, the world's largest production facility for packaging steel, around 2,400 employees produce some 1.5 million tonnes of tinplate or chromium coated sheet metal a year for 400 customers from 80 countries. To safeguard its long-term competitiveness, the innovative plant has adopted demand-driven and demand-specific production. Flexible operating points ensure that the company can respond rapidly at optimum costs. This calls for an agile organization and efficient management of the available workforce. ThyssenKrupp Rasselstein opted for ATOSS Workforce Management, having looked at other options across the Group. ATOSS Workforce Scheduling which is integrated seamlessly with the Group-wide SAP® HCM system, will be harnessed to plan and manage around 1,800 employees. In addition to statutory, collective agreement and company framework conditions, qualifications, working time models and special working time and group arrangements are integrated into the planning. The solution also manages the complex planning and scheduling of the around 70 man strong company fire department in an audit-proof manner. The pilot project in the rolling mill and for the fire department is already underway. "Our working time concept is geared to company requirements, customer wishes and the needs of all employee groups," explains Klaus Höfer, Head of Labor Organization at ThyssenKrupp Rasselstein. This concept provides the company with greater flexibility and efficiency in the organization, shorter response times to demand fluctuations, higher employee satisfaction and greater competitive strengths over the long term.

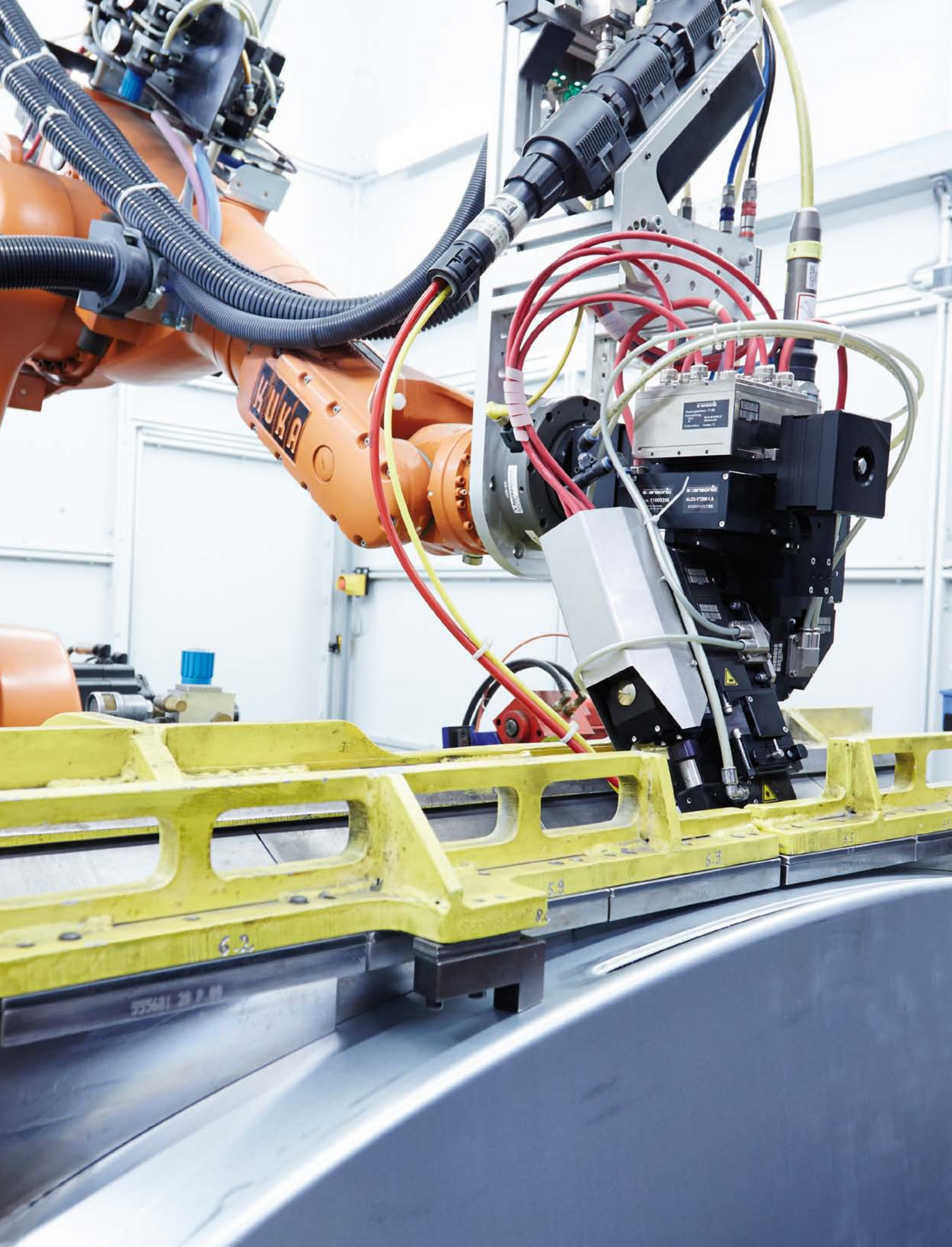
Image: ATOSS CUSTOMER **THYSSENKRUPP RASSELSTEIN**
A JOINT PROJECT OF ATOSS AND OUR PARTNER **KWP**



Good news!

Competition in the printing business is tough. If they don't get capacity right, profitability takes a hit. That's why the rotary presses are barely ever silent at the ultramodern Düsseldorf printing center of our customer **Rheinisch-Bergische Druckerei.** From Sunday through Saturday, the company produces 36 editions of the Rheinische Post with a circulation that can be as high as 380,000 in one of Europe's most modern production facilities. But it's not only Germany's second-largest regional daily newspaper that comes off the presses there. Every week the subsidiary of Rheinische Post Mediengruppe also turns out 24 different free weekly papers and other items with a circulation totaling some 2.4 million copies. Ensuring on-time delivery is also part of the service. The printing machines, the employees in the finishing department and the internal logistics facilities always work at optimum capacity. This is guaranteed by flexible working time accounts, multi-shift operation and automatic planning and control for some 200 or so staff on the floor thanks to ATOSS Staff Efficiency Suite. The Flexible Staffing Plan enables the scheduler to see at a glance whether a machine has the right number of qualified staff working it, and to respond quickly and precisely if not. Product quality and costs are therefore always under control – crucial for long-term success in a difficult market. Seamless integration into the existing SAP® system landscape was realized without a hitch with ATOSS SAP® Connector, delivering success on two fronts: investments are protected and potentials tapped to the fullest extent.

Image: ATOSS CUSTOMER **RHEINISCH-BERGISCHE DRUCKEREI**
A JOINT PROJECT OF ATOSS AND OUR PARTNER **KWP**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More drive for personnel processes

Allgaier-Group, with its headquarters in Uhingen and subsidiaries in Austria, France, Mexico, China and the US, specializes in solutions for the automotive and process industry. The Group employs a workforce of some 1,800. As leading system supplier, Allgaier Automotive guarantees customers like AUDI, BMW, Porsche and Webasto the highest level of product quality at competitive prices. The continuous optimization of processes is a fundamental success factor. So the automotive supplier relies on an integrated workforce management system. Demand-driven workforce scheduling has enabled Allgaier to minimize the time required for planning and scheduling, capacity balancing, ongoing adjustments as well as the creation of reports and analyses in production. A fast response to capacity fluctuations and standardized analyses are now a matter of course. Self services and workflows integrate employees into the management of their own working time. This raises transparency across the company and promotes personal responsibility among employees. And the process of optimization continues. ATOSS Task Management was recently brought in to assist managers in keeping defined tasks and due dates under control and reacting even faster to events. For example, the system handles operational integration management after prolonged illness. ATOSS Mobile Workforce Management gives division managers, the sales team and customer service access to relevant data, management ratios and workflows at all times, also when on the road. Allgaier is putting the pedal to the metal for a flexible and efficient working and production environment.

Image: ATOSS CUSTOMER **ALLGAIER-GROUP**


MENARINI
БЕРЛИН-ФАРМА
МЕНАРИНИ

More time for the essentials

Optimizing processes, raising transparency, promoting personal responsibility. With these objectives along with some 400 specific requirements from the various departments, the pharmaceutical research-driven company **BERLIN-CHEMIE** embarked on its workforce management project. In the interest of supporting dynamic growth with a flexible organization, the company with more than 5,000 staff across 30 European countries opted for an ATOSS solution. The international MENARINI Group's German subsidiary systematically put all of its staffing-related processes to the test. The outcome is impressive indeed: around 30 workflows, from simple vacation requests through complex overtime applications, make work much more efficient for 2,000 staff in the back office and field force, and do the same in Human Resources. Keeping paper documents and incurring archiving costs are now a thing of the past. Some 700 staff in the field are integrated in the time and attendance management system through self services. Managers can now keep an eye on the attendance and absence of their people at all times. All in all, the optimized processes add up to time savings of about 10,000 hours per year for BERLIN-CHEMIE. No wonder the in-house acceptance rate is so high. The ATOSS solution, which goes by the name of Saluti here, is now a fixed element of the German-Italian corporate culture. Top management is delighted, too, as Britta Fink, Head of Payroll and responsible for the project, reports: "Our solution creates added value on all levels. Managers and staff alike no longer need to go through routine operations. This creates additional scope and is a major motivating factor." And this recipe for success is also going into the international roll out. The new Russian production site in Kaluga is currently being integrated in the ATOSS solution – all in Russian, of course! Привет!

As the next step, BERLIN-CHEMIE plans to start using the new ATOSS Task Management module. Its aim is to simplify the management of vacation and sick leave and to serve as a management information system.

Images: ATOSS CUSTOMER **BERLIN-CHEMIE**


Safeline
Signature

The recipe for success

Since 1883 the Munich-based family-run business **Rischart** stands for quality in bakery and confectionery. Around 200 employees in production and logistics, along with 300 employees in sales ensure the bakery products are delivered on time and fresh on the table every day. ATOSS provides tailored workforce management for all areas of the business. In bakery, confectionery and patisserie an exact daily duty plan including job rotation during the course of the day ensures clear role allocation – from preparation through baking to cleaning of the machinery. The cafés and shops are supplied up to seven times a day with the company's own vehicles. Behind this well-oiled operation lies a sophisticated logistics concept with changing job cycles and rotations at workplace level. The next item on the agenda is integrating the cafés and shops. Rischart intends to enhance service even further with Automatic Duty Scheduling and cross-shop temp management. True to the company's motto: a piece of Munich's quality of life.

Best quality and rapid time-to-market are also critical to success for **RITTER SPORT**. After all, freshness is the key factor in the taste experience. Following an intensive process analysis it was clear that flexible workforce management offers a great deal of potential. The family-run business with around 1,000 employees has fully tapped this potential and sustainably optimized the production and personnel costs at its Waldenbuch location. The upshot is 80 percent fewer queries in the HR department, production planning costs down 70 percent and productive working time up 4 percent among the flexibly employed staff. Today, RITTER SPORT draws up its deployment plans on a cost-optimized basis, taking type-specific and seasonal demand fluctuations into account. Employees are actively integrated into the workforce management via self services. A regional pool of around 50 specialist staff is available to handle work peaks without incurring quality losses. And the integrated access solution also means RITTER SPORT is ideally equipped to obtain certification to IFS Food V6. At present, the company is rolling out the new ATOSS Training Management – and is gaining even more time and expertise for manufacturing those delicious chocolate squares.

Images: ATOSS CUSTOMERS **RISCHART (top)** | **RITTER SPORT (bottom)**


7

World champion

ATOSS solutions are equipped for use around the world. They can be easily adapted to fit the legislation and regulations of individual countries. The expanding **Brandstätter Group** with production facilities in the Czech Republic, Germany, Malta and Spain, and about 4,100 employees is one of the beneficiaries of this capability. Germany's largest toy manufacturer is a byword for premium quality "Made in Europe". The company not only produces the worldwide famous **PLAYMOBIL** toy sets, but also started making the innovative LECHUZA self-watering planters over ten years ago. ATOSS Workforce Management is presently at use in Canada, France, Germany, Spain and the United Kingdom – with more countries being added all the time. The state-of-the-art plant in Dietenhofen (Germany) has only just been integrated into the solution. The logistics centers and the PLAYMOBIL Fun Parks have been managing their employees with our software for many years. And we also helped get the premiere of Europe's first PLAYMOBIL Fun Store in Munich off to a flying start by ensuring the desired service level – adding a bit of fun to workforce management in the process!

Image: ATOSS CUSTOMER **PLAYMOBIL**

NETWORKS


KYOCERA


HINTER
STODER
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STODER

We believe in networks

Global markets call for networked action. This premise is especially applicable to the software industry. Together with our partners, we are exploring new avenues and expanding our strong position in the market. In this way, we are able to bundle resources and expertise in order to provide our customers with the best solutions. Whether it's expertise relating to particular industry sectors, IT or process know-how, complementary software or innovative safety and access concepts – in our network we have the partners who speak the language of our customers and our software. This has been our guiding principle in the last few years in establishing a powerful ecosystem in our market – with over 50 partnerships and alliances.

With **MICROS** we have entered into an international sales alliance for the retail trade. We are the preferred partner of **DATEV**, with tested interfaces that seamlessly connect our solution for medium-sized companies, ATOSS Time Control, to DATEV's payroll systems. For many years, **Bosch Sicherheitssysteme** has relied on ATOSS solutions to complement its own product range. Together with established SAP® partner, **KWP Kümmel, Wiedmann + Partner**, we have developed the ATOSS SAP® Connector which joins ATOSS Workforce Scheduling to SAP® HCM, opening up an exciting market for both of us.

Our aim is to focus even more on developing the growth market of workforce management – both at home and abroad. In this context, we are pursuing a strategy of partnerships and alliances with companies that represent 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 offered by a listed company. By joining forces, we are generating added value for our customers.

Image: ATOSS CUSTOMER **LEITNER ROPEWAYS**


BOSCH
BOSCH

A sure thing

"The market for workforce management offers exciting perspectives. With ATOSS software, we can offer our customers a technologically and functionally high-end solution for all aspects of time and attendance management and workforce scheduling that perfectly complements our own portfolio of customized, innovative security systems. Also, our longstanding partnership has shown that our corporate philosophies are a good match, with shared success being the stated aim. We have completed many successful projects in a wide range of industries with ATOSS solutions over the years. And we see a great deal of potential for the future."

Bernhard Kempf
Head of the Sales Unit in North Rhine-Westphalia
Bosch Sicherheitssysteme GmbH

Image: ATOSS PARTNER **BOSCH SICHERHEITSSYSTEME**


r@tiodata
ATOSS Staff Efficiency Suite

Workforce Management as a service

Partnerships with added value are part of our corporate philosophy. **Ratiodata**, a company belonging to the GAD-Group, offers an example of such added value. With around 450 staff, it is one of the top 20 largest system houses and IT service providers in Germany. The complete portfolio of ATOSS Workforce Management is made available in their computer center on the basis of software as a service. More than 200 companies, among them many banks and cooperatives, are already relying on this service. And the trend is on the way up. Thanks to the modular design and unlimited scalability of our product suite, Ratiodata is able to offer solutions for all sizes of companies and a wide variety of demands. A company with around 1,000 employees has access to the defined functionality within three to four days. The working times of more than 35,000 people are currently managed in the Ratiodata computer center, at a simple mouse click and exactly when the service is needed.

Managing Director, Klemens Baumgärtel: "The demand for cloud solutions in the human resources environment is growing. It is our perception that interest in the area of workforce scheduling in particular is increasing. With ATOSS we have a solution in our product range that meets all the demands of modern workforce management and provides the perfect complement to our own product range. Our customers are the winners." Meanwhile, throughout the GAD-Group, more than 4,000 staff are also using the solution themselves for managing their working time. In addition, workforce scheduling is being used at Ratiodata in the service, logistics, production and IT areas. Besides optimized personnel costs, there is a further effect which is especially important to our partner as a "Top Employer 2013" – the resulting motivation boost in the team since the planning process takes personal interests into account.

Image: ATOSS PARTNER **RATIODATA front row from left to right Markus Nieland, Heinz Voss, back row from left to right. Klemens Baumgärtel, Mario Voß, Thomas Hellweg**

ABOUT US

Workforce Management is our métier

More than 25 years of experience in workforce management and around 4,500 successful projects – that is intellectual property that we are rightly proud of, and the essential precondition for sustainable value creation. A powerful know-how for our customers. More than ten years ago, we developed an algorithm for the automatic optimization of workforce scheduling. Today, that algorithm forms the core of our software and is continuously improved. The results are forecasts and plans that are significantly more precise than possible with ordinary tools. And that is exactly the factor delivering the decisive edge in day-to-day business. Thus, our customers are able to master the increasing complexity characterizing modern workforce management. Our product suites combine the most

advanced technologies with value adding functionalities – rigorously aligned with market demands. And we never cease to improve. In 2013 alone, we implemented more than 600 new functions and extensions to our Enterprise Solution. Every day, more than 130 R&D and Product Management employees work at ATOSS to create advanced solutions for our customers. Agile development processes ensure that enhancements and innovations are quickly put into practice. This is what makes our software products state-of-the-art and keeps us that decisive step ahead. Today, we rank among the most successful medium-sized companies in Germany: in a long-term comparative study Munich Strategy Group and "Die Welt" put us in the top 100.

Image: **ATOSS**

team@work

As a thought leader of a human economy, we are shaping working environments to the benefit of companies, their employees and society at large to benefit from the transformation of the working environment. We are making it possible to work more creatively, more intelligently and more humanely, thereby revolutionizing the interaction of economic efficiency and human factors. Our vision is the driving force behind the sustainable and successful development of ATOSS – and it is what motivates our team. It also forms the basis of our own personnel work. We know how the direct connection between our staffs' commitment and ATOSS's innovative strength and capabilities creates added value for our customers. Which is why we focus and rely on individual responsibility, innovation, expertise, fairness and performance. To support this goal, we create a productive working environment comprising flat hierarchies, short decision-making paths, teamwork, an entrepreneurial approach,

and participation in success and profitability. ATOSS staff influence their professional perspective through performance and commitment, and also determine ATOSS's growth prospects on the workforce management market – both nationally and internationally. Our mission is to establish a stronger presence on international markets. Our Sales, Consulting, Marketing, Product Management, R&D and Service Areas offer varied entry positions and excellent development potential. We put into practice a corporate culture that supports commitment and team spirit, and rewards performance. Helping to shape future working worlds – a fascinating challenge, a meaningful task and a major responsibility. Our employees accept this responsibility with expertise, experience, and with great enthusiasm – day after day. And they make a difference.

Image: **ATOSS**


atoss.com
A. Obereder
atoss.com

We speed up processes

The complexity of process worlds is steadily increasing: Dynamic competition, advancing product diversity, global procurement and sales markets, rising material and raw material costs, and shorter development cycles are forcing companies to find suitable, fast responses to market demands. This requires processes which are – figuratively speaking – elastic. This applies particularly to personnel processes. Ultimately, managing complexity and change is a matter of personnel – an area offering tremendous potential for greater value creation: 22 percent fewer provisions on the balance sheet, 15 percent lower personnel costs for the same amount of staff and 11 percent higher sales. These figures from current ATOSS projects show just how impressive the benefits actually are. We draw on our practical experience and market expertise to support our customers in optimizing processes revolving around workforce management and tap latent potentials in companies. An integrated processes and potential analysis has been the starting point for numerous projects such as those at BASLER, Douglas, Kastner & Öhler, RITTER SPORT or Starbucks. Together, we identify the areas in the process chain with the greatest optimization requirements, and make them future-proof in harmony with the corporate strategy. For unlike products, processes cannot be copied. In a world dominated by plagiarism processes are an indispensable means to achieving differentiation and success in global markets.

Image: **ATOSS**

At ease in the world, at home in Germany

Our solutions are “Made in Germany,” but they are equally at home wherever our customers focus on higher productivity in workforce management. Whether the EU, Japan, South Africa or USA – ATOSS solutions are at work in 31 countries and eight language versions today. They manage the working time of around 2.8 million people. And the trend is on the way up. Our customers speak French, Russian, Swedish, Spanish, Czech or English – we speak Workforce Management.

Professionals tasked with the management of staff in more than one country are well aware of the fact that the challenges legislative requirements in different countries present for international workforce management are as multifaceted and complex as the countries and languages are diverse.

This is a challenge our solutions master with ease. Not only because our software is multilingual, but also because complex legislation and working time regulations are integrated as set standard – whether it is Austria's highly complex collective agreement or Sweden's demanding parental leave regulations. A seamless connection to country specific payroll systems is standard procedure for us and our software. ATOSS consultants, among them many internationally accredited project managers, understand their business and create added value that knows virtually no boundaries.

Global players such as Eddie Bauer Inc., Jeppesen, HOYER, HORNBACH, Lufthansa, PLAYMOBIL, PUMA, s.Oliver, Tommy Hilfiger, WITRON and W. L. Gore & Associates rely on us around the world. After all, our solutions show their genuine strength when deployed internationally.

Image: **ATOSS**

ATOSS
Walk of Fame
Award 2013
ATOSS
Walk of Fame
Award 2013

Designed for the future

Others talk of innovation. We invest. High level software development quite simply calls for continuous commitment. That is why every year around 20 percent of our revenue is committed to R&D. Specifically, that means a total investment of 81 million euros in our product suites. According to a study drawn up by the EU Industrial R&D Investment Scoreboard, we are the No. 1 in Europe in terms of investing in future-proof workforce management systems. And that policy pays off. ATOSS solutions are state-of-the-art as far as functionality, technology and benefits are concerned. A few examples?

The new **ATOSS Annual Planning** module gives companies a clear view of the long-term course of their personnel capacity / demands enabling them to develop alternative action plans and take control by intervening early. **ATOSS Task Management** proves its worth as a smart agent in daily operations. By way of a push function the tool actively supports freely definable tasks, supplies pre-filtered information and acts as a personal advisor. For example, managers receive a warning if working time limits are exceeded, fixed-term employment contracts expire or occupational rehabilitation measures are due.

ATOSS Training Management enables easy con-trolling and steering of internal and external trainings – a subject which is becoming increasingly important in times when qualified employees are in short supply. Any new employee qualification automatically becomes available in workforce scheduling and can be directly included in the planning process. **ATOSS Qualification Management** registers and monitors existing qualifications, makes expertise visible and identifies areas where action is needed. This creates transparency for professional knowledge management and strategic personnel planning. Our **Mobile Apps** provide real-time data, key indicators, planning functions and self services on smartphone, tablet, etc. and prepare companies for the mobile working worlds of tomorrow. **ATOSS Cloud Solution** gives our customers more time and space for core competences, as we take care of hosting and managing the ATOSS solution.

What drives us? The commitment to secure our customers' long-term competitiveness with our sustainable workforce management solutions. That is what we work towards with passion.

Image: **ATOSS**

ATOSS

FINACIAL REPORT 2013

CONTENTS
FINANCIAL REPORT

LETTER TO SHAREHOLDERS

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

Dear Shareholders,
Customers, Business Partners and Colleagues,

ATOSS Software AG has continued to achieve record performance in 2013. In the past eight successive record years our overall sales have increased by 74 percent, while sales of software licenses have risen by 88 percent. Over this same period we have acquired over 1,400 new customers and increased our international presence: ATOSS solutions are now in use in 31 countries worldwide.

Moreover, in the last financial year ATOSS Software AG increased the average growth rates in the preceding record years in overall sales and in its core software business, as well as continuing to develop its profitability at an operational level. And with more than 175 new customers acquired in 2013, we again outperformed the excellent developments in previous years.

This outstanding success is a product of our long-term strategy to tap the growth market for workforce management, a strategy which is itself founded on innovation, technology and maximum customer benefits.

Workforce management – a future market with substantial growth horizons

As the pressure to increase productivity inexorably rises, human resources must be deployed with economic efficiency and precision. Employees are increasingly eager to play a part in structuring their own working hours along ever more flexible lines, while companies themselves face ever stricter statutory requirements and other regulatory conditions in this regard. These developments underscore both the comprehensive challenges facing corporate managers and the huge potential in the market for workforce management. This is precisely the point at which ATOSS Software AG offers solutions for companies of all sizes and in a wide variety of sectors. ATOSS solutions present contemporary answers to the manifold requirements of our customers and deliver measureable benefits.

To cite an example, introducing ATOSS solutions in the retail environment has the potential within a minimum of time to yield substantially higher sales as a result of the improvement in service levels with an improvement in results in the order of 50 to 10 percent, while affording maximum flexibility. The decisive distinguishing factor is the availability of staff on the floor – planned and optimized to meet demand. According to a survey by business consultants Porsche Consulting and Forsa, 66 percent of customers avoid retailers by whom they have been poorly advised; 81 percent of retail customers who receive poor advice are likely to spontaneously dispense with a purchase despite a firm intention to buy. ATOSS workforce management solutions lead to a substantial improvement in service levels without increasing costs, thereby resulting in significant, measureable improvements in earnings.

Similar potential for optimization is to be found in other sectors ranging from transport & logistics via manufacturing through to service providers, the health sector and public services. In manufacturing, for example, software-supported initiatives to improve the flexibility of working hours are capable of boosting employee productivity by more than 5 percent.

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

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 (2013) survey undertaken by the European Commission among the top 100 European software manufacturers, ATOSS is a bigger investor in R&D than any other company specializing in workforce management. These investments continue to deliver sustained results.

Our particularly powerful algorithms designed to project personnel requirements and generate demand-optimized staffing schedules, developed over more than 10 years and consistently optimized to meet the needs of our customers and their diverse requirements, are just one example of the first-class features that distinguish ATOSS solutions. These algorithms can forecast personnel requirements with an accuracy of plus/minus 2 percent, representing a real competitive advantage for our customers.

Other current examples include the ATOSS SAP® Connector which enables the large group of SAP® users to access ATOSS personnel resource planning solutions, as well as innovations in the fields of business intelligence and mobility. These latter developments enable the use of smartphones and tablets, reflecting the rapidly increasing global importance of mobile working. ATOSS solutions integrate smoothly into our customers' changing worlds of work, offering support in meeting all of the challenges posed by workforce management.

Excellent growth prospects for ATOSS

The market for workforce management continues to offer substantial potential for growth. In an environment in which business models are changing rapidly, the requirements of businesses themselves are growing. They face a rising need to improve their productivity and increase flexibility while at the same time reducing operating costs. As a consequence, the demand for workforce management solutions is growing. ATOSS is excellently positioned in this market environment.

The highly positive development in business in recent years and the outstanding quality of our balance sheet are proof that our strategy is correct. We have grown in terms of products, markets and the sectors we serve and we enjoy an excellent global position. We regard last year's new record figures as an incentive for the future and we believe ourselves to be outstandingly well placed. Analysts at the technology market research and consulting company TechNavio confidently predict average annual growth rates in excess of 11 percent in the global market for workforce management through to 2015. 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.

Yours sincerely,

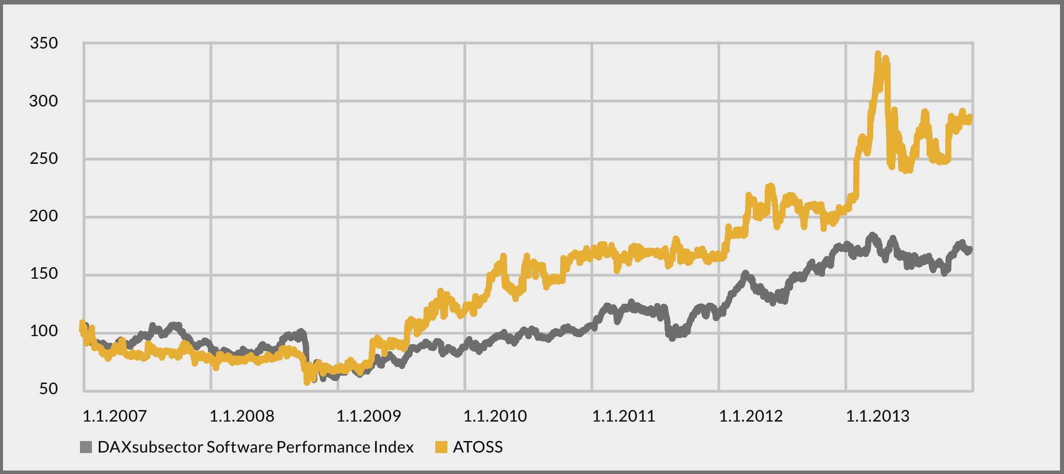
Andreas F.J. Obereder
Chief Executive Officer

Christof Leiber
Member of the Board of Management

INVESTOR
RELATIONS

ATOSS stock remains an attractive investment

Stocks from 2007 to 2013



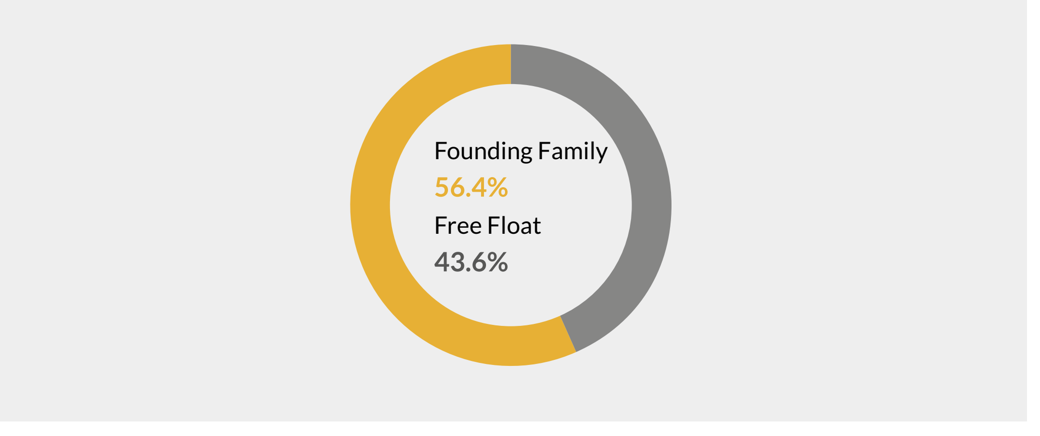
2013 marks new highs for stock market indices and ATOSS

The markets developed very dynamically in 2013, with Germany's principal stock market barometer, the DAX, rising 25 percent from a starting point of 7,612 points to end the year at 9,552. In fact, late December 2013 saw a new all-time high of 9,594. Other important indices, too, recorded substantial increases, among them the FTSE 100 and the Dow Jones. Britain's FTSE 100 put on 14 percent between the beginning of January and the end of December, while America's Dow Jones added 27 percent. At the year end the yield on 10-year Bunds stood at 1.94 percent, while bonds issued by Germany's SME's returned an average of 7.1 percent.

ATOSS stock also matched its highest listing to date, reaching EUR 36.30 (in Xetra trading) at the end of March, by which time the price had risen by 75 percent since the beginning of the year. Over the year as a whole, the stock gained 38 percent, in addition to a dividend of EUR 0.72 and a special distribution of EUR 2.90. Overall, our shareholders saw their investment increase by 55 percent in the course of 2013. Over the same period the comparative DAXsubsector Performance Index recorded a rise 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 179 percent (not taking into account special distributions), whereas the DAXsubsector Performance Index put on 75 percent in the same period.

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	5.06%	27.01.2012
IFM Independent Fund Management AG	3.27%	20.03.2012
Investmentgesellschaft für langfristige Investoren TGV	5.004%	28.10.2013

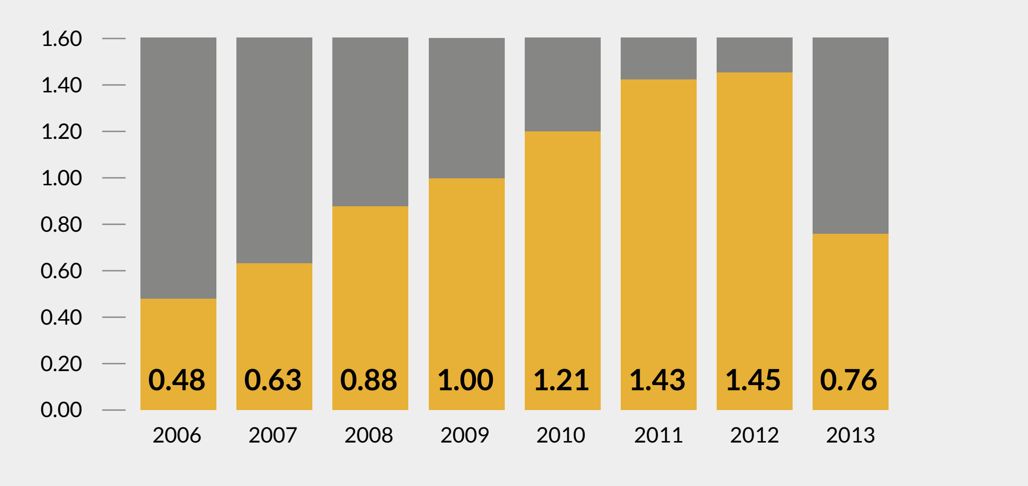
Capital market-oriented figures
(in EUR, unless otherwise specified)

		Reporting Period 2013	Previous year
Market Price			
at the financial year-end		28.56	20.75
Number of shares (Dec. 31.)		3,976,568	3,976,568
Market capitalization in million EUR	as of 30.12.	113.57	82.51
Earnings per share in EUR		0.76	1,45

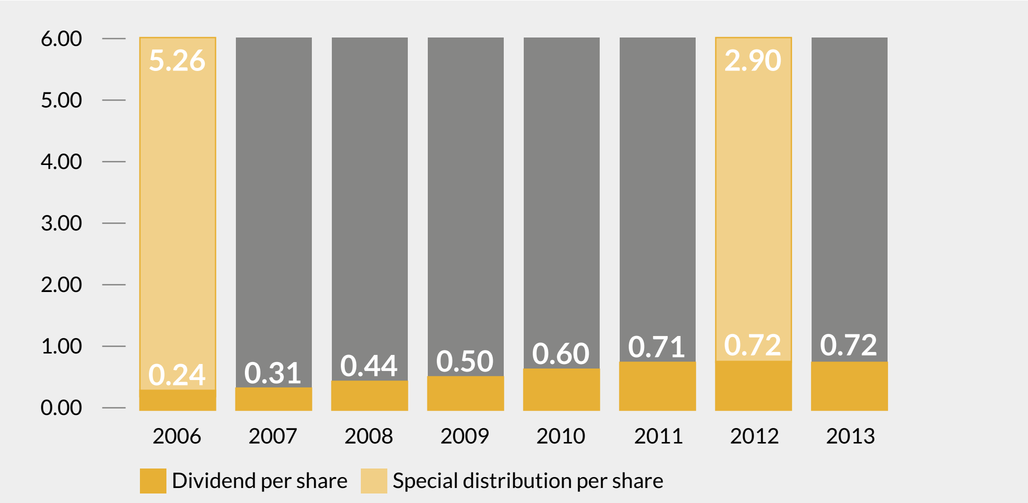
Based on the results for 2013 the average price/earnings ratio amounted to 35.3 with liquidity of EUR 3.83 per share at the year-end.

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 made in the financial years 2006 and 2012.

EPS as of 31.12. (EUR)



Dividends and Special distribution per share



Against the backdrop of this highly positive business development, the dividend is expected in cash terms to remain at last year's high level. The Management Board proposes to raise the dividend rate and pay a distribution of EUR 0.72 per share. 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 safe-guarding 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 30, 2014. Provided that the meeting adopts the proposal, based on the (XETRA) closing price of EUR 28,56 on December 30, 2013, this puts the dividend yield at 2,5 percent. In the previous year due to the substantial special distribution of EUR 2.90 paid in addition to the actual dividend, the yield stood at 17.4 percent.

Analysts emphasize strengths and opportunities

The course of business and the company's dividend policy serve to confirm analysts' previous assessments of ATOSS stock. The substantial growth in sales, 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 is strongly and robustly placed in an attractive market. The company is defined not just by continuous, highly profitable growth: Thanks to its substantial expenditure on research & development, it also enjoys technological leadership in its field. What's more, an excellent balance sheet structure and a sound reputation among prominent customers both speak to the company's future, as does the protection against predatory competitors afforded by the complexity of workforce management. The short amortization period also makes investment decisions all the eas-ier 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. Cost pressures, too, are causing companies to turn to software programs with which to avoid expensive overstaffing, overtime or other scheduling errors.

Analysts at Warburg Research have regularly reviewed the company's development during the reporting period. The complete analyses by Warburg Research are available on the Internet at http://www.atoss.com/unternehmen/investor-relations/aktie/analystenberichte/2013.

Media response to ATOSS remains positive

The name ATOSS is a byword in the media for profitability, sustainability and an open communications policy. In October, following a nationwide survey covering all sectors, the Munich Strategy Group (MSG) in cooperation with the newspaper Die Welt highlighted Germany's most successful small businesses. In a direct long-term comparison with some 3,000 companies, ATOSS Software AG ranked among the top 100. The results of the survey are remarkable, with SMEs in Germany recording parameters such as growth and success rates that put them clearly ahead of large corporations. The high-growth companies that scored best in the rankings were distinguished in particular by their powers of innovation and service levels. [1]

1 "Deutschlands erfolgreichste Mittelständler"
Die Welt, 27.10.2013

SUPERVISORY BOARD REPORT

ON FINANCIAL YEAR 2013

Peter Kirn
Chairman of the Supervisory Board

Dear Shareholders,

The 2013 financial year was very successful for ATOSS Software AG, as the company maintained its continuing positive development for the eighth year in succession. The Supervisory Board has advised and supported the Management Board in directing the business. We have overseen the measures taken and fulfilled all of the tasks incumbent upon us in accordance with the law and the company's articles of association as well as the German Corporate Governance Code and our own rules of procedure. The Board was also integrated into all decisions of a fundamental nature. The Management Board has kept us regularly, fully and promptly informed, verbally and in writing, of all material aspects of the development in business, including the current earnings situation, risks and risk management. At no time did we have cause for complaint regarding either the due and proper nature or economic efficiency of the company management.

Decisions made by the Supervisory Board were reached on the basis of extensive reports and proposals by the Management Board. In addition we were kept informed, also outside of meetings, of projects and events of material importance or urgency. We also resolved upon those matters required of us in accordance with the law or the company's articles of association. 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 2013 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 2013

Four ordinary meetings of the Supervisory Board were held in the reporting period. With the exception of the meeting on March 5, 2013, all meetings were attended by all members of the Supervisory and Management Boards. Supervisory Board member Mr. Richard Hauser sent his apologies on this occasion and in accordance with a resolution by the Supervisory Board participated in the voting by written ballot cast on the day of the meeting.

Principal subjects of discussion at the meeting on March 5, 2013

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 2012. The Supervisory Board approved the annual financial statements for the Group and company for financial year 2012 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 2012. The discussion also extended to the agenda for the annual general meeting on April 26, 2013 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 course of business.

Principal subjects of discussion at the meeting on April 26, 2013

This meeting of the Supervisory Board took place following the 2013 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. Former Supervisory Board member Mr. Richard Hauser did not stand for reelection. The Supervisory Board thanks Mr. Hauser for his many years of faithful cooperation for the benefit of ATOSS Software AG. 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 25, 2013

At the third meeting of the Supervisory Board during the year, the Management Board reported to the Supervisory Board on the economic development of the company (including current plans), the net assets, financial position and earnings situation and current developments in sales and marketing.

Principal subjects of discussion at the meeting on December 3, 2013

In addition to the Management Board report on the current course of business, the main focus of the last Supervisory Board meeting of the year was on sales and earnings projections for financial year 2014. 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 2013.

Item 4 on the agenda included an elucidation of the company's risk report and the accompanying statement by the Management Board. The Supervisory Board resolved that the Management Board should continue to submit its explanatory reports at two Supervisory Board meetings per financial year.

The 2013 declaration of compliance with the German Corporate Governance Code as amended on May 13, 2013 was also approved at this meeting and published on December 4, 2013 on the company's web site (www.atoss.com). The last item on the agenda was the newly formulated contract with the CEO, Mr. Obereder. The Supervisory Board appointed Mr. Obereder to the Management Board of ATOSS Software AG for a further five years commencing January 1, 2014.

Appointment of auditors and conduct of audit

At the annual general meeting of ATOSS Software AG held on April 26, 2013 in Munich, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft Stuttgart (Munich Branch) was elected as auditor for the financial year 2013. 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, 2013 as well as the consolidated financial statements and consolidated management report to December 31, 2013 and awarded an unqualified audit certificate.

Supervisory Board meeting on March 4, 2014 to adopt the financial statements

The Supervisory Board received the annual financial statements, consolidated financial statements and management reports for financial year 2013 from the Management Board for examination in good time prior to the meeting. In addition the Supervisory Board also received the 2013 dependence report confirming that no transactions took place in financial year 2013 between ATOSS Software AG and AOB Invest GmbH or companies associated with AOB Invest GmbH that were unreasonably disadvantageous to the company. The report further determined that the company receives an appropriate return under the terms of the new contract with Mr. Andreas F.J. Obereder, who holds all of the shares in AOB Invest GmbH.

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 Board of Management 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 2013 was also discussed and agreed and the agenda for the annual general meeting on April 30, 2014 was approved. The members of the Supervisory Board having notified the Management Board at the meeting to adopt the financial statements that they intend to stand down at the end of the annual general meeting and offer themselves for reelection, the agenda includes the election of all Supervisory Board members. This step follows on from the alteration to the articles of association adopted by the shareholders at last year's annual general meeting in accordance with which it is in principle possible for members of the Supervisory Board to serve for a shorter term of office.

ATOSS Software AG can look back on a successful financial year in 2013. It is to the company's employees and to the Management Board that this success is attributable. We would like at this point to thank them all for their hard work and we look forward to our continuing cooperation!

Munich, March 2014

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.
Mr. Kirn holds 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 since April 26, 2013
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)

Richard Hauser

Member of the Supervisory Board until April 26, 2013
Managing director of milon industries GmbH, Grünwald
Mr. Hauser holds no other supervisory board positions.

GROUP MANAGEMENT REPORT FOR 2013

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.

Headquartered in Munich, ATOSS Software AG also has offices in Frankfurt, Hamburg, Stuttgart and Meerbusch, as well as its subsidiaries ATOSS CSD Software GmbH in Cham, ATOSS Software Ges.m.b.H. in Vienna, ATOSS Software AG in Zürich and ATOSS Software SRL in Romania.

The company's software solutions are currently deployed in 31 countries worldwide and 8 languages. Around 4,500 customers ranging from SMEs to blue chip corporations now use workforce management solutions from ATOSS Software AG.

2. Group Basics

Economic climate

After losing significant momentum in 2012 as a result of the euro crisis, the global economy has stabilized in the course of the year to date. Global industrial output and trade has grown in the current year, though the growth rates have been more moderate than in previous periods. What's more, in contrast to last year there has been increased momentum emanating from the industrialized countries. Germany, too, has seen continuing moderate growth. The Federal Government and the Bundesbank are therefore forecasting a slight decline in economic growth in 2013, from the 0.7 percent seen in the previous year to a probable 0.5 percent.

The business climate index for manufacturing industry in Germany has continued to improve during this calendar year. While companies take a slightly less positive view of their current business situation, they once again look forward to the future with significantly more optimism than in the previous year. This development is also reflected in the index published by the ifo Institute which in December was around 5 points higher than in the year before.

Sector environment and market background

The software segment has experienced a positive development in growth relative to the year before. According to the market outlook published by industry association BITKOM, the software industry is recording growth of 4.9 percent (previous year: 4.4 percent).

This development both in the IT environment and in the economy as a whole notwithstanding, ATOSS has once again succeeded in 2013 – for the eighth time in succession – in achieving record sales and operating results. Sales revenues rose by 8 percent in 2013, while EBIT climbed 11 percent. The company also generated growth of 8 percent relative to the year before in its core software business. At EUR 4.3 million, EBT was 49 percent lower than in the year before, due essentially to the non-recurring effects of realizing losses on the sale of gold holdings and the cost of an impairment.

Orders received for software licenses at EUR 7.2 million were once again at a high level (previous year: EUR 7.5 million). Orders on hand for software licenses at EUR 3.5 million, contingent on the closing date, were slightly below the previous year's figure of EUR 3.8 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 working time management (WTM) and personnel resource planning (PRP). 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.

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

Since the inception of the company, ATOSS has pursued a vision of providing solutions which 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 experienced by its customers 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 which 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 scheduling, 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 that highlight the qualifications of available personnel, thereby facilitating rapid planning, scheduling and deployment. Short-term as well as 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 operational requirements, wage agreements and statutory 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 ATOSS customers 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 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 2013 ATOSS achieved sales amounting to EUR 35.5 million (previous year: EUR 33.0 million) with an operating profit of EUR 8.4 million (previous year: EUR 7.6 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 2013 with revenues rising 8 percent to EUR 21.8 million (previous year: EUR 20.1 million). The proportion of sales accounted for by software stood at 62 percent (previous year: 61 percent).

Software maintenance sales during the year rose by 9 percent to a total of EUR 14.3 million (previous year: EUR 13.2 million).

Sales of software licenses at EUR 7.5 million were also up on the previous year (EUR 7.0 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 7.2 million were slightly below the previous year's figure of EUR 7.5 million. A total of 9 percent (previous year: 4 percent) of orders received related to long-term production orders.

Orders for software licenses on hand at the end of 2013 remained at a high level of EUR 3.5 million (previous year: EUR 3.8 million), providing an excellent starting point for the year 2014. Some 16 percent (previous year 11 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

The company achieved moderate growth in consultancy revenues relative to the year before. Sales in 2013 at EUR 9.0 million were up by 3 percent on the year before (EUR 8.7 million) and equated to 25 percent (previous year: 26 percent) of total turnover.

Development in hardware and other sales

Hardware sales in 2013 generated revenues of EUR 3.4 million, up by 26 percent on the year before (EUR 2.7 million), equating to 9 percent of total turnover (previous year: 8 percent). Other sales, the heading under which notably identification media and customer-specific programming services are reported, amounted to EUR 1.3 million, down by 10 percent from EUR 1.5 million in the year before. As a proportion of total sales, this amounted to 4 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 2013 this applied to 10 orders (previous year: 9) which were realized in accordance with the progress of the project in the amount of EUR 2.1 million (previous year: 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 2013. 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 2013 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 potential for growth 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 which 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 need 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), which 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 2013 amounted to EUR 7.5 million (previous year: EUR 7.1 million). The bulk of this figure in the amount of EUR 5.9 million (previous year: EUR 5.7 million) was accounted for by the personnel costs for 126 (previous year: 118) software developers. R&D expenditure as a proportion of overall sales amounted to 21 percent (previous year: 22 percent).

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

Subsidiaries and international business

All of our subsidiaries continued to record positive development in 2013, with all companies posting a positive year-end result. As in the previous year, the proportion of Group sales accounted for by our international business in 2013 amounted to 9 percent.

Employees, development in personnel

In financial year 2013 the Group employed an average workforce of 280 (financial year 2012: 270). Of these, 125 (previous year: 118) were active in product development, 72 (previous year: 71) in consulting, 41 (previous year: 39) in sales and marketing and 42 (previous year: 42) in administration. Personnel costs in 2013 rose to EUR 17.0 million, slightly higher than the figure of EUR 16.3 million for the preceding year.

On December 31, 2013 the company employed 3 trainees (previous year: 4).

Corporate management and steering

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

Until the end of the annual general meeting on April 26, 2013 the Supervisory Board was comprised of Peter Kirn as Chairman, Rolf Baron Vielhauer von Hohenhau as Deputy Chairman and Richard Hauser. Following new elections, subsequent to the end of this annual general meeting the Supervisory Board in 2013 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 2013 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 May 13, 2013 by the Government Commission on the German Corporate Governance Code.

On December 3, 2013 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 web site. 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). In respect of one member of the Management Board, ATOSS Software AG will not be in a position to agree a self-insured deductible until his contract expires on December 31, 2013. This matter will be addressed when the new contract is concluded with effect from January 1, 2014. 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. Section 4.2.3 of the German Corporate Governance Code reflects the legal situation revised in 2009 under which supervisory boards will in future be required to ensure that variable elements of the compensation paid to management board members are as a matter of principle calculated on a multi-year assessment basis. The German Corporate Governance Code also recommends that variable components of compensation should be structured to take account of both positive and negative developments. This is currently provided for in only one of the two Management Board contracts. The company is not in a position to intervene in existing contracts with the Management Board. However new contracts to be concluded with renewal date of January 1, 2014 will be modified in line with current statutory requirements.

- 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.

- 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 accordance with the German Corporate Governance Code (Section 5.4.3) it is recommended that supervisory board members should be elected individually. In the interests of an efficient voting procedure the members of the Supervisory Board have thus far been elected en bloc at the annual general meeting of ATOSS Software AG. No shareholder present at the meeting has objected to this procedure. The company therefore intends when such votes take place to continue to follow this procedure.

  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 as of the German Commercial Code (HGB) is published on the company web site at http://www.atoss.com/de/unternehmen/investor-relations/corporate-governance/2013/Documents/ ATOSS_Entsprechenserklaerung_2013-12-04.pdf

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, 2013 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 26, 2013 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 than 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 26, 2013 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 20, 2012 regarding the repurchase of own shares was revoked at the general meeting on April 26, 2013. 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. mbH, Vienna, ATOSS Software AG, Zürich, ATOSS CSD Software GmbH, Cham, and ATOSS Software SRL, Timisoara, the parent company ATOSS Software AG of Munich also has business premises in Frankfurt, Hamburg, Meerbusch and Stuttgart.

3. Business Report

Earnings

The earnings situation in financial year 2013 was principally defined by an increase in overall sales revenues which rose to EUR 35.5 million (previous year: EUR 33.0 million). Costs – without taking into account sales input – rose by 6 percent to EUR 24.0 million (previous year: EUR 22.7 million). As a result, taking into account continuing investments in sales and marketing and development, the company maintained its profitability with an EBIT margin on a par with the previous year. .

The essential key figure determining the success of the company's operating performance, namely its earnings before interest and taxes (EBIT), was improved from EUR 7.6 million in the preceding year to EUR 8.4 million. The return on sales represented by EBIT stood at 24 percent (previous year: 23 percent).

Earnings before taxes (EBT) amounted to EUR 4.3 million (previous year: EUR 8.5 million), under the impact of negative financial earnings resulting from non-recurring factors. Financial expenses were increased in particular as a result of losses realized on the partial disposal of gold holdings in the amount of EUR 1.9 million and write-down's on the remaining holdings in gold in the amount of EUR 2.4 million.

As a consequence of the non-recurring effects described, net income came for the year in at EUR 3.0 million (previous year: EUR 5.8 million). Earnings per share declined to EUR 0.76 (previous year: EUR 1.45).

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 2013:

The cash flow from business operations for the period from January 1 to December 31, 2013 amounted to EUR 8.3 million (previous year: EUR 3.4 million) and was thus EUR 4.9 million higher than in the year before. Liquidity (cash and cash equivalents) rose from EUR 8.9 million to EUR 10.4 million. However the position as a whole comprising liquidity and other current and non-current financial assets (e.g. gold, equities) was reduced from EUR 25.4 million to EUR 15.3 million. Liquidity per share on December 31, 2013 including these current and non-current assets accordingly stood at EUR 3.83 (previous year EUR 6.40).

Positive effects on cash flow from operations stemmed mainly from the non-cash depreciation of fixed assets, as well as from the reallocation of the results of the sale of equities and gold to cash flow from investments and an increase in deferred revenues.

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 2013 the company made no new investments in gold or dividend-bearing securities. Instead, the existing holdings in gold and securities were partially disposed of. As a consequence of the inflow of funds from the sale of gold and dividend-bearing securities, cash flow from investments amounted to EUR 8.2 million (previous year: EUR 4.4 million). The market value of the overall holdings in gold as of December 31, 2013 stood at EUR 4.8 million.

Liquidity was correspondingly reduced by the dividend distribution of EUR 3.62 (previous year 0,71) per share (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 amounted to EUR 0.5 million, compared with EUR 0.4 million in the previous year.

The company's long-term holdings in gold are reported under the heading of non-current financial assets in the amount of EUR 0.4 million.

Receivables were reduced from EUR 3.2 million to EUR 3.0 million. The average time to receipt of 27 days (previous year: 30 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.

Other current financial assets classified as assets available for sale declined from EUR 16.0 million to EUR 4.4 million (including gold in the amount of EUR 4.4 million). In addition non-current financial assets classified as available for sale and comprised exclusively of gold were also reduced from EUR 0.6 million to EUR 0.4 million. No downward adjustments to the value of equity instruments (shares) were made as of December 31, 2013 (previous year: EUR 0.2 million). In connection with the sale of equity instruments, in addition to the recognition of losses in the income statement in the amount of EUR -31,233 recognized in previous years in equity, further losses in the amount of EUR -24,143 were also recognized in income. Write downs on gold holdings in the amount of EUR 0.2 million (previous year: EUR 0.7 million) were recognized in equity. No write-ups on equity instruments were recognized in income in 2013 (previous year: EUR 0.2 million). On December 31, 2013 the market value of current and non-current gold holdings stood at EUR 4.8 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 (previous year: EUR 0.4 million), deferred revenues in the amount of EUR 2.9 million (previous year: EUR 2.3 million), tax provisions in the amount of EUR 0.1 million (previous year: EUR 0.1 million) and other current liabilities in the amount of EUR 4.7 million (previous year: EUR 4.6 million). In total, current liabilities on December 31, 2013 had risen to EUR 8.2 million (previous year: EUR 7.4 million). This increase is essentially attributable to higher invoiced and deferred costs for hotline services. It remains the company's intention not to incur borrowings to finance business operations.

The other 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 has no liabilities denominated in foreign currencies on December 31, 2013, and no bank loans. Nor does the company's intend to use bank loans to finance business operations.

There are unsecured current account credit lines in the amount of EUR 0.51 million (previous year: EUR 0.51 million) available with the principal banks of the integrated companies. Borrowings (on current account) in the context of this arrangement attract interest at up 2.2 percent (previous year 3.95 percent).

Non-current liabilities essentially include the pension provision in the amount of EUR 2.7 million (previous year, after adjustment in line with IAS 19 R: EUR 2.3 million).

Group equity on December 31, 2013 amounted to EUR 11.7 million (previous year, after adjustment in line with IAS 19 R: EUR 23.2 million) and the equity ratio accordingly stood at 51 percent, compared with 70 percent (after adjustment in line with IAS 19 R) at the end of the year 2012. The return on equity as of December 31, 2013 stood at 26 percent (previous year, after adjustment in line with IAS 19 R: 25 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, 2013 there were 86 leasing agreements for company vehicles (previous year: 78). In addition there were also 7 leasing agreements for copiers (previous year: 8).

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 Remuneration 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 2013 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 52 in the Notes to the consolidated financial statements.

4.2 Supervisory Board Remuneration report

The Supervisory Board of ATOSS Software AG is comprised of three members. Until the end of the annual general meeting on April 26, 2013 the Supervisory Board comprised Mr. Peter Kirn, Rolf Baron Vielhauer von Hohenhau and Mr. Richard Hauser. By a resolution adopted by the general meeting, the Supervisory Board was re-elected and now comprises Mr. Peter Kirn, Rolf Baron Vielhauer von Hohenhau and Mr. Klaus Bauer.

The members of the Supervisory Board are:

Peter Kirn	Chairman, corporate consultant, Böblingen
Rolf Baron Vielhauer von Hohenhau	Deputy Chairman of the Supervisory Board, President of the Bund der Steuerzahler in Bayern e.V., Munich.
Richard Hauser (until April 26, 2013)	Managing director of milon industries GmbH, Grünwald
Klaus Bauer (from April 26, 2013)	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 51 in the Notes to the consolidated financial statements.

4.3 Holdings of and dealings in shares and financial instruments

Board members' shareholdings insofar as these relate to shares in the company are reported in Note 36.

4.4 Reportable securities transactions

The company publishes details of all reportable securities transactions by board members on its website at http://www.atoss.com/unternehmen/investor-relations/corporate-governance/2013.This information remains available for at least 12 months following publication.

In financial year 2013 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 import 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
- 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 which 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-term 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 accounting 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 that 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 exhibits 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. 57.

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 2014 annual general meeting that a dividend of EUR 0.72 (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 prospects for the global economy and for economic development in Germany are to a large extent dependent on the development in the Euro crisis.

The ifo Institute estimates that the global economy will gradually gain momentum in the coming year. Confidence on the part of manufacturers and consumers has improved in all of the important regions. In contrast to the past five years, it is not the developing countries but the advanced economies that are the driving force behind this economic acceleration, as the improvement in the financial position of private households and an expansionary monetary policy increasingly combine to fuel an economic revival. What's more, fiscal policy is likely to become less contractive in a range of countries.

Germany, too, is forecast to experience an upturn in 2014. In fact, the German economy is likely to grow at a rate of 0.5 percent in the first quarter of the year. The business climate index which has risen steeply of later speaks in favor of such an increase, with the ifo Institute forecasting growth of around 1.9 percent in the course of the year.

Following the moderate macro-economic growth forecasts for 2013, industry association BITKOM takes an optimistic view of 2014. A business survey conducted by BITKOM querying the present situation and sales expectations for 2014 reveal that more than three quarters of the companies surveyed in the ICT market expect to see rising sales revenues in the first 6 months.

We also refer to this outlook on opportunities in Section 2, Group basics, and on risks 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. Moreover, 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.

In the financial year 2014 we expect to see a slight increase in sales coupled with an overall constant cost structure, leading to a corresponding improvement in the operating result (EBIT). We are also forecasting a further moderate increase in cash flow. At the same time, in financial year 2014 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.

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 this management report as to present a true and fair view, and that the essential opportunities and risks are described accordingly.

Munich, January 31, 2014

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

CONSOLIDATED BALANCE SHEET TO 31.12.2013

Assets (EUR)	Note	31.12.2013	31.12.2012 adjusted*	01.01.2012 adjusted*
Non-current assets	12			
Intangible assets	7, 14, 27	145,046	141,602	177,184
Tangible fixes assets	7, 13, 27	2,725,868	2,764,873	2,948,852
Other financial assets	7, 9, 10, 24, 27	408,491	576,610	553,450
Deferred taxes	15, 28	630,402	496,054	136,785
Total non-current assets		**3,909,807**	**3,979,139**	**3,816,271**
Current assets	9, 10, 11			
Inventories	11, 25	8,642	8,667	8,199
Trade accounts receivables	7, 8, 9, 24	3,029,835	3,231,374	2,611,623
Other financial assets	7, 8, 9, 10, 24	4,448,182	16,008,437	9,180,200
Other non-financial assets	26	1,189,822	1,356,572	518,104
Cash and cash equivalents	9, 10, 23	10,392,796	8,859,080	15,117,296
Total current assets		**19,069,277**	**29,464,130**	**27,435,422**
Total assets		**22,979,084**	**33,443,269**	**31,251,693**

Equity and Liabilities (EUR)	Note	31.12.2013	31.12.2012 adjusted*	01.01.2012 adjusted*
Equity	35			
Subscribed capital	36	3,976,568	3,976,568	4,025,667
Capital reserve	37	-661,338	-661,338	-387,528
Treasury stock		0	0	-322,909
Equity deriving from unrealized profits/losses	35	-734,394	-601,667	491,258
Unappropriated net income	62	9,156,749	20,532,402	17,585,809
Total equity		**11,737,585**	**23,245,965**	**21,392,297**
Non-current liabilities	15, 18			
Pension provisions	18, 34	2,687,192	2,326,944	1,290,199
Deferred taxes	15, 28	354,275	459,426	321,766
Total non-current liabilities		**3,041,467**	**2,786,370**	**1,611,965**
Current liabilities	16, 17, 29			
Trade accounts payable	16, 29	327,290	354,903	790,104
Other liabilities	16, 29, 31	4,734,091	4,597,789	4,622,107
Deferred revenues	16, 29, 32	2,944,110	2,281,999	1,702,752
Tax provisions	15, 29	105,541	87,243	1,038,468
Other provisions	7, 17, 29, 33	89,000	89,000	94,000
Total current liabilities		**8,200,032**	**7,410,934**	**8,247,431**
Total equity and liabilities		**22,979,084**	**33,443,269**	**31,251,693**

*adjusted for the effects of IAS 19 R

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01.2013 TO 31.12.2013

EUR	Note	01.01.2013 -31.12.2013	01.01.2012 -31.12.2012 adjusted*
Sales revenues	7, 19, 38	**35,504,826**	**33,004,766**
Cost of sales	39	-10,290,687	-9,652,787
Gross profit on sales		**25,214,139**	**23,351,979**
Selling costs	40	-6,239,860	-5,683,866
Administration costs	41	-3,092,364	-2,893,367
Research and development costs	20, 42	-7,480,360	-7,108,582
Other operating income	45	97,310	27,414
Other operating expenses	45	-66,901	-73,327
Operating profit (EBIT)		**8,431,964**	**7,620,251**
Interest and similar income	44	438,384	1,212,619
Interest and similar expenses	21, 44	-4,550,461	-294,615
Earnings before taxes (EBT)		**4,319,887**	**8,538,255**
Taxes on income and earnings	28, 46	-1,300,363	-2,768,299
Net income for the year		**3,019,523**	**5,769,956**

* adjusted for the effects of IAS 19 R

Earnings per share (undiluted)	47	0,76	1,45
Earnings per share (diluted)	47	0,76	1,45

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 01.01.2013 TO 31.12.2013

EUR	Note	01.01.2013 -31.12.2013	01.01.2012 -31.12.2012 adjusted*
Net income for the year		**3,019,523**	**5,769,956**
Components not reallocated in profit and loss			
Profits/losses on the revaluation of defined benefit pension plans recognized in equity	34	-348,810	-1,092,892
Tax effects on profits/losses on the revaluation of defined benefit pension plans recognized in equity	34	64,447	354,147
Components reallocated in profit or loss in later periods			
Profits/losses recognized in equity on the disposal of financial assets available for sale	24	335,414	-577,160
Tax effects on profits/losses recognized in equity on the disposal of financial assets available for sale	24	-183,778	222,979
Other comprehensive income for the period after taxes		**-132,727**	**-1,092,925**
Comprehensive income after taxes		**2,886,796**	**4,677,031**

* adjusted for the effects of IAS 19 R

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 01.01.2013 TO 31.12.2013

EUR	Note	01.01.2013 -31.12.2013	01.01.2012 -31.12.2012 adjusted*
Net income for the year	47	**3,019,523**	**5,769,956**
Depreciation of fixed assets	27	575,509	570,610
Gains/losses from the disposal of fixed assets		1,674	9,582
Gains/losses from the disposal / valuation of financial assets available for sale	48	3,884,686	-873,451
Other financial investment income	48	-29,219	-125,803
Change in deferred taxes	28	-129,613	132,539
Change in provisions for pension commitments	34	11,438	-56,147
Adjustment for items not recognized in profit or loss	48	-229,217	222,722
Change in net current assets			
Trade accounts receivable	24	201,539	-619,751
Inventories and other assets	25, 26	166,775	-838,936
Trade accounts payable	29	-27,613	-435,201
Other liabilities	29, 31	136,301	-24,318
Deferred revenues	29, 32	662,111	579,247
Tax provisions	29	18,298	-951,225
Other provisions	29, 33	0	-5,000
Cash flow generated from business operations (1)	48	**8,262,192**	**3,354,824**
Cash flow from investment activities			
Disbursements for the purchase of tangible and intangible assets	27	-541,621	-360,630
Disbursements for the purchase of other financial assets	49	0	-10,935,428
Receipts from the disposal of other financial assets	49	8,161,455	4,380,577
Interest paid	49	-10,195	-82
Interest received	49	57,061	125,886
Cash flow generated from investment activities (2)	49	**7,666,700**	**-6,789,677**
Cash flow from financing activities			
Dividends paid	35	-14,395,176	-2,823,363
Loans disbursed	53	-3,500,000	0
Repayment of loans granted	53	3,500,000	0
Proceeds from the draw down of bank loans		3,000,000	0
Repayment of loans received		-3,000,000	0
Cash flow generated from financing activities (3)	50	**-14,395,176**	**-2,823,363**
Change in liquidity – total of (1) to (3)		**1,533,716**	**-6,258,216**
Liquidity at beginning of year	23	8,859,080	15,117,296
Liquidity at end of year	23	10,392,796	8,859,080
Income taxes paid	48	2,301,376	4,258,685
Tax refunds received	48	1,321	11,105

* adjusted for the effects of IAS 19 R

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 31.12.2013

EUR	Subscribed capital	Capital reserve	Treasury stock	Equity deriving from unrealized profits/ losses	Profit shown on balance sheet	Total
Anhang	36	37		35		
01.01.2012	**4,025,667**	**-387,528**	**-322,909**	**205,237**	**17,585,809**	**21,106,276**
Net income 2012	0	0	0	0	5,759,693	5,759,693
Dividends	0	0	0	0	-2,823,363	-2,823,363
Other comprehensive income	0	0	0	-354,181	0	-354,181
Withdrawal of treasury stock	-49,099	-273,810	322,909	0	0	0
Other comprehensive income	**-49,099**	**-273,810**	**322,909**	**-354,181**	**0**	**-354,181**
Status 31.12.2012	**3,976,568**	**-661,338**	**0**	**-148,944**	**20,522,139**	**23,688,425**
01.01.2012 adjusted	**4,025,667**	**-387,528**	**-322,909**	**491,258**	**17,585,809**	**21,392,297**
Net income 2012 adjusted*	0	0	0	0	5,769,956	5,769,956
Dividends	0	0	0	0	-2,823,363	-2,823,363
Other comprehensive incom adjusted*	0	0	0	-1,092,925	0	-1,092,925
Withdrawal of treasury stock	-49,099	-273,810	322,909	0	0	0
Other comprehensive income adjusted*	**-49,099**	**-273,810**	**322,909**	**-1,092,925**	**0**	**-1,092,925**
Status 31.12.2012 adjusted*/ 01.01.2013	**3,976,568**	**-661,338**	**0**	**-601,667**	**20,532,402**	**23,245,965**
Net income 2013	0	0	0	0	3,019,523	3,019,523
Dividends	0	0	0	0	-14,395,176	-14,395,176
Other comprehensive income	0	0	0	-132,727	0	-132,727
Other comprehensive income	**0**	**0**	**0**	**-132,727**	**0**	**-132,727**
Status 31.12.2013	**3,976,568**	**-661,338**	**0**	**-734,394**	**9,156,749**	**11,737,585**

*adjusted for the effects of IAS 19 R

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2013

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 headquartered 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 workforce management and deployment of personnel resources at business enterprises and public institutions. Each of the ATOSS product lines consists of integrated software modules which 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).

Pursuant to Section 315a of the German Commercial Code, consolidated accounts prepared in accordance with the provisions of the Code were dispensed with.

The accounting and valuation methods applied in the previous year were retained with the exception of the amendments to IAS 1 specified hereinafter.

The Group applied the following new or modified standards for the first time in financial year 2013.

Standard or Interpretation	Name	For financial years with effect from
IAS 1	Presentation of Financial Statements	01.07.2012
IAS 12	Deferred Tax: Recovery of Underlying Assets	01.01.2013
IAS 19	Employee Benefits	01.01.2013
IFRS 1	Government Loans	01.01.2013
IFRS 7	Disclosures: Offsetting Financial Assets and Financial Liabilities	01.01.2013
IFRS 13	Fair Value Measurement	01.01.2013
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	01.01.2013
Improvements to IFRSs – 2009-2011 Cycle	IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34	01.01.2013

The essential effects of these changes are as follows:

As a result of the amendment to IAS 1: Presentation of Items of Other Comprehensive Income (OCI), in future the IFRS Income Statement will formally be comprised of only a single component: the "Statement of Profit or Loss and Other Comprehensive Income". Nevertheless, in future it will be obligatory for this formally composed income statement to be divided into two sections: One showing profit and loss, and one showing other comprehensive income. In accordance with the current IAS 1, the profit and loss account may form a separate part of the financial statements to which the statement of comprehensive income must be attached. In future, "Other comprehensive income" (OCI) must be split, dependent on whether income and expenditure elements contained therein may at some later time be "recycled" in the profit and loss account. The option remains to choose whether to present the OCI items before or after taxes. In the case of pre-tax presentation, however, the taxes must subsequently be separated, dependent on whether or not they relate to items that can be recycled. Overall, the changes will lead to a more transparent and more easily comparable presentation of OCI. This amendment to IAS 1 will affect the Group in terms of the separate presentation of income and expenditure to be reported as OCI dependent on the possibility of these being recycled at a later time in the profit and loss account.

The amendment to IAS 12 introduces the arguable presumption that the carrying value of real estate held as a financial investment, as measured at fair value, will be realized in full when the property is sold. This presumption is open to dispute when the company has a business model that suggests an intention to extract every economic benefit from such real estate held as a financial investment in the course of its business. In the case of property, plant and equipment subject to unscheduled depreciation and requiring valuation pursuant to IAS 16 in accordance with the revaluation method, it should always be assumed that these assets are to be sold. The amendment to IAS 12 will have no effects on the Group, since the Group does not make use of the revaluation method.

The most important amendment to IAS 19 is the requirement that unexpected fluctuations in pension benefit liabilities and assets, so-called actuarial profits and losses, should immediately be recognized in other comprehensive income (OCI). The previous right to choose whether these should be recognized immediately in profit or loss, in OCI, or at some later time by the so-called corridor method, has been abolished. A second accounting change pursuant to IAS 19 requires that the management should no longer estimate the rate of return on plan assets on the basis of expected interest rates dependent asset allocation, but may only take net interest on plan assets to income at the discount rate. IAS 19, as amended, also requires more extensive information to be provided in the Notes. As a result of these changes to IAS 19, the Group must amend the valuation of its pension liabilities and provide different and additional information in the Notes. The abolition of the corridor approach will also require the Group to make changes. A more detailed description of the effects on the Group is to be found in Note 34.

The amendment to IFRS 1 concerns how first-time IFRS adopters should transitionally report government loans at a rate of interest below the market rate. Government loans in existence at the point of transition may continue to be valued in accordance with previous accounting methods. The valuation rules as per IAS 20.10A in conjunction with IAS 39 apply only to loans extended after the point of transition. This amendment to IFRS 1 has no relevance for the Group.

The amendments to the disclosure requirements contained in IFRS 7 require disclosure of all financial instruments offset in accordance with the provisions of IAS 32. In addition, all financial instruments carried on balance sheet that are subject to enforceable global offsetting or similar agreements must also be disclosed, even if these are not offset as per IAS 32. The required disclosures are intended to assist those to whom the financial statements are addressed to estimate the effects on the company's financial position of offsetting agreements including rights to offset financial assets and liabilities carried on balance sheet. These amendments to IFRS 7 do not affect the disclosures made by the Group in its Notes.

The new standard IFRS 13 not only introduces a uniform definition of the term "fair value" for all IFRSs, but also precisely specifies how the concept is to be implemented in practice. The new standard for the first time defines fair value purely as an exit price. This is the price that would be achievable for an asset in a transaction undertaken in a defined market, or that would have to be paid to transfer a liability. In the case of assets, the optimum nature of use is to be assumed from the perspective of the purchaser. The most important new specification in terms of valuation lies in the change in the hierarchy of potential valuation methods. In future, it is no longer the chosen method as such that will be decisive, but the prioritization of input parameters that are largely observable on the basis of market data. This procedure stresses that fair value must be measured from the perspective of a market participant who in setting a price has access only to publicly available data. Purely internal estimates may be employed, but with the lowest priority. This new IFRS 13 does not affect the Group's accounting procedures.

The interpretation IFRIC 20 concerns the reporting of stripping costs in the production phase of a surface mine. The interpretation clarifies in the conditions under which stripping costs may be carried as an asset and how such assets are to be initially and subsequently valued. The amendment to IFRIC 20 is of no relevance to the Group.

The IASB introduced an annual amendment procedure in 2007 in order to implement necessary but not otherwise urgent amendments to standards at uniform yearly intervals. The annual improvements for the 2009–2011 cycle were published by the IASB on May 17, 2012 and the following standards were amended: The improvements relate to IFRS 1 – First-time Adoption of IFRS, IAS 1 – Presentation of Financial Statements, IAS 16 – Property, Plant and Equipment, IAS 32 – Financial Instruments: Presentation, IAS 34 – Interim Financial Reporting. Since the annual improvements procedure essentially involves the elimination of inconsistencies and the clarification of wordings that may be misleading, their application will have no effects on the way items are reported, valued or declared in the financial statements.

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 27	Separate Financial Statements (revised 2011)	01.01.2014
IAS 28	Investments in Associates (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 9	Financial Instruments: Classification and Valuation	01.01.2015
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

The amendments to IAS 27 are intended to set standards to be applied when accounting for interests in subsidiaries and associates, if a company resolves (or is required by local regulations) to prepare separate financial statements (or non-consolidated financial statements). The amendment to IAS 27 is not expected to have any effects on Group accounting.

IAS 28 was revised in 2011 as part of the IASB project on Joint Arrangements. Most of the amendments result from the integration of joint ventures into IAS 28. However one fundamental change lies in how investments in associates are to be accounted for. The revised version of IAS 28 now with obligatory effect requires the equity method to be used when accounting for associates. As such, the revised IAS 28 now defines a uniform method of accounting for associates. The Group does not expect the revision of IAS 28 to affect its accounting procedures.

The IASB has published new instructions for the application of the offsetting rules as per IAS 32 “Financial Instruments: Presentation” which clarify the criteria of a “right legally enforceable at any time to offset” and “simultaneous settlement”. The basic precondition is that the entitlement to offset must presently exist, that is to say, this entitlement must not be dependent on some future event. This entitlement must also be legally enforceable for all counterparties in the normal course of business, in case of default or insolvency. The previous preconditions for offsetting remain unaltered. This amendment has no relevance for the Group.

The amendment to IAS 36 was published in May 2013 and is applicable for the first time in the financial year commencing on or after January 1, 2014. The amendment is intended to eliminate unwanted consequences in terms of obligatory disclosures resulting from the introduction of IFRS 13. It also requires disclosure of the amounts recoverable for assets or cash-generating entities for which allowances were made or reversed in the reporting period. The amendment is to be applied retrospectively. Earlier application is permissible. The amendment to IAS 36 is not expected to have any effects on Group accounting.

The amendment to IAS 39 was published in June 2013 and is applicable for the first time in the financial year commencing on or after January 1, 2014. It allows for the continuation of hedge accounting under specific circumstances, in cases in which derivatives designated as hedging instruments are transferred to a central clearing house as a result of statutory or supervisory authority requirements (novation). The amendment is to be applied retrospectively. Earlier application is permissible. The changes have no relevance for the Group.

IFRS 9 now provides for only two, rather than the previous four, categories for the valuation of financial instruments: “at amortized cost” and “at fair value”. Strict conditions are imposed on valuation at amortized cost, as an exception from valuation at fair value. With the introduction of new rules for the measurement of impairments (allowances, particularly bad debt provisions), the IASB has now abandoned the Incurred Loss Model in favor of an Expected Loss Model. The requirements contained in the draft impairment regulations go far beyond the existing system functionalities currently used by institutions to measure impairment for accounting purposes. The change will affect the Group’s categorization and possibly also valuation of financial assets. A change to the disclosures required in the Notes is also expected.

IFRS 10 creates a uniform definition for the principle of control which is intended to ensure that in determining a relationship of control, the same criteria are applied for all companies. The new standard replaces the previously relevant standards IAS 27 - Consolidated and Separate Financial Statements and SIC-12 - Consolidation. This definition is supported by comprehensive application guidance which highlights various ways in which a reporting company (the investor) may control another company (the investee). The core principle that consolidated financial statements depict the parent company and subsidiary as a single entity remains unaltered, as do the consolidation procedures. IFRS 10 therefore concerns all IFRS-user companies that by the new definition control one or more investees. This new IFRS 10 does not affect the Group’s accounting procedures.

IFRS 11 provides regulations for the accounting treatment of circumstances in which a company exercises joint control over a joint-venture or a joint operation. The new standard replaces IAS 31 - Interests in Joint Ventures and SIC-13 - Jointly Controlled Entities. This new IFRS 11 does not affect the Group’s accounting procedures.

IFRS 12 covers the disclosures to be made in the Notes regarding interests in consolidated and unconsolidated entities and joint arrangements. The new standard requires companies to make such disclosures as will enable those to whom the financial statements are addressed to assess the nature, risks and financial effects associated with the company’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. The revised version of IFRS 12 entails no new disclosure requirements for the Group.

Revised transitional guidance on IFRS 10-12 was also published in June 2013, with the intention of simplifying the first-time adoption of the new standards.

2. Bases for the preparation of the financial statements

The present consolidated financial statements were prepared to December 31, 2013 for the reporting period from January 01 to December 31, 2013. 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. Changes in accounting methods

On June 16, 2011 the International Accounting Standards Board (IASB) published the final version of the amendments to IAS 19. In accordance with the transitional rules contained in the revised standard, the Group has applied IAS 19 with retroactive effect in the current reporting period. The opening balance sheet for the earliest comparative period (January 1, 2012) and the comparative figures have been adjusted accordingly.

The effects of the retroactive application on the consolidated financial statements for 2013 are as follows:

- In place of the interest cost of the defined benefits pension liability and the expected return on plan assets as previously reported in accordance with IAS 19, the net interest costs and income have been applied in accordance with the new version of the standard. This net item is measured on the basis of the net defined benefit plan liability or net defined benefit plan assets at the discount rate, calculated at the start of the year. The net defined benefit plan liability and/or assets are adjusted in line with actual benefit payments and plan allocations during the financial year. This change does not affect the overall result, since a reduction in profit or loss is compensated for by an increase in other comprehensive income (OCI).

- Actuarial profit and losses previously recognized by the corridor approach, must now be retroactively recognized in OCI. The adjustment amount is comprised of the actuarial profits not recognized in financial year 2011 in the amount of EUR 426,770 and actuarial losses not recognized in 2012 in the amount of EUR 1,020,778. Just as actuarial profits and losses must be recognized retroactively, so also the deferred taxes thereon that are carried as assets and liabilities must be recognized in other comprehensive income.

- The retroactive adjustment in expected returns on plan assets in line with the discount rate on the defined benefit liability resulted in a retroactive increase in earnings on plan assets of EUR 24,426 in financial year 2012. Together with the retroactive reversal of the actual profits in the amount of EUR 14.163 taken to income in financial year 2012, this led to an adjustment in the 2012 result amounting to EUR 10,263.

- IAS 19 also requires more extensive disclosure in the Notes. In this context, we refer to Note 34.
- The voluntary disclosure of sensitivity analyses for the comparative period to December 31, 2012 has been dispensed with.
- The effects of the revision of IAS 19 are also illustrated in the consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement.

5. Consolidated group

The parent company is ATOSS Software AG, Munich. In the consolidated financial statements for ATOSS Software AG, all subsidiaries are fully consolidated in accordance with IAS 27.12. 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.

Should the parent company lose control over a subsidiary,

- the assets including goodwill and liability of the subsidiary are derecognized;
- the book value of all non-controlling interests in former subsidiaries is derecognized;
- the cumulative differences recognized in equity are derecognized;
- the consideration received in return for the loss of control is recognized at fair value;
- the residual holding is remeasured at fair value;
- gains or losses are recognized in profit or loss;
- other income components accruing to the parent company are recognized in profit or loss or where so specified, posted to profit reserves.

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 31.12.2013 in EUR	Result for the year 2013 in EUR
ATOSS CSD Software GmbH, Cham, Germany	100%	515,135	415,432
ATOSS Software Gesellschaft m.b.H., Vienna, Austria	100%	652,675	531,697
ATOSS Software AG, Zurich, Switzerland	100%	286,584	188,519
ATOSS Software S.R.L., Timisoara, Romania	100%	278,237	52,552

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 contract and cost-plus contracts, there were no business relationships in the financial year between the parent company and its subsidiaries.

6. 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 pursuant to IAS 27.22 ff. 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.

In the case of business combinations achieved in stages, the equity stake in the acquired entity previously held by the acquirer is remeasured at fair value at the time of acquisition and the resulting differences recognized in profit or loss.

An agreed contingent consideration is recognized at fair value at the time of acquisition. Subsequent changes in the fair value of a contingent consideration constituting an asset or liability are recognized in accordance with IAS 39 either in profit or loss or as other income. A contingent consideration classed as equity is not remeasured, and its subsequent settlement is recognized in equity.

Goodwill is measured on first recognition at cost of acquisition which is deemed to be the surplus consideration transferred in excess of the identifiable assets acquired and liabilities assumed. Should the consideration be less than the fair value of the net assets of the acquired subsidiary, the difference is recognized in profit or loss.

Subsequent to first-time recognition, the goodwill is measured at cost of acquisition less cumulative impairments. For the purpose of the impairment test, the goodwill acquired in connection with a business combination with effect from the time of acquisition is allocated to the cash-generating entities of the Group which can be expected to profit from the combination. This applies irrespective of whether other assets or liabilities of the acquired business are assigned to these cash-generating entities.

If goodwill is assigned to a cash-generating entity and a division of this entity is sold, the goodwill attributable to this division is recognized as part of the book value of the division when calculating the profit or loss on the sale. The value of the share in goodwill thus sold is calculated on the basis of the relative values of the division disposed of and the remaining part of the cash-generating entity.

The existing structure of the company remained unaltered in financial year 2013.

7. 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 2013 to EUR 824,087 (previous year: EUR 1,409,634).

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, 2013 amounted to EUR 3,029,835 (previous year: EUR 3,231,374).

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, 2013 stood at EUR 4,856,673 (previous year: EUR 16,585,047).

The measurement of pension provisions is also subject to estimates in respect of the parameters listed in Note 34. The book value of the provision as of December 31, 2013 stood at EUR 2,687,192 (previous year, adjusted: EUR 2,326,944).

Moreover, estimates are made when forming and assessing provisions for future risks. The book value of these provisions as of December 31, 2013 stood at EUR 89,000 (previous year: EUR 89,000).

The anticipated service life of fixed assets is also subject to estimation. The carrying value of tangible and intangible fixed assets on December 31, 2013 stood at EUR 2,870,914 (previous year: EUR 2,906,475).

Actual figures may deviate from estimates made.

8. 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.

9. 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 which 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 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.

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 2013 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 derecognized, 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.

Fair value hierarchy

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 which materially affect the reported fair value and are not based on observable market data.

10. 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. Interest income continues to be recognized on the reduced carrying value at the interest rate applied in discounting future cash flow for the purpose of calculating the impairment cost. The interest income is recognized in the income statement under the heading of financial income. 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 financial 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.

11. Inventories

In accordance with IAS 2.9, the company values its inventories at cost or net value. Inventories which are interchangeable are valued at cost using the first in first out (FIFO) method.

The net disposal value is the estimated proceeds of a sale in the normal course of business less the estimated costs up to completion and the estimated marketing costs.

Appropriate reductions in value are made to take account of all recognizable risks arising from above-average storage periods or reduced usability.

12. Non-current 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 continuing 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 recoverable amount. A previously recognized impairment will only be reversed if the recoverable amount 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 recoverable amount. 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.

13. Tangible fixed assets

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 here from, 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.

Depreciation 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.

14. Intangible assets

Intangible assets are valued at cost upon acquisition and assuming a finite 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.

Depreciation 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.

Gains or losses resulting from the derecognition 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 derecognized.

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

15. 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 carry-forwards and unused tax credits in the amount in which taxable income against which tax-deductible temporary differences and unused tax loss carry forwards 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.

16. 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.

17. 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.

18. 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 have positive financial ratings and assigned the entitlements arising there from with the result that since financial year 2005 in accordance with IAS 19.54d the attributable fair value of the plan assets 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.

In accordance with IAS 19.64f, 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.

IAS 19 in the revised version of June 16, 2011 requires the amendments to this standard to be applied retroactively for previous financial years. A third balance sheet was prepared in accordance with IAS 1. The effects of retroactive application on the consolidated financial statements are illustrated in Note 34.

The pension provision was calculated on the basis of an assumed interest rate of 3.6 percent (previous: year 4.0 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. It was further assumed that the plan assets would in future attract interest at an annual rate of 3.6 percent (previous year: 4.0 percent).

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 2013 amounted to EUR 98,003 (previous year: EUR 98,003).

19. 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.

20. 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.

21. Borrowing costs

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

22. 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, 2013 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

23. Cash and cash equivalents

EUR	31.12.2013	31.12.2012
Fixed-term deposits	718,000	683,228
Cash at banks	9,674,796	8,175,852
Total of cash and cash equivalents	**10,392,796**	**8,859,080**

The fixed-term deposits are deposited for various periods dependent on the Group's cash requirements, with remaining times to maturity of up to 2 months and at interest rates of between 0.11 percent and 1.13 percent per annum. The other cash sums held at banks earn interest at up to 0.75 percent.

As a result of the positive cash flow from operations in the amount of EUR 8,262,192 and from investments in the amount of EUR 7,666,700, but also of the dividend distribution amounting to EUR 14,395,176, holdings in cash and cash equivalents increased from EUR 8,859,080 to EUR 10,392,796.

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 10,392,796 (previous year: EUR 8,859,080).

24. Other financial assets

31.12.2013 (EUR)	Held for trading	Available for sale	Held to maturity	Loans and receivables	Other
Trade accounts receivable	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

31.12.2012 (EUR)	Held for trading	Available for sale	Held to maturity	Loans and receivables	Other
Trade accounts receivable	0	0	0	3,231,374	0
Other current financial assets					
of which at fair value	0	16,008,437	0	0	0
Other non-current financial assets					
of which at fair value	0	576,610	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 accounts receivable

The reported trade accounts receivable were composed as follows:

EUR	31.12.2013	31.12.2012
Gross receivables (at fair value)	3,045,182	3,240,620
Less impairments	-15,347	-9,246
Net receivables (carrying value)	**3,029,835**	**3,231,374**

These accounts payable include receivables relating to long-term production orders in the amount of EUR 86,233 net (previous year: EUR 135,711).

On December 31, 2013 as in the previous year, there were no receivables with due dates which had been extended. These receivables are carried at nominal value.

During the financial year revenues resulting from the collection of previously devalued receivables in the amount of EUR 632 (previous year: EUR 2,156) 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, 2013 was as follows:

EUR	31.12.2013	31.12.2012
Neither overdue nor adjusted	1,865,052	1,652,836
Up to 30 days overdue	1,035,778	1,461,722
31 to 60 days overdue	64,109	98,695
61 to 90 days overdue	30,816	7,985
91 to 120 days overdue	41,089	2,902
More than 120 days overdue	8,338	16,480
Gross receivables	**3,045,182**	**3,240,620**
Adjustments	-15,347	-9,246
Net receivables	**3,029,835**	**3,231,374**

As of the qualifying date, adjustments on doubtful receivables amounted to EUR 15.347 (previous year: EUR 9,246). These were based on assessments by management of the feasibility of collecting the same. 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 creditworthiness 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. For works and services and fixed-price projects, varying terms of payment may be granted in exceptional cases.

The value adjustment account developed as follows:

EUR	2013	2012
Balance on 01.01	9,246	6,831
Expense allocations	15,347	9,246
Usage	-542	0
Reversals	-8,704	-6,831
Balance on 31.12.	**15,347**	**9,246**

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	31.12.2013	31.12.2012
Dividend-bearing securities	4,502	3,175,178
Gold	4,443,680	12,833,259
Total of (current) financial assets available for sale	**4,448,182**	**16,008,437**

Non-current financial assets available for sale

EUR	31.12.2013	31.12.2012
Gold	408,491	576,610
Total of (non-current) financial assets available for sale	**408,491**	**576,610**

As a result of the procedure described in Note 7, the Group identified impairments totaling EUR 4,252,423 (previous year: EUR 202,763) on the disposal of financial assets available for sale which were recognized in profit and loss as financial expenses.

No losses on current financial assets available for sale were recognized in other income in 2013 (previous year: EUR -600,320). Losses on non-current available for sale financial assets were recognized in other income in the amount of EUR 168,119 (previous year: profits of EUR 23,160). 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 liquidated in the amount of EUR 42,030 (previous year: EUR -6,239). A tax provision in the amount of EUR 229,210 in respect of the variation in financial assets available for sale recognized in other income was formed in the previous year and liquidated in 2013.

Similarly, in 2013 the profits/losses recognized in equity in the year before in the amount of EUR -503,533 (previous year: EUR 65,375) were reallocated to profit and loss.

The carrying value of other financial assets equates to the fair value of these assets.

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

25. Inventories

The carrying value of inventories essentially relates to hardware components held in small quantities by the subsidiary ATOSS CSD Software GmbH, Cham. In the reporting period, as in the preceding year, there were no write-downs on the value of inventory assets.

26. Other (current) non-financial assets

Other current non-financial assets in the amount of EUR 1,189,822 (previous year: EUR 1,356,572) are reported at fair value and essentially comprise tax claims in the amount of EUR 728,766 (previous year: EUR 913,378), deferrals in the amount of EUR 377,835 (previous year: EUR 358,672) and rental deposits paid in the amount of EUR 42,292 (previous year: EUR 57,048).

27. Fixed assets

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

		Acquisition and manufacturing costs	
EUR	01.01.2012	Additions	Disposals
I. Intangible assets			
Software	1,324,889	78,835	8,046
	1,324,889	**78,835**	**8,046**
II. Property, plant and equipment			
Land and buildings	2,135,561	2,450	0
Technical equipment	513,591	2,885	0
Office and business equipment	3,486,204	276,460	148,175
	6,135,356	**281,795**	**148,175**
III. financial assets			
Financial assets available for sale	553,450	23,160	0
	553,450	**23,160**	**0**
Total	**8,013,695**	**383,790**	**156,221**

EUR	01.01.2013	Additions	Disposals
I. Intangible assets			
Software	1,395,678	129,922	4,500
	1,395,678	**129,922**	**4,500**
II. Property, plant and equipment			
Land and buildings	2,138,011	0	0
Technical equipment	516,476	46,151	23,333
Office and business equipment	3,614,489	365,548	59,066
	6,268,976	**411,699**	**82,399**
III. Financial assets			
Financial assets available for sale	576,610	0	0
	576,610	**0**	**0**
Total	**8,241,264**	**541,621**	**86,899**

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

	Cumulative depreciation				Net carrying values	
31.12.2012	01.01.2012	Additions	Disposals	31.12.2012	31.12.2012	31.12.2011
1,395,678	1,147,705	114,417	8,046	1,254,076	141,602	177,184
1,395,678	**1,147,705**	**114,417**	**8,046**	**1,254,076**	**141,602**	**177,184**
2,138,011	115,464	57,918	0	173,382	1,964,629	2,020,097
516,476	454,608	14,656	0	469,264	47,212	58,983
3,614,489	2,616,432	383,619	138,594	2,861,457	753,032	869,772
6,268,976	**3,186,504**	**456,193**	**138,594**	**3,504,103**	**2,764,873**	**2,948,852**
576,610	0	0	0	0	576,610	553,450
576,610	**0**	**0**	**0**	**0**	**576,610**	**553,450**
8,241,264	**4,334,209**	**570,610**	**146,640**	**4,758,179**	**3,483,085**	**3,679,486**

31.12.2013	01.01.2013	Additions	Disposals	31.12.2013	31.12.2013	31.12.2012
1,521,100	1,254,076	126,478	4,500	1,376,054	145,046	141,602
1,521,100	**1,254,076**	**126,478**	**4,500**	**1,376,054**	**145,046**	**141,602**
2,138,011	173,382	57,930	0	231,312	1,906,699	1,964,629
539,294	469,264	16,512	23,333	462,443	76,851	47,212
3,920,971	2,861,457	374,589	57,393	3,178,653	742,318	753,032
6,598,276	**3,504,103**	**449,031**	**80,726**	**3,872,408**	**2,725,868**	**2,764,873**
576,610	0	168,119	0	168,119	408,491	576,610
576,610	**0**	**168,119**	**0**	**168,119**	**408,491**	**576,610**
8,695,986	**4,758,179**	**743,628**	**85,226**	**5,416,581**	**3,279,405**	**3,483,085**

28. 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 46.

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

EUR	31.12.2013	31.12.2012 adjusted*	31.12.2012	01.01.2012 adjusted*	01.01.2012
Deferred taxes on valuation differences carried as assets					
- Pension provisions	630,402	496,053	282,655	136,785	277,534
Subtotal	630,402	496,053	282,655	136,785	277,534
Deferred taxes on valuation differences carried as liabilities					
- Financial assets available for sale	-28,214	-73,653	-73,653	-67,414	-67,414
- Long-term production orders	-326,061	-385,773	-385,773	-254,352	-254,352
Subtotal	-354,275	-459,426	-459,426	-321,766	-321,766
Total	**276,127**	**36,627**	**-176,771**	**-184,981**	**-44,232**

* adjusted for the effects of IAS 19 R

EUR	31.12.2013	31.12.2012 adjusted*	31.12.2012
Tax charge resulting from the accrual of deferred taxes carried as liabilities			
- on long-term production orders	-189,826	-376,564	-376,564
Tax income resulting from the accrual of deferred taxes carried as assets			
- on pension provisions	69,901	5,121	5,121
Tax income resulting from the reversal of deferred taxes carried as liabilities			
- on long-term production orders	249,539	245,143	245,143
Total	**129,614**	**-126,300**	**-126,300**

* adjusted for the effects of IAS 19 R

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

	2013	2012	2011
Earnings before taxes	100%	100%	100%
Trade tax	-16.77%	-16.77%	-17.15%
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%	67.02%
Computed tax rate	**32.60%**	**32.60%**	**32.98%**

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	31.12.2013	31.12.2012
Pre-tax earnings as per IFRS	**4,319,887**	**8,527,992**
Expected tax charge (2013: 32.60%; 2012: 32.60%)	-1,408,283	-2,780,125
Non-deductible operating expenses	-79,353	-99,456
Interests as per § 8b KStG	75,337	47,277
Tax payments/refunds for previous years	-19,606	2,389
Lower tax rates at group companies and branches	131,540	61,616
Actual Group tax charge	**-1,300,363**	**-2,768,299**

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.

29. Liabilities

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

	Qualifying date	Remaining time to maturity up to 1 year	Time to maturity 1-5 years	Remaining time to maturity over 5 years	Total
Trade accounts payable	31.12. 2013	327,290			327,290
	31.12. 2012	354,903	0	0	354,903
Deferred revenues	31.12. 2013	2,944,110			2,944,110
	31.12 .2012	2,281,999	0	0	2,281,999
Other (current) liabilities	31.12. 2013	4,734,091			4,734,091
	31.12. 2012	4,597,789	0	0	4,597,789
Tax provisions	31.12. 2013	105,541			105,541
	31.12. 2012	87,243	0	0	87,243
Other provisions	31.12. 2013	89,000			89,000
	31.12. 2012	89,000	0	0	89,000
Total	**31.12. 2013**	**8,200,032**			**8,200,032**
	31.12. 2012	**7,410,934**	**0**	**0**	**7,410,934**

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

30. 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. Borrowings (on current account) in the context of this arrangement attracted interest at up 2.2 percent (previous year: 3.95 percent). On the closing date, as in the previous year, there were no liabilities to banks.

31. Other (current) liabilities

Other liabilities essentially comprise the following amounts:

EUR	31.12.2013	31.12.2012
Liabilities for salaries and commissions	3,475,160	3,609,526
Anticipated charges	752,585	627,618
Other liabilities	506,346	360,645
Total	**4,734,091**	**4,597,789**

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.

32. Deferred revenues

Deferred revenues as of December 31, 2013 were composed as follows:

EUR	31.12.2013	31.12.2012
Amounts invoiced in advance for maintenance works	603,692	602,502
Amounts invoiced in advance for long-term production orders	538,415	488,029
Other	1,802,003	1,191,468
Total	**2,944,110**	**2,281,999**

The other deferred revenues stated here are reported at fair value and 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 528,415 (previous year: EUR 412,024).

33. Other provisions

These provisions essentially comprise the following amounts:

EUR	31.12.2013	Utilization	Reversals	Allocations	31.12.2013
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.

34. Pension provisions

Pension costs were comprised as follows:

EUR	31.12.2013	31.12.2012 adjusted*	31.12.2012
Current service cost	160,293	114,854	114,854
Net interest cost (31.12.2012 prior to adjustment: Interest cost)	88,357	65,063	152,359
31.12.2012 prior to adjustment: Less anticipated earnings on plan assets	-	-	-62,870
31.12.2012 prior to adjustment: Actuarial profits recognized	-	-	-14,163
Pension expenses	**248,650**	**179,917**	**190,180**

* adjusted for the effects of IAS 19 R

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 2013 amounted to EUR 20,688 (previous year: EUR 16,444). The expected return on plan assets is 3.6 percent (previous year: 4.0 percent). Expected interest earnings are capped at the discount rate.

For the year 2014 the company expects pension expenses to amount to EUR 269,092.

The obligation translates to the balance sheet as follows:

EUR	31.12.2013	31.12.2012 adjusted*	31.12.2012	01.01.2012 adjusted*	01.01.2012
Defined benefits obligation	4.651.347	4.033.199	4.033.199	2.745.208	2.745.208
Fair value of plan assets	-1.964.155	-1.706.255	-1.707.517	-1.455.009	-1.455.009
	2.687.192	**2.326.944**	**2.325.682**	**1.290.199**	**1.290.199**
Unrecognized actuarial profits and losses	-	-	-654.597		426.770
Pension provision	**2.687.192**	**2.326.944**	**1.671.085**	**1.290.199**	**1.716.969**

* adjusted for the effects of IAS 19 R

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	31.12.2013	31.12.2012 adjusted*	31.12.2012
Defined benefits obligation as of January 1	4,033,199	2,745,208	2,745,208
Cost of interest	161,328	152,359	152,359
Current service cost	160,293	114,854	114,854
Actuarial profits and losses	296,527	1,020,778	1,020,778
Defined benefits obligation as of December 31	**4,651,347**	**4,033,199**	**4,033,199**

* adjusted for the effects of IAS 19 R

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

EUR	31.12.2013	31.12.2012 adjusted*
Experience-based demographic adjustments	53,089	177,128
Changes in financial assumptions	-349,616	-1,197,906
Changes in demographic assumptions	0	0
Deviation in actual income from plan assets relative to income calculated at the discount rate	-52,283	-72,114
	-348,810	**-1,092,892**

* adjusted for the effects of IAS 19 R

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

EUR	31.12.2013	31.12.2012 adjusted*	31.12.2012
Fair value of plan assets effective January 1	1,706,255	1,455,009	1,455,009
Anticipated return	72,971	87,296	62,870
Employer's contributions	237,212	236,064	236,064
Actuarial profits and losses	-52,283	-72,114	-46,426
Defined benefits obligation as of December 31	**1,964,155**	**1,706,255**	**1,707,517**

* adjusted for the effects of IAS 19 R

The figures for the current and preceding reporting periods are as follows:

EUR	31.12.2013	31.12.2013 adjusted*	31.12.2012	01.01.2012 adjusted*	01.01.2012
Defined benefits obligation	4,651,347	4,033,199	4,033,199	2,745,208	2,745,208
Plan assets	-1,964,155	-1,706,255	-1,707,517	-1,455,009	-1,455,009
Shortfall in cover	**2,687,192**	**2,326,944**	**2,325,682**	**1,290,199**	**1,290,199**

* adjusted for the effects of IAS 19 R

In financial year 2014, subsequent to this reporting period, contributions to the pension plan are expected to total EUR 237,212.

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, 2013 as follows:

	Development in pension commitment	
	+0,5%	-0,5%
Interest rate (initially 3.6%)	**-503,254**	**580,662**
Pension trend (initially 3.0%)	**355,138**	**-320,298**

The above sensitivity analyses were prepared by a method that 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 20.3 years (previous year: 23.27 years).

35. Equity

The development in equity is evident from the statement of changes in consolidated equity. The dividend paid in 2013 amounted to EUR 0.72 (previous year: EUR 0.71) per share. In addition there was also a special distribution of EUR 2.90 per share. Equity deriving from unrealized profits and losses is attributable to write-downs on non-current financial assets and the associated tax effects, as well as to the retroactive recognition in application of IAS 19 of actuarial profits and losses and the deferred taxes thereon.

36. 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, there were 3,976,568 shares in circulation during the year (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:

	31.12.2013	31.12.2012
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, 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, 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.

37. Capital reserve

As of December 31, 2013 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

38. Sales revenues

The sales revenues were composed as follows:

EUR	2013	2012
Software licenses	7,538,564	6,987,156
Software maintenance	14,307,600	13,155,941
Total software	**21,846,164**	**20,143,097**
Consulting	8,962,290	8,716,018
Hardware	3,356,308	2,662,196
Other	1,340,064	1,483,455
Total sales revenues	**35,504,826**	**33,004,766**

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.

Overall in financial year 2013 the amount of EUR 2,098,806 (previous year: EUR 2,086,129) was realized as revenues deriving from long-term orders. The costs of long-term production orders during the financial year amounted to EUR 1,245,063. On December 31, 2013, 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 2013 and 2012 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	2013	2012
Germany	32,396,287	29,944,569
Austria	2,231,141	1,576,644
Switzerland	566,659	838,564
German-speaking territories in total	**35,194,087**	**32,359,777**
Other countries	310,739	644,989
Total	**35,504,826**	**33,004,766**

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

39. 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	2013	2012
Material costs (goods for resale)	3,257,805	2,611,428
Material costs (external services)	32,094	65,265
Personnel costs	5,093,956	5,071,029
Scheduled depreciation	158,222	153,879
Overheads	1,748,610	1,751,186
Total	**10,290,687**	**9,652,787**

40. Selling costs

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

EUR	2013	2012
Sales personnel costs	3,801,193	3,506,166
Scheduled depreciation	134,638	124,720
Sales overheads	1,456,801	1,367,596
Advertising costs	847,228	685,384
Total	**6,239,860**	**5,683,866**

41. Administration costs

The administrative costs were composed as follows:

EUR	2013	2012
Personnel costs	2,175,069	2,071,031
Scheduled depreciation	45,633	51,819
Overheads	871,662	770,517
Total	**3,092,364**	**2,893,367**

42. Expenditure on research and development

The expenditure on research and development was composed as follows:

EUR	2013	2012
Research and development personnel costs	5,930,001	5,652,874
Scheduled depreciation of tangible assets	237,016	240,192
Research and development overheads	1,313,343	1,215,516
Total	**7,480,360**	**7,108,582**

43. Personnel expenses

EUR	2013	2012
Wages and salaries	14,095,679	13,468,156
Social security contributions and expenditure on retirement pensions and welfare	2,904,540	2,832,944
of which deutsche Rentenversicherung pension fund costs EUR 229,948 (previous year: EUR 268,281), service costs EUR 160,293 (previous year: EUR 114,854)		
Gesamt	**17,000,219**	**16,301,100**

44. Financial investment income and expenses

Financial investment income in the amount of EUR 438,384 (previous year, adjusted: EUR 1,212,619) essentially relates to profits on the sale of financial assets in the amount of EUR 381,491 (previous year: EUR 529,429), interest income on short-dated fixed-term deposits, overnight deposits and current accounts in the amount of EUR 39,581 (previous year: EUR 125,886).

In 2013, the company recorded financial expenses amounting to EUR 4,550,461 (previous year: EUR 294,615). This essentially relates to expenses in connection with the revaluation of other financial assets in the amount of EUR 2,355,150 (previous year: EUR 202,764) and losses on the sale of financial assets amounting to EUR 1,872,130 (previous year: EUR 0). Financial expenses in the amount of EUR 88,357 (previous year, adjusted: EUR 65,063) were incurred in connection with the pension provision.

45. Other operating income and expenses

Other operating income essentially includes income from the liquidation of other liabilities in the amount of EUR 58,382 (previous year: EUR 6,791) as well as income from exchange rate differentials in the amount of EUR 23,550 (previous year: EUR 11,971).

Other operating expenses essentially comprise the amount of EUR 50,030 (previous year: EUR 34,104) in connection with exchange rate differentials.

46. Tax charge / tax income

EUR	2013	2012
Current tax charge	1,429,977	2,641,999
Deferred taxes	-129,614	126,300
Tax charge	**1,300,363**	**2,768,299**

47. 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	2013	2012 adjusted*	2012
Net income for the year	3.019.523	5.769.956	5.759.693
Weighted average number of shares outstanding	3.976.568	3.976.568	3.976.568
Earnings per share	**0,76**	**1,45**	**1,45**

* adjusted for the effects of IAS 19 R

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 for 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 customers who 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.

The individual software solutions comprise:

- ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE): ASES and ASE are time and attendance management and workforce scheduling solutions for customers of all sizes in all industries. 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 efficient deployment of personnel and workforce management under specific operating conditions and in consideration of company agreements or collectively bargained agreements. The company also sells standard hardware components for time recording as well as recording media.

  ASES/ASE software solution 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 customer requirements - irrespective of size and sector.

- ATOSS Time Control (ATC): ATC offers a software solution 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 to optimize efficient workforce management. Moreover, standard hardware components and recording media are also provided. 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	2013	2012
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	31,781,372	30,316,351
ATOSS Time Control	3,723,454	2,688,415
Total	**35,504,826**	**33,004,766**

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

EUR	2013	2012
ATOSS Staff Efficiency Suite (ASES) and ATOSS Startup Edition (ASE)	7,322,851	7,132,713
ATOSS Time Control	1,109,113	487,538
Operating profit	**8,431,964**	**7,620,251**

The geographic breakdown of Group revenues is listed in Note 38. The non-current assets are essentially held in Germany. In financial years 2013 and 2012 no single customer accounted for a proportion of 10 percent or more of total sales.

VI. Notes to the Consolidated Statement of Cash Flows

48. Cash flow from business operations

The cash flow from business operations for the period from January 1 to December 31, 2013 amounted to EUR 8,262,192 (previous year: EUR 3,354,824) and was thus EUR 4,907,368 higher than in the year before.

Positive effects on cash flow from operations came mainly from the non-cash depreciation of fixed assets as well as from the reallocation of the results of the sale of equities and gold to cash flow from investments and an increase in deferred revenues.

The average time to receipt in financial year 2013 was 27 days (previous year: 30 days), and may be regarded as very low.

The cash flow item "Gains/losses from the sale of financial assets available for sale" includes income and expenses deriving from the sale of gold and dividend-bearing securities, as well as dividends.

Tax effects on profits/losses on the sale of available for sale financial assets recognized in the equity in the previous year and reallocated to profit or loss in the reporting period are reported under the heading "Adjustment for other items not recognized in profit or loss".

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

49. Cash flow from investment activities

Cash flow from investments for the period from January 1 to December 31, 2013 amounted to EUR 7,666,700 (previous year: EUR -6,789,677) and was accordingly EUR 14,456,377 higher than in the year before. This income comprised fixed asset investment disbursements in the amount of EUR 541,621 (previous year: EUR 360,630), income from the sale of gold and dividend-bearing securities in the amount of EUR 8,161,455 (previous year: EUR 4,380,577), as well as interest income in the amount of EUR 57,061 (previous year: EUR 125,886) and interest payments of EUR 10,195 (previous year: EUR 82).

50. Cash flow from financing activities

Cash flow from financing activities for the period from January 1 to December 31, 2013 amounted to EUR -14,395,176 (previous year: EUR -2,823,363) and was accordingly EUR -11,571,813 lower than in the year before. This cash flow derived from the payment of a dividend of EUR 0.72 per share (previous year: EUR 0.71) and a special distribution of EUR 2.90 per share (previous year: EUR 0.00).

VII. Other Disclosures

51. 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.
Richard Hauser	(until April 26, 2013)	Managing director of milon industries GmbH, Grünwald
Klaus Bauer	(from April 26, 2013)	Supervisory and advisory board member, Nuremberg

As of the end of the reporting period the members of the Supervisory Board held other supervisory board positions with the following companies:

Peter Kirn	Stadtwerke Böblingen GmbH, Böblingen Stadtwerke Holding GmbH, Böblingen Fernwärme Transportgesellschaft mbH, Böblingen Peter Kirn is also a member of Böblingen town council.
Rolf Baron Vielhauer von Hohenhau	Europäischer Wirtschaftssenat e.V., München (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	2013	2012
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	2013	2012
Rolf Baron Vielhauer von Hohenhau		
Compensation pursuant to the Articles of Association	17,500	18,197
Attendance allowances	5,250	5,250
Total	**22,750**	**23,447**

EUR	2013	2012
Richard Hauser		
Compensation pursuant to the Articles of Association	6,667	11,803
Attendance allowances	1,500	3,000
Total	**8,167**	**14,803**

EUR	2013	2012
Klaus Bauer		
Compensation pursuant to the Articles of Association	7,500	0
Attendance allowances	2,250	0
Total	**9,750**	**0**

In financial year 2013 there were no payments made for consultancy work beyond the scope of Supervisory Board activities (previous year: EUR 0).

52. 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	2013	2012
Andreas F.J. Obereder		
Non-performance-related remuneration		
Salary	290,000	290,000
Miscellaneous	144,334	149,686
Performance-related remuneration		
Profit-share payment	84,505	89,487
Overall remuneration	**518,839**	**529,173**

EUR	2013	2012
Christof Leiber		
Non-performance-related remuneration		
Salary	180,000	172,500
Miscellaneous	65,561	65,910
Performance-related remuneration		
Single-year profit-share payment	48,288	70,311
Multi-year profit-share payment	87,627	66,958
Overall remuneration	**381,476**	**375,679**

The profit-share payments for the CEO, Mr. Andreas Obereder, relate to entitlements deriving from the achievement of targets in the respective financial year. Given that these entitlements are confirmed only after the financial year has ended, actual payments may deviate.

The contract with the CEO, Mr. Andreas F.J. Obereder, was extended with effect from January 1, 2014 for a period of five years.

On the basis of the contract extended for a further five years with effect from April 1, 2012 with Board Member Mr. Christof Leiber, his profit-share payment 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 2013 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 2013 for benefits after the retirement of the CEO, please refer to Notes 18 and 34.

At the end of the reporting period there were deferred liabilities to members of the Management Board amounting to EUR 166,918 (previous year: EUR 141,756) in respect of variable compensation elements not yet disbursed.

53. Business transactions with closely related persons

The wife of the Chief Executive Officer provides services to the company. In 2013 the value of services provided amounted to EUR 3,276 (previous year: EUR 6,188). 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.

By a contract dated March 5, 2013 the company granted a loan of EUR 3.5 million to AOB Invest GmbH at a typical market rate commensurate with risk of 2.2 percent. The loan was repaid in full on April 30, 2013.

With the exception of the loan agreement between the company and AOB Invest GmbH and the existing employment contract and the contract newly entered into effective January 1, 2014 between the company and Mr. Andreas F.J. Obereder 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.

In the 2013 reporting period, as in the preceding year, no further transactions took place with members of the Management or Supervisory Boards or other related persons other than those specified in Note 51 (Supervisory Board) or Note 34 (Pension provisions).

54. Employees

At the end of the reporting period the company employed 289 persons (previous year: 276). The average for the year was 283 (previous year: 270); excluding the Management Board, trainees and interns and temporary staff, the average number of employees stood at 270 (previous year: 255).

The quarterly average number of employees was as follows:

	2013	2012
Sales and marketing	41	39
Consulting	73	71
Development	126	118
Administration	43	42
Total	**283**	**270**
Of which trainees	3	4
Of which temporary staff and interns	8	9
Of which Management Board members	2	2

55. 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	2013	2012
Audit of the annual financial statements	60,320	60,320
Other verification and valuation services	2,000	0
Total of fees	**62,320**	**60,320**

No further payments were made to the auditors.

56. 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.

In some cases the agreements also 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 rental and leasing payments
2014	597,893	527,772
2015 to 2017	636,746	473,345
post 2017	0	0
Total	**1,234,639**	**1,001,117**

The overall costs of all rental and lease agreements in financial year 2013 amounted to EUR 1,183,985 (previous year: EUR 1,183,883).

57. 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, 2013 and December 31, 2012 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.

As of the reporting date, the risk associated with financial assets invested in securities amounted at fair value to EUR 4,502 (previous year: EUR 3,175,178). A further fall of 10 percent in the market price of all securities in the portfolio as a consequence of changes in market conditions would impact Group earnings in the amount of EUR -450 (previous year: EUR -36,175) and equity in the amount of EUR -450 (previous year: EUR -278,641). Earnings are affected exclusively by impairments. The value of securities is deemed to be impaired insofar as the fair value of a share is 25 percent below cost, or remains below cost for 6 months without interruption. An increase of 10 percent in the value of securities would simply affect equity, but not earnings.

In the case of financial assets invested in gold, the risk on the closing date amounted at fair value to EUR 4,852,171 (previous year: EUR 13,409,869). 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 -444,438 (previous year: EUR -1,757,229) and equity in the amount of EUR -475,005 (previous year: EUR 430,658). 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, 2013 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 2013 or 2012, 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 24. 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.

58. Events after the reporting date

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

59. 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 3, 2013. The full text of the declaration is available on the Internet at http://www.atoss.com/de/unternehmen/investor-relations/corporate-governance/2013/Documents/ATOSS_Entsprechenserklaerung_2013-12-04.pdf.

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.

60. Notifiable participating interests

In financial year 2013 the company received the following notifications regarding changes in participating interests pursuant to Sections 21 ff. of the German Securities Trading Act:

On February 27, 2013 as a result of the sale of shares the proportion of voting rights held by Investmentgesellschaft für langfristige Investoren TGV of Bonn, Germany, fell below the threshold of 5 percent of capital and amounted at this time to 4.96 percent.

On October 22, 2013 as a result of the purchase of shares the proportion of voting rights held by Investmentgesellschaft für langfristige Investoren TGV of Bonn, Germany, passed the threshold of 5 percent of capital and amounted at this time to 5.004 percent.

61. Adoption of the consolidated financial statements

The present annual financial statements were released on January 31, 2014 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 4, 2013.

The Management Board is satisfied that all of the information given conveys a true and fair view of situation of the company, its net assets, financial position and results of operations and its cash flows.

62. 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 2013 in the amount of EUR 4,120,062 should be used to pay a dividend of EUR 0.72 per dividend-bearing share.

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

Munich, January 31, 2014

Andreas F.J. Obereder	Christof Leiber
Chief Executive Officer	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, 2013. 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 6, 2014

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, January 31, 2014

Andreas F.J. Obereder
Chief Executive Officer

Christof Leiber
Member of the Board of Management

Corporate Calendar

January 31, 2014	Press Release Preliminary Results 2013
March 12, 2014	Publication Annual Report 2013
March 12, 2014	Balance Sheet Press Conference
April 17, 2014	Press Release Three Months' Statement
April 30, 2014	Annual General Meeting
May 13, 2014	Publication Three Months' Statement
July 22, 2014	Press Release Six Months' Statement
August 12, 2014	Publication Six Months' Statement
October 21, 2014	Press Release Nine Months' Statement
November 15, 2014	Publication Nine Months' Statement
November 24 – 26, 2014	ATOSS at the German Equity Forum

Imprint

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