

# Software AG

## 3<sup>rd</sup> Quarter 2011 Results (IFRS, unaudited)

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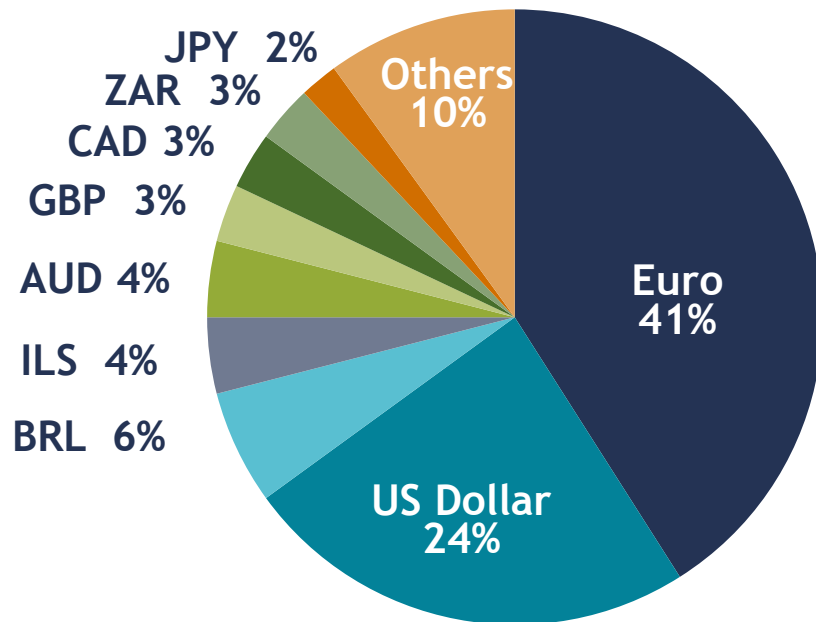
Business  
Process

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## Currency impact on revenue 2011 YTD (9 months)

- 41% revenue in Euro
- 59% revenue in foreign currency



*(in €m)*

Currency impact on revenue	Q3 2011	9m 2011
Licenses	-2.4	-4.5
Maintenance	-3.3	-4.5
Consulting & other	-1.4	-1.7
<b>Total</b>	<b>-7.1</b>	<b>-10.7</b>
$\Delta\%$ (yoy)	-2.5%	-1.3%

Headwind due to currency translation within 9m 2011

## Segment report Q3 2011 / YTD (9 months) Business Process Excellence

<i>(in €m)</i>	Q3 2011	Q3 2010	Δ%	Δ% acc	YTD 2011	YTD 2010	Δ%	Δ% acc
Licenses	41.7	31.4	+33%	+37%	112.1	104.5	+7%	+9%
Maintenance	42.5	40.7	+4%	+8%	124.4	114.8	+8%	+11%
<b>Product revenue</b>	<b>84.2</b>	<b>72.1</b>	<b>+17%</b>	<b>+21%</b>	<b>236.5</b>	<b>219.3</b>	<b>+8%</b>	<b>+10%</b>
Services & other	47.0	47.8	-2%	-	140.2	131.8	+6%	+7%
<b>Total revenue</b>	<b>131.2</b>	<b>119.9</b>	<b>+9%</b>	<b>+12%</b>	<b>376.7</b>	<b>351.1</b>	<b>+7%</b>	<b>+9%</b>
Cost of sales	-47.2	-43.3	+9%		-134.6	-122.8	+10%	
<b>Gross profit</b>	<b>84.0</b>	<b>76.6</b>	<b>+10%</b>		<b>242.1</b>	<b>228.3</b>	<b>+6%</b>	
Sales & marketing	-31.6	-25.8	+22%		-91.7	-85.4	+7%	
R & D	-15.1	-15.0	-		-44.7	-44.3	+1%	
<b>Segment result</b>	<b>37.3</b>	<b>35.8</b>	<b>+4%</b>		<b>105.7</b>	<b>98.6</b>	<b>+7%</b>	

## Segment report Q3 2011 / YTD (9 months) Enterprise Transaction Systems

<i>(in €m)</i>	Q3 2011	Q3 2010	Δ%	Δ% acc	YTD 2011	YTD 2010	Δ%	Δ% acc
Licenses	31.7	36.7	-14%	-11%	87.2	90.3	-3%	-1%
Maintenance	47.5	51.5	-8%	-5%	144.2	148.4	-3%	-2%
<b>Product revenue</b>	<b>79.2</b>	<b>88.2</b>	<b>-10%</b>	<b>-7%</b>	<b>231.4</b>	<b>238.7</b>	<b>-3%</b>	<b>-1%</b>
Services & other	15.9	13.2	+20%	+22%	50.2	48.1	+4%	+5%
<b>Total revenue</b>	<b>95.1</b>	<b>101.4</b>	<b>-6%</b>	<b>-3%</b>	<b>281.6</b>	<b>286.8</b>	<b>-2%</b>	<b>-</b>
Cost of sales	-15.6	-16.6	-6%		-55.1	-56.0	-2%	
<b>Gross profit</b>	<b>79.5</b>	<b>84.8</b>	<b>-6%</b>		<b>226.5</b>	<b>230.8</b>	<b>-2%</b>	
Sales & marketing	-16.8	-18.9	-11%		-47.9	-52.5	-9%	
R & D	-6.8	-7.8	-13%		-20.5	-23.4	-12%	
<b>Segment result</b>	<b>55.9</b>	<b>58.1</b>	<b>-4%</b>		<b>158.1</b>	<b>154.9</b>	<b>+2%</b>	

## Segment report Q3 2011 / Q3 2010

### IDS Scheer Consulting

<i>(in €m)</i>	Q3 2011	Q2 2011	Q1 2011	Q3 2010
External product revenue	5.6	5.4	5.9	5.9
Services & other	42.8	40.4	46.0	48.1
<b>Total revenue</b>	<b>48.4</b>	<b>45.8</b>	<b>51.9</b>	<b>54.0</b>
Cost of sales	-37.4	-44.1	-45.4	-41.9
<b>Gross profit</b>	<b>11.0</b>	<b>1.7</b>	<b>6.5</b>	<b>12.1</b>
Sales & marketing	-7.0	-6.7	-6.5	-6.7
R & D	-0.1	-0.1	-0.1	-0.1
<b>Segment result</b>	<b>3.9</b>	<b>-5.1</b>	<b>-0.1</b>	<b>5.3</b>
<i>in % of revenue</i>	<b>8.1%</b>	-	-	<b>9.8%</b>

## Result Q3 2011 / YTD (9 months)

<i>(in €m)</i>	Q3 2011	Q3 2010	Δ%	YTD 2011	YTD 2010	Δ%
<b>Total revenue</b>	<b>274.6</b>	<b>275.3</b>	<b>-</b>	<b>804.3</b>	<b>792.9</b>	<b>+1%</b>
Cost of sales	-106.4	-107.2	-1%	-332.4	-324.8	+2%
<b>Gross profit</b>	<b>168.2</b>	<b>168.1</b>	<b>-</b>	<b>471.9</b>	<b>468.1</b>	<b>+1%</b>
<i>Margin in %</i>	<i>61.3%</i>	<i>61.1%</i>		<i>58.7%</i>	<i>59.0%</i>	
R & D	-22.0	-22.9	-4%	-65.4	-68.0	-4%
Sales & marketing	-58.5	-54.5	+7%	-168.6	-169.7	-1%
Administration	-15.3	-21.7	-29%	-49.1	-61.6	-20%
Other income/expense	-0.4	0.1	-	2.4	5.8	-59%
<b>EBIT</b>	<b>72.0</b>	<b>69.1</b>	<b>+4%</b>	<b>191.2</b>	<b>174.6</b>	<b>+10%</b>
<i>Margin in %</i>	<i>26.2%</i>	<i>25.1%</i>		<i>23.8%</i>	<i>22.0%</i>	
EBITDA (pro-forma*)	85.1	80.6	+6%	226.3	208.9	+8%
<i>Margin in %</i>	<i>30.5%</i>	<i>29.3%</i>		<i>28.0%</i>	<i>26.4%</i>	

\* Depreciation & amortization is included in functional areas according to IFRS

## Net result Q3 2011 / YTD (9 months)

<i>(in €m)</i>	Q3 2011	Q3 2010	Δ%	YTD 2011	YTD 2010	Δ%
<b>EBIT</b>	72.0	69.1	+4%	191.2	174.6	+10%
<i>Margin in %</i>	26.2%	25.1%		23.8%	22.0%	
<b>Financial income</b>	-3.2	-3.7	-14%	-6.8	-11.3	-40%
Profit before tax	68.8	65.4		184.4	163.3	
Taxes	-22.2	-19.8		-59.1	-52.3	
<i>Taxe rate in %</i>	32.3%	30.3%		32.0%	32.0%	
<b>Net income</b>	46.6	45.6	+2%	125.3	111.0	+13%
<b>EPS in €*</b>	€0.54	€0.54	-	€1.46	€1.30	+12%

\* Weighted average shares outstanding (basic) Q3 2011: 86.7 m / Q3 2010: 84.9 m (pro forma, incl. share split)

## Cash flow Q3 2011 / YTD (9 months)

<i>(in €m)</i>	Q3 2011	Q3 2010	Δ%	YTD 2011	YTD 2010	Δ%
Operating cash flow	17.9	45.1	-60%	115.4	145.4	-21%
<i>./. CapEx</i>	-4.6	-2.5		-7.2	-6.7	
<b>Free cash flow</b>	<b>13.3</b>	<b>42.6</b>	<b>-69%</b>	<b>108.2</b>	<b>138.7</b>	<b>-22%</b>
<i>as % of revenue</i>	4.8%	15.5%		13.5%	17.5%	
<b>Free cash flow per share (in €)</b>	<b>€0.15</b>	<b>€0.50</b>	<b>-70%</b>	<b>€1.26</b>	<b>€1.63</b>	<b>-23%</b>
Weighted average number of shares (in m)	86.7	84.9		86.0	85.1	

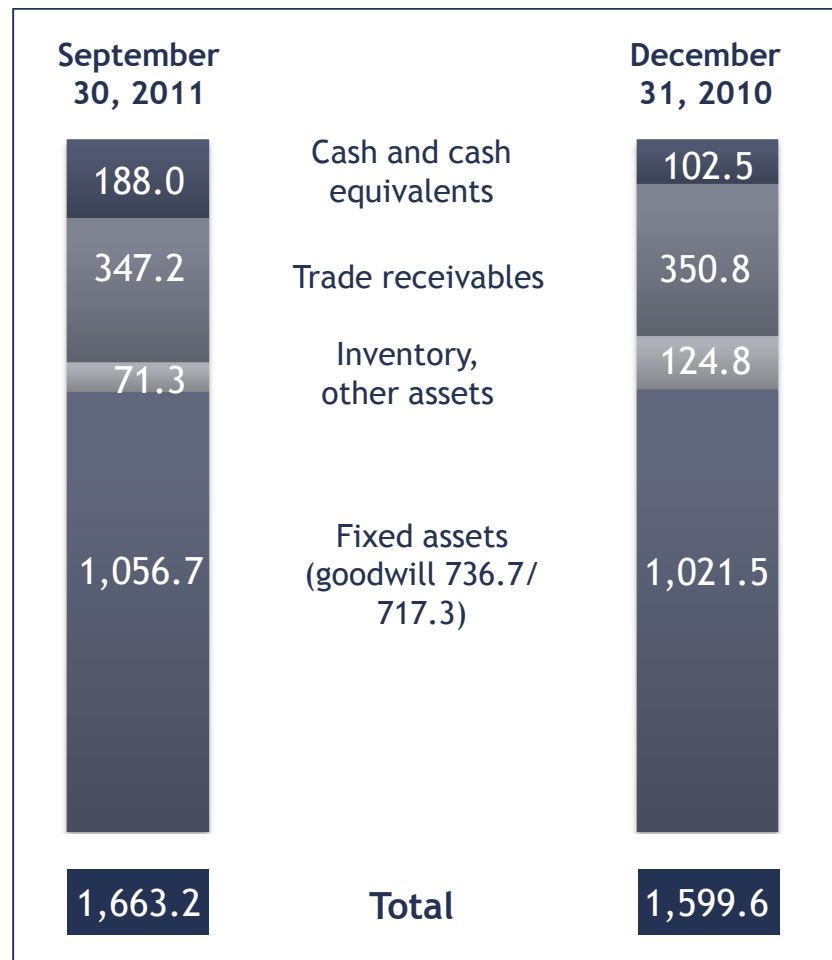
\* Cash flow from investing activities except acquisitions



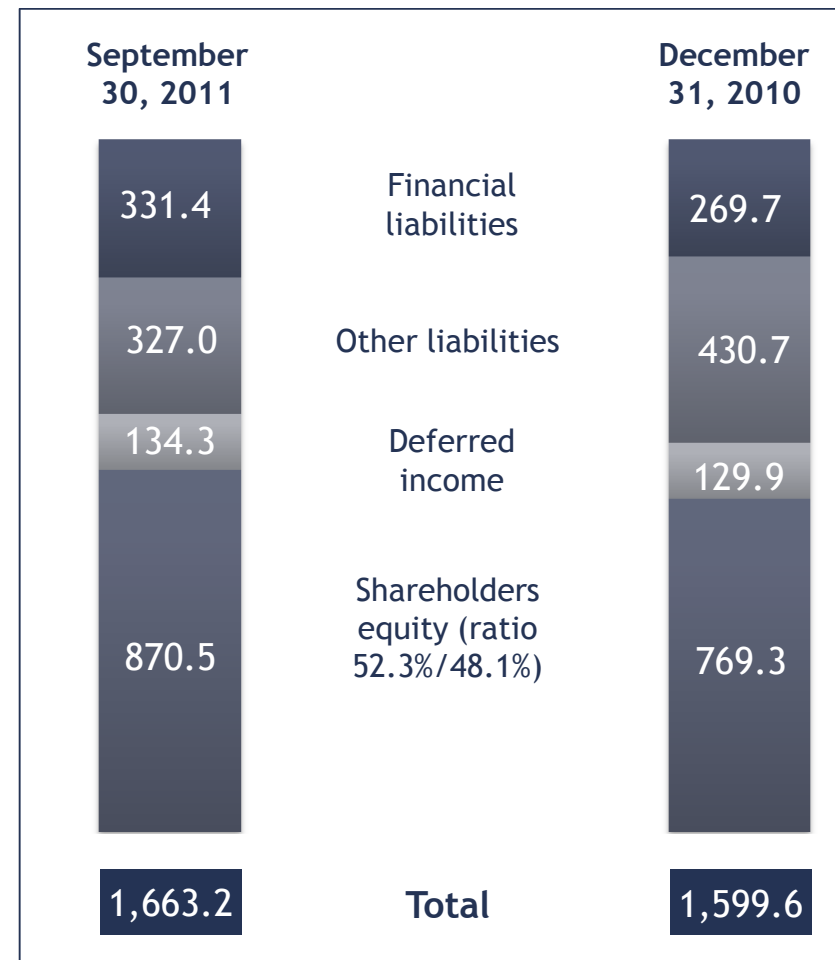
## Balance sheet

(in €m)

### Assets



### Liabilities



## Outlook 2011

<i>(in €m)</i>	2010	Forecast 2011 (as of October 18, 2011)	9m 2011 (yoy, acc)
<b>Product revenue</b>			
- BPE	319.4	Growth: +10% to +15%*	+10%*
- ETS	354.6	Flat: -2% to +2%*	-1%*
<b>Total revenue</b>	1,119.5	Growth: +2% to +5%*	+3%*
<b>Net income</b>	175.6	Growth: +10% to +15%	+13%

\* Net of currency

Thank you!



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## Amortization / depreciation impact 2011ff (preliminary)

*(in mn. euros)*

	Q3 2011	FY 2011	FY 2012*ff
Amortization IDS	2.7	11.0	11.0
Amortization other	6.6	23.0	26.2
Depreciation	3.7	14.2	15.0

\* Estimated

## Headcount by functional areas\* and geography

<i>(in FTE)</i>	Sept 30, 2011	June 30, 2011	Δ% qoq	Sept 30, 2010	Δ% yoy
<b>Total</b>	<b>5,498</b>	<b>5,478</b>	<b>-</b>	<b>5,708</b>	<b>-4%</b>
Consulting & Services	2,874	2,865	-	3,088	-7%
R & D	855	845	+1%	822	+4%
Sales & marketing	1,031	1,036	-	1,043	-1%
Administration	738	732	+1%	755	-2%
USA	721	733	-2%	684	+5%
Germany	1,920	1,946	-1%	2,089	-8%
Rest of world	2,857	2,799	+2%	2,935	-3%

\* According to P+L structure

## Revenue Q3 2011 / YTD (9 months)

(in €m)	Q3 2011	Q3 2010	Δ%	Δ% acc	YTD 2011	YTD 2010	Δ%	Δ% acc
<b>Product</b>	168.9	166.2	+2%	+5%	484.7	474.8	+2%	+4%
Licenses	74.7	69.6	+7%	+11%	203.6	199.7	+2%	+4%
Maintenance	94.2	96.6	-2%	+1%	281.1	275.1	+2%	+4%
<b>Consulting &amp; Services</b>	105.2	108.3	-3%	-2%	316.4	315.0	-	+1%
Other	0.5	0.8	-38%	-39%	3.2	3.1	+3%	+5%
<b>Total</b>	<b>274.6</b>	<b>275.3</b>	<b>-</b>	<b>+2%</b>	<b>804.3</b>	<b>792.9</b>	<b>+1%</b>	<b>+3%</b>

## Segment report Q3 2011 / YTD (9 months) IDS Scheer Consulting

<i>(in €m)</i>	Q3 2011	Q3 2010	Δ%	Δ% acc	YTD 2011	YTD 2010	Δ%	Δ% acc
External product revenue	5.6	5.9	-5%	-4%	16.8	16.9	-1%	+1%
Services & other	42.8	48.1	-11%	-10%	129.3	138.1	-6%	-6%
<b>Total revenue</b>	<b>48.4</b>	<b>54.0</b>	<b>-10%</b>	<b>-9%</b>	<b>146.1</b>	<b>155.0</b>	<b>-6%</b>	<b>-5%</b>
Cost of sales	-37.4	-41.9	-11%		-126.9	-130.5	-3%	
<b>Gross profit</b>	<b>11.0</b>	<b>12.1</b>	<b>-9%</b>		<b>19.2</b>	<b>24.5</b>	<b>-22%</b>	
Sales & marketing	-7.0	-6.7	+4%		-20.2	-22.4	-10%	
R & D	-0.1	-0.1	-		-0.3	-0.5	-40%	
<b>Segment result</b>	<b>3.9</b>	<b>5.3</b>	<b>-26%</b>		<b>-1.3</b>	<b>1.6</b>		