

Software AG

4th Quarter & Full-Year 2011 Results (IFRS, unaudited)

January 24, 2012



Safe-Harbor-Statement

This presentation contains forward-looking statements based on beliefs of Software AG management. Such statements reflect current views of Software AG with respect to future events and results and are subject to risks and uncertainties. Actual results may vary materially from those projected here, due to factors including changes in general economic and business conditions, changes in currency exchange, the introduction of competing products, lack of market acceptance of new products, services or technologies and changes in business strategy. Software AG does not intend or assume any obligation to update these forward-looking statements.

Software AG

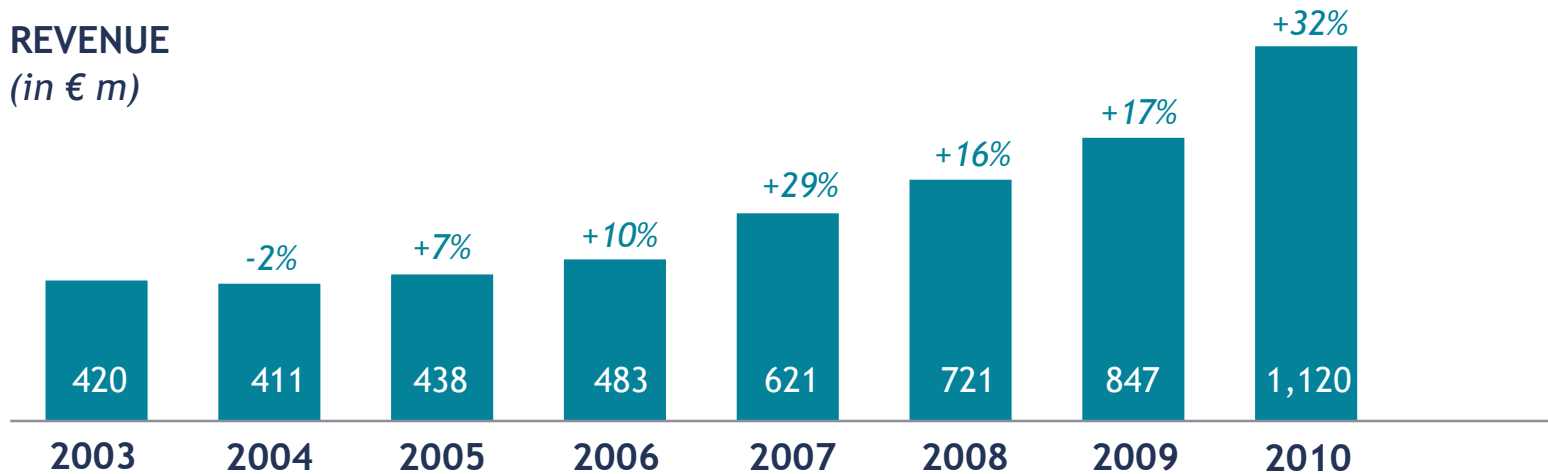
Financial Results, 4th Quarter and Full-Year 2011 (IFRS, un-audited)

Karl-Heinz Streibich, CEO
January 24, 2012

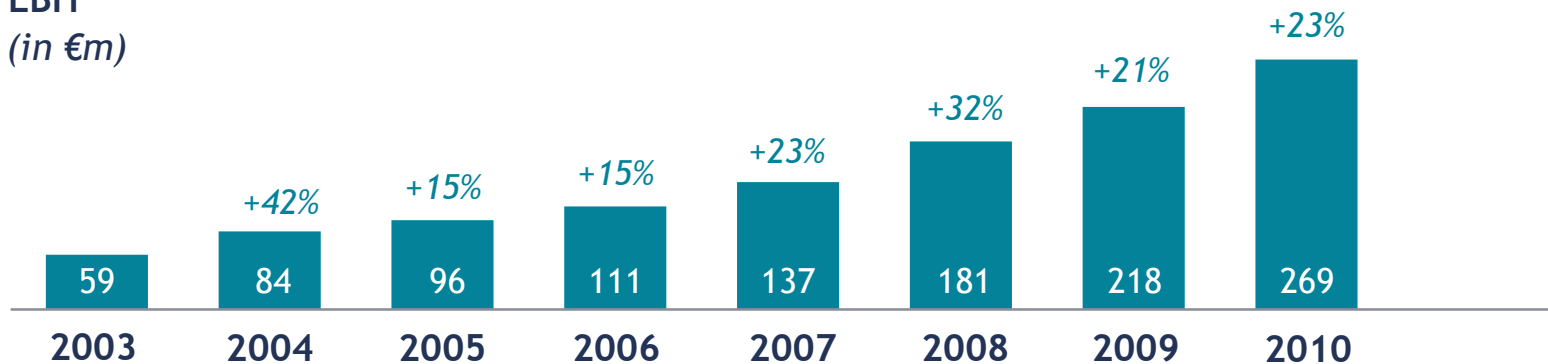


Sustainable profitable growth

REVENUE (in € m)

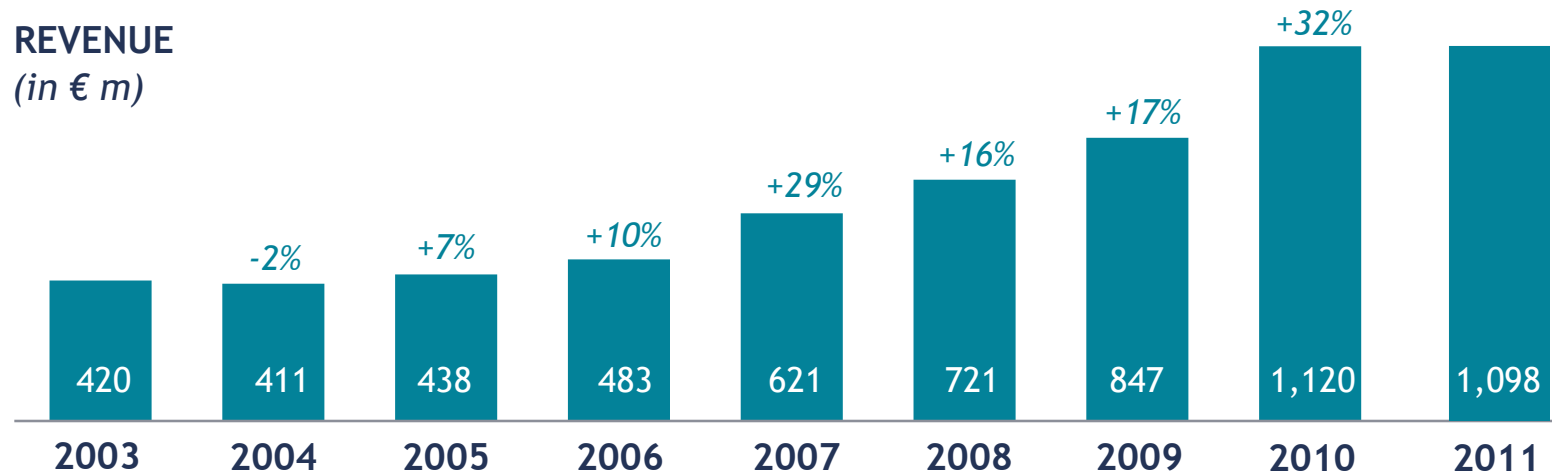


EBIT (in € m)

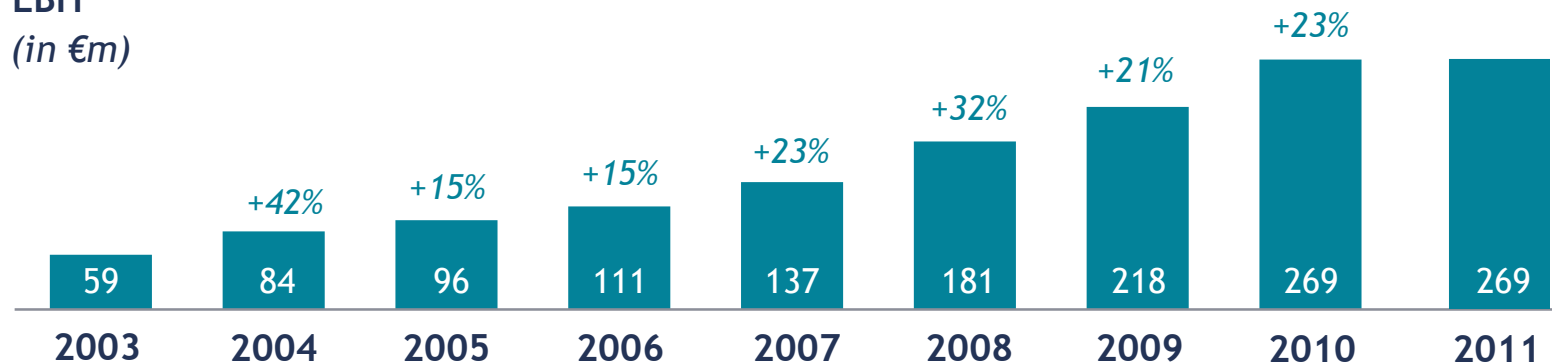


Record result of 2010 repeated in 2011

REVENUE (in € m)

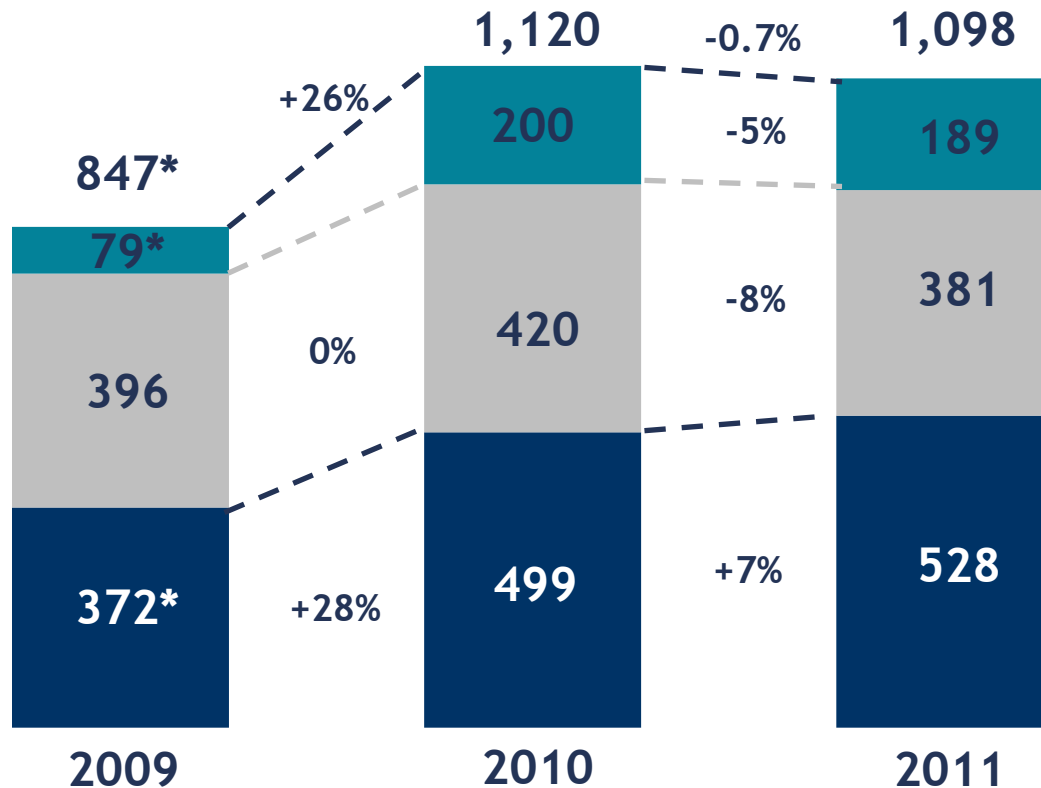


EBIT (in € m)



Development of business lines: full year revenue

(in €m)
 Δ in % at constant currency



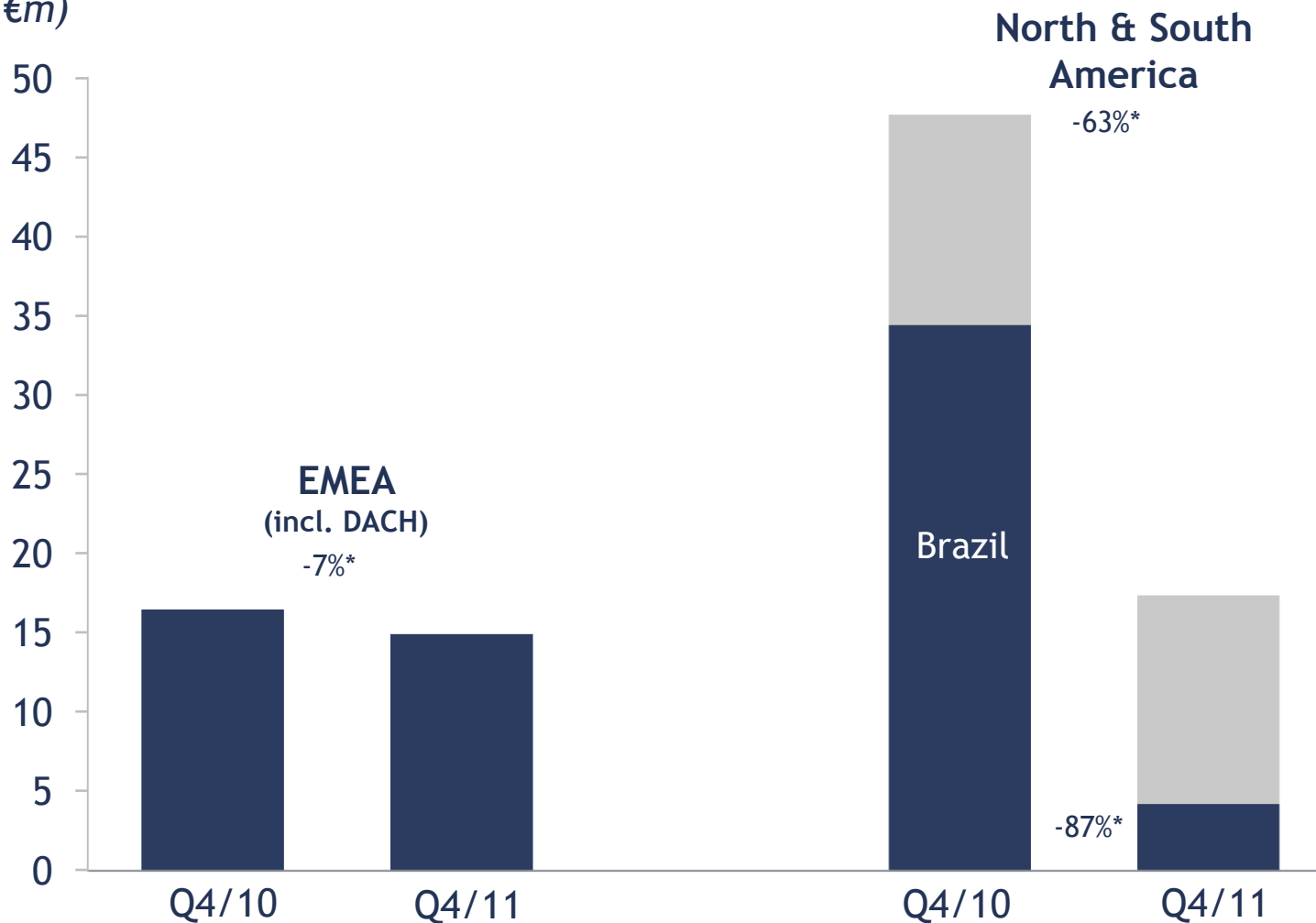
Revenue core business
 (BPE + ETS) 2010 = 2011
 (at constant currency)



* First consolidated in Q3 2009

ETS license revenue in Q4: Comparison of development in EMEA vs. Americas

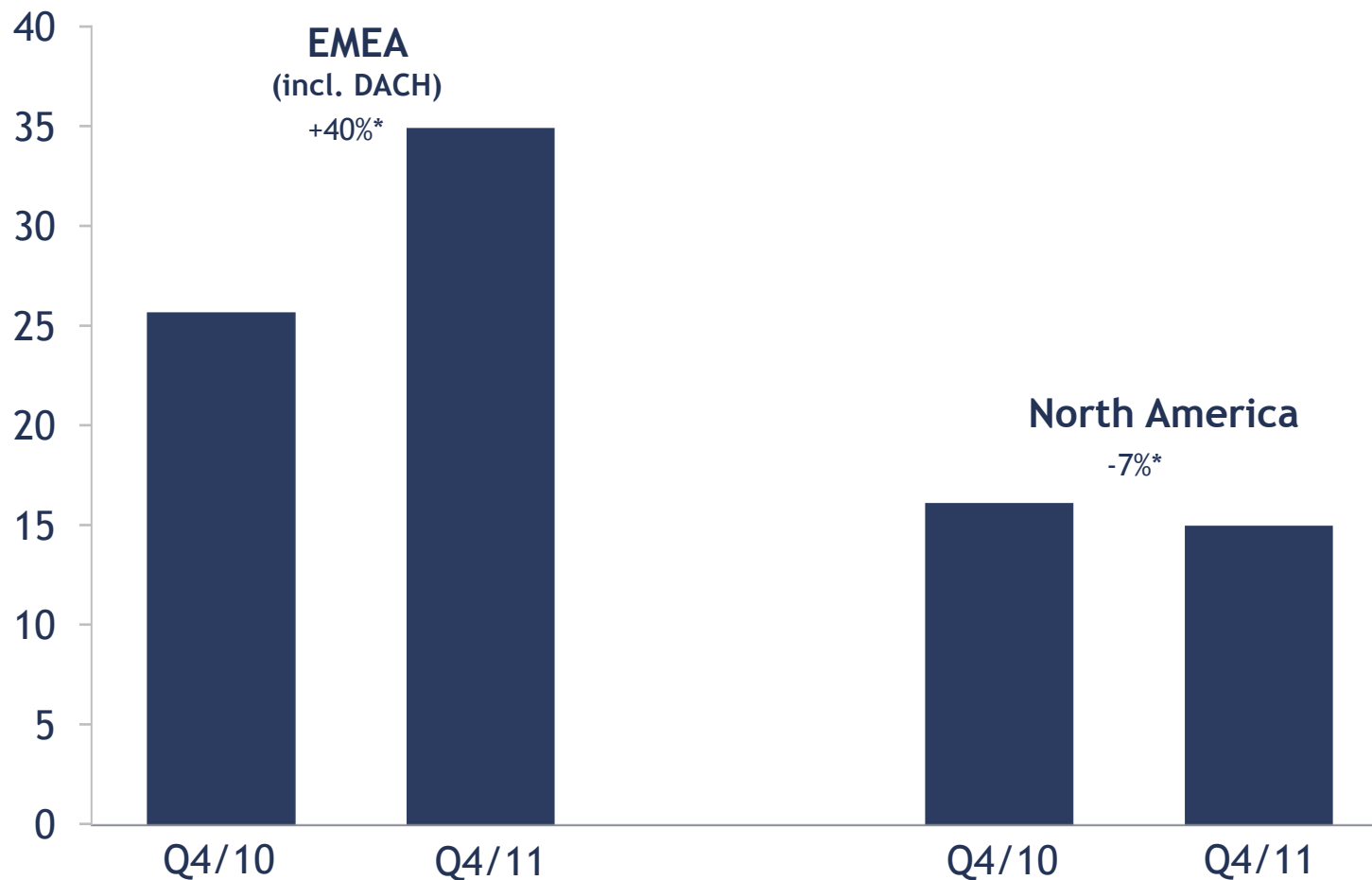
(in €m)



* At constant currency

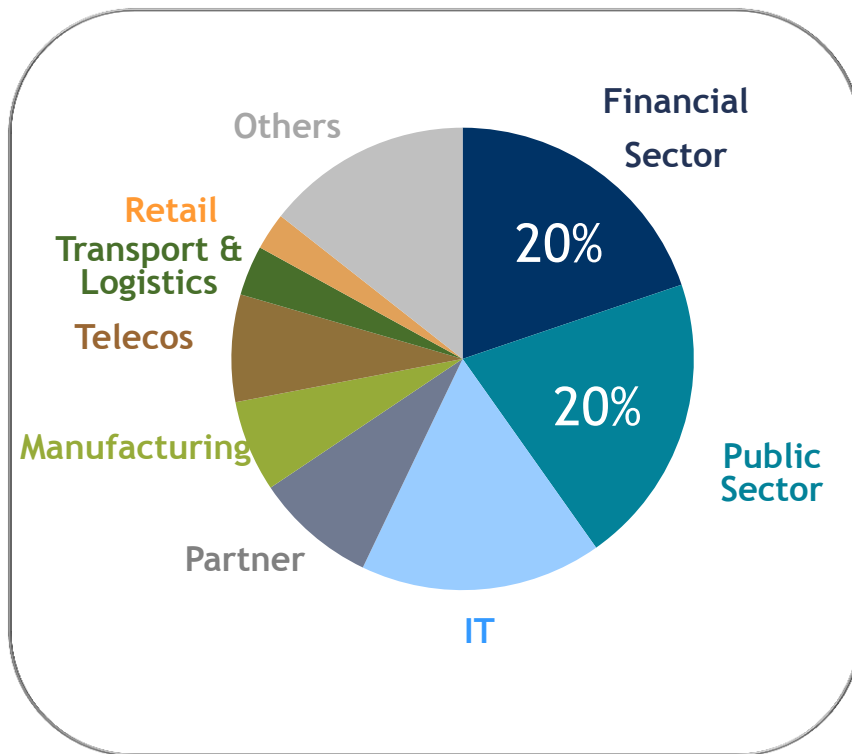
BPE license revenue in Q4: Comparison of development in EMEA vs. North America

(in €m)

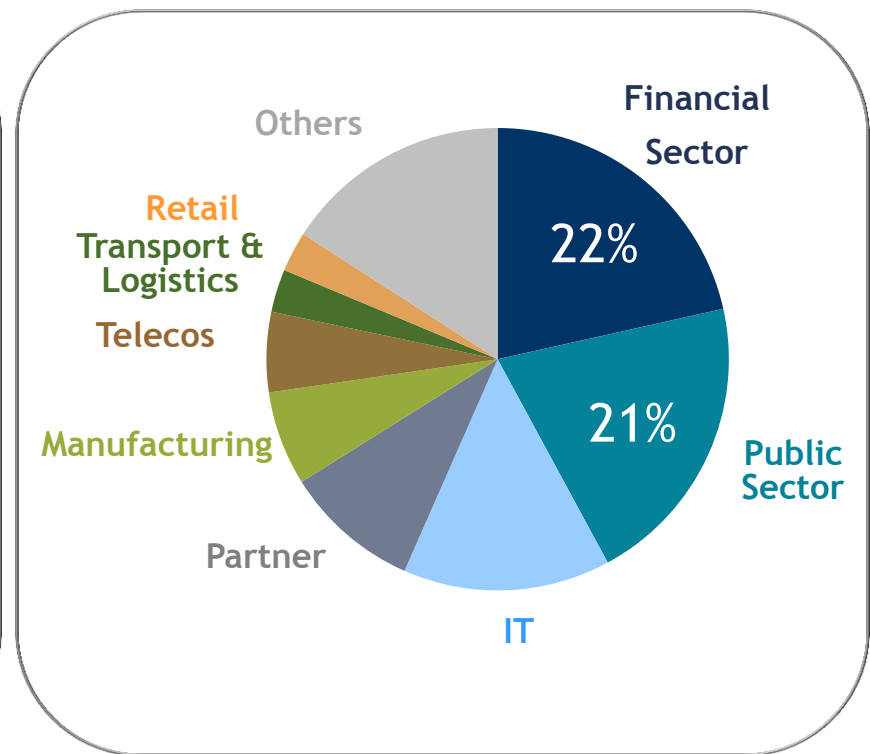


* At constant currency

Revenue split by industry



Q4 2011*



FY 2011*

* Based on product revenue

Strengthening our competitive position and image in North America

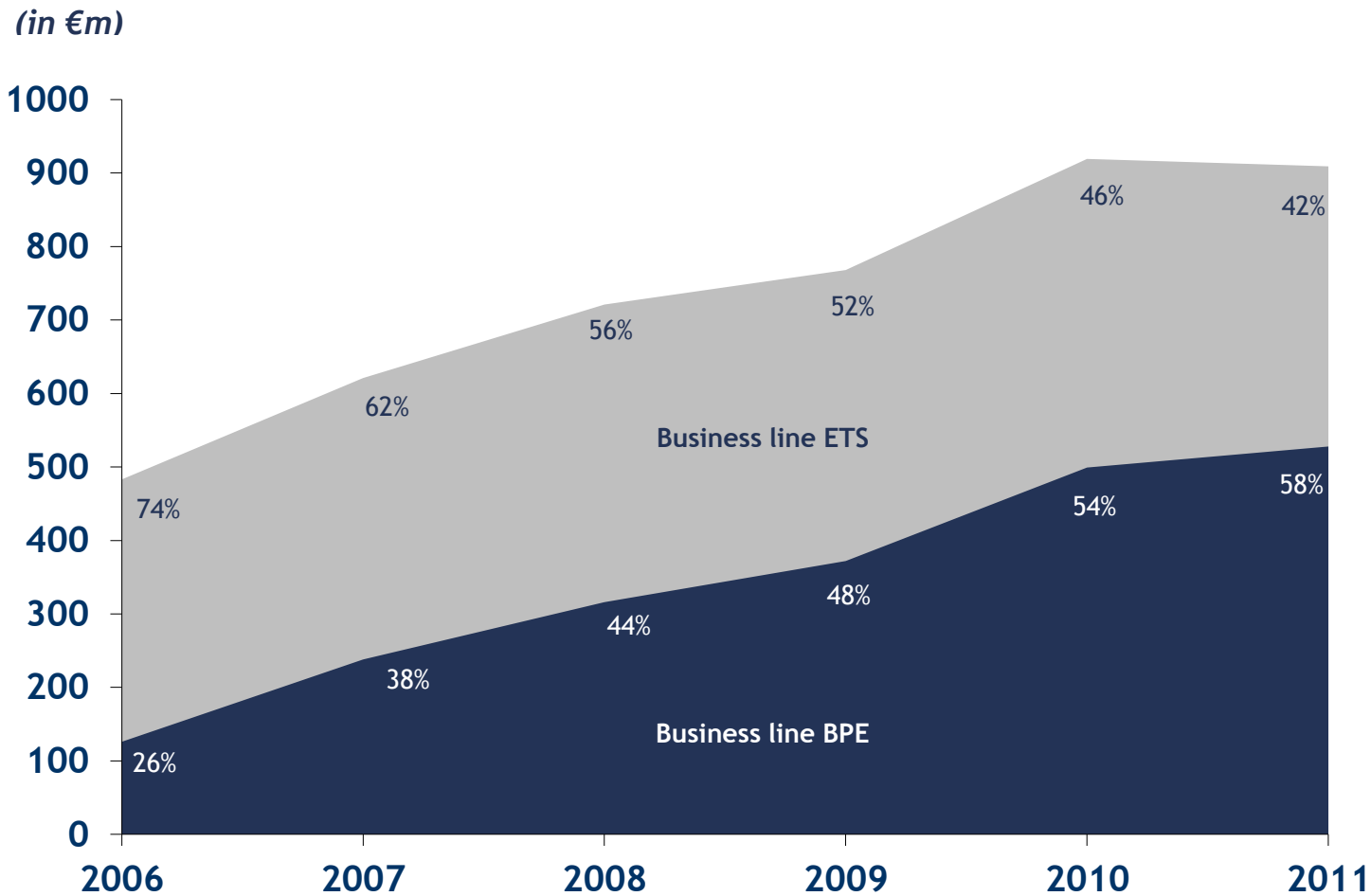
1. Operational Actions

- The appointment of the US Sales Executive to the Group Executive Board (GEB)
- Realignment of sales (after the merger of the sales teams)
- Increase the sales and marketing budgets by 20%
- Establish regional centers (hubs) for market development
- Establish a global service and support unit for ETS

2. Strategic Actions

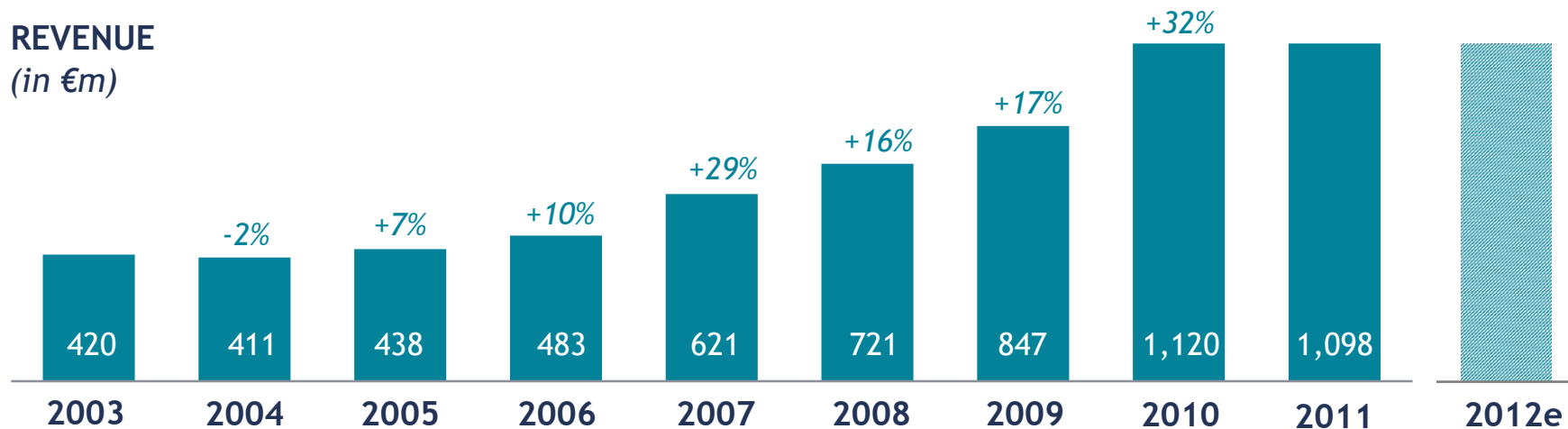
- Establish a Federal Unit
 - Bidding for public projects (Defense and Security)
- Strengthening our presence in Silicon Valley
 - Mergers & Acquisitions, Research & Development, Product Marketing
 - Expansion based on Terracotta

BPE - once again the strongest revenue contributor



Consolidation in 2012 - basis for further growth

REVENUE (in €m)



EBIT (in €m)



Outlook FY 2012

(in €m)

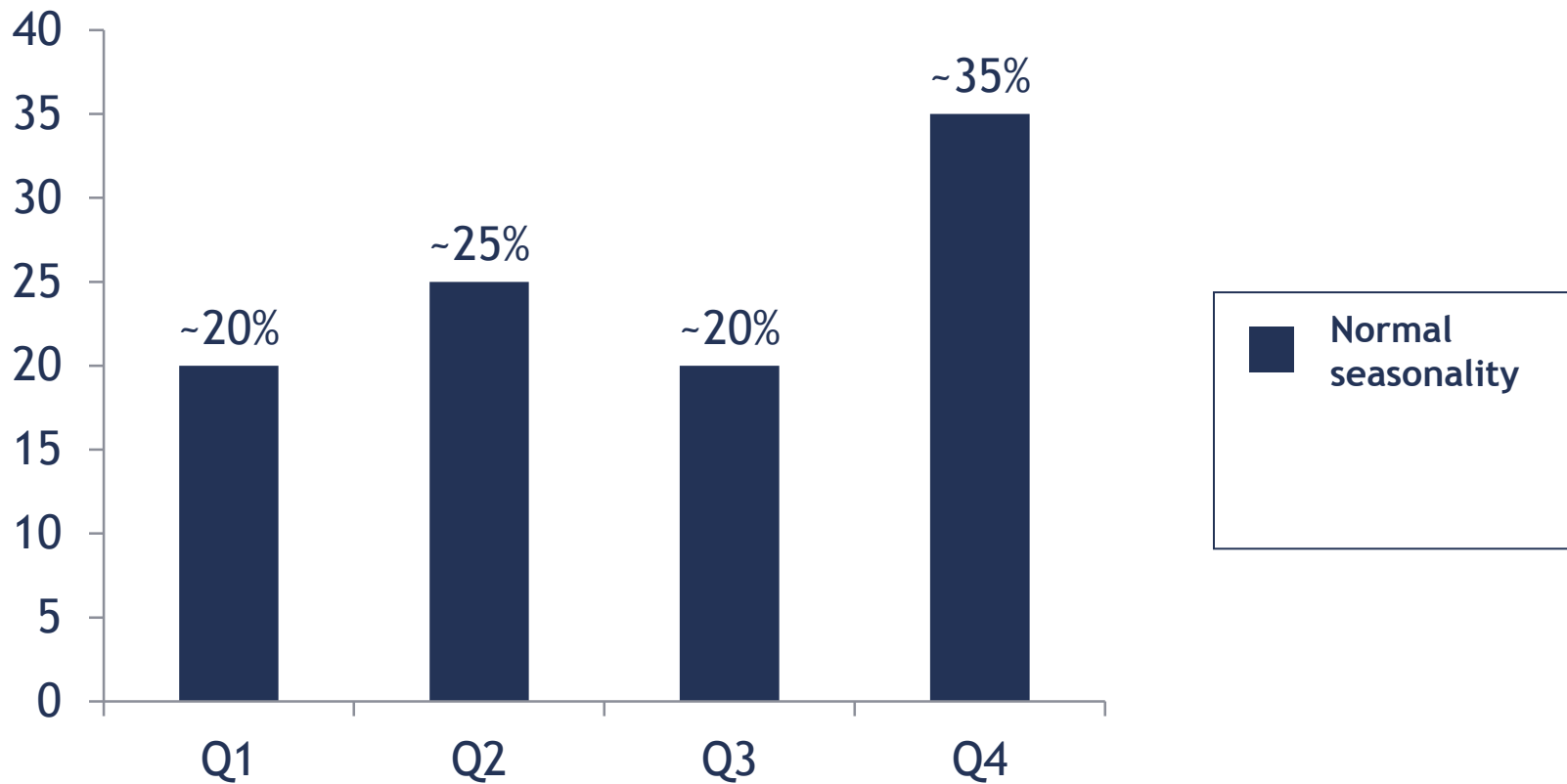
	2011	Outlook 2012 (as of January 24, 2012)
Total Revenue Group	1,098.3	-3% to +3%*
- thereof BPE	527.9	+5% to +15%*
- thereof ETS	381.3	-12% to -7%*
EBIT Margin	24.5%	23.0% to 24.5%

Outlook Q1 2012

Given the normal seasonality, Q1 2012 is expected to be below the extraordinary good results of Q1 2011.

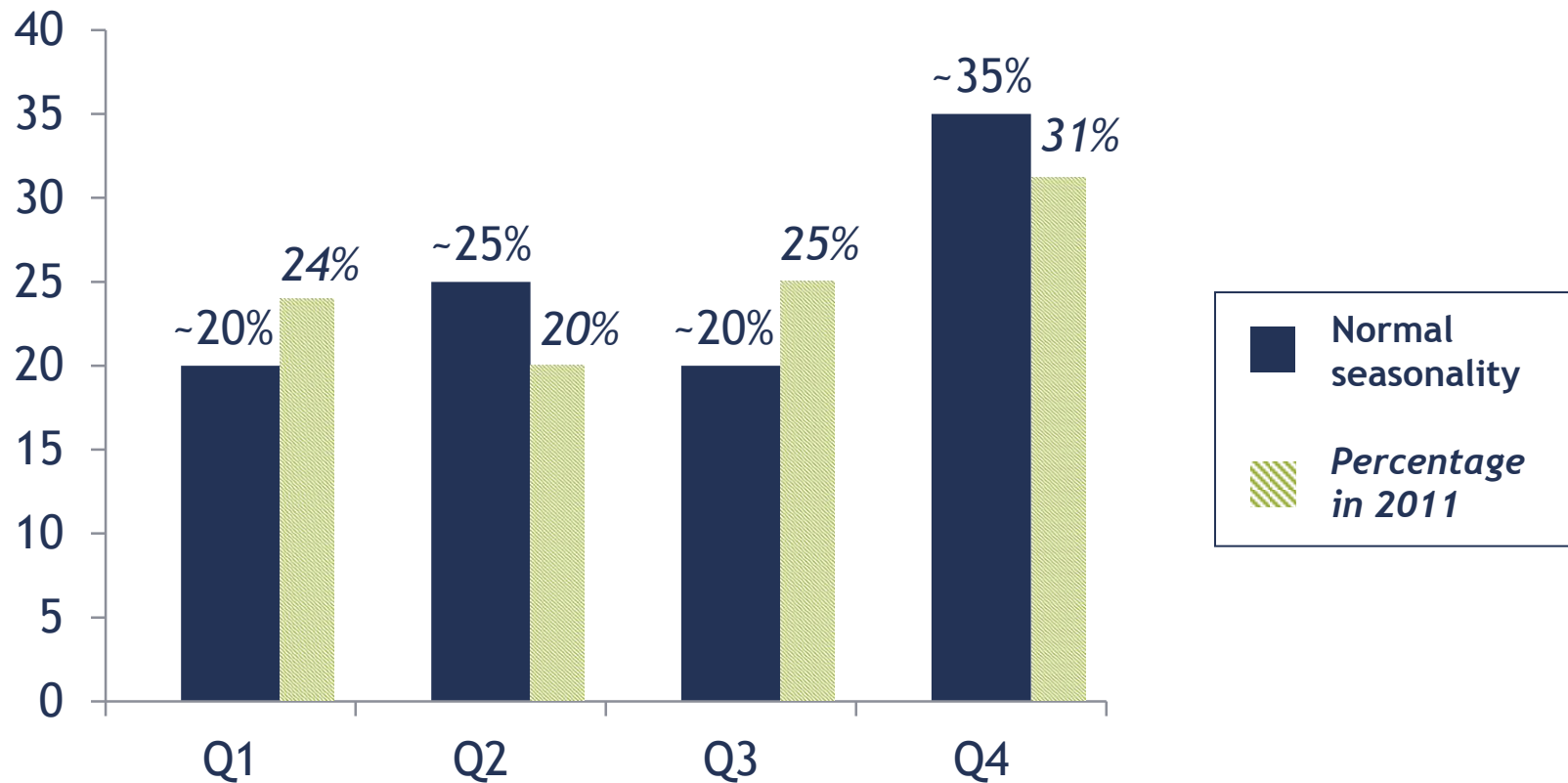
Seasonal split of license revenues by quarter

in % of FY license revenue



Seasonal split of license revenues by quarter

in % of FY license revenue



Mid-term Goals - (3 to 5 years)

BPE Business Division

- Double digit license revenue growth
- A doubling of revenue by end of 2015

ETS Business Division

- Maintenance revenue largely stable
- Optimize the cost structure to maintain an operating margin > 50%

The Group

- Increase the EBIT margin to 30%
- A doubling of net income by end of 2015
- M&A: large acquisition every 2-4 years

Software AG

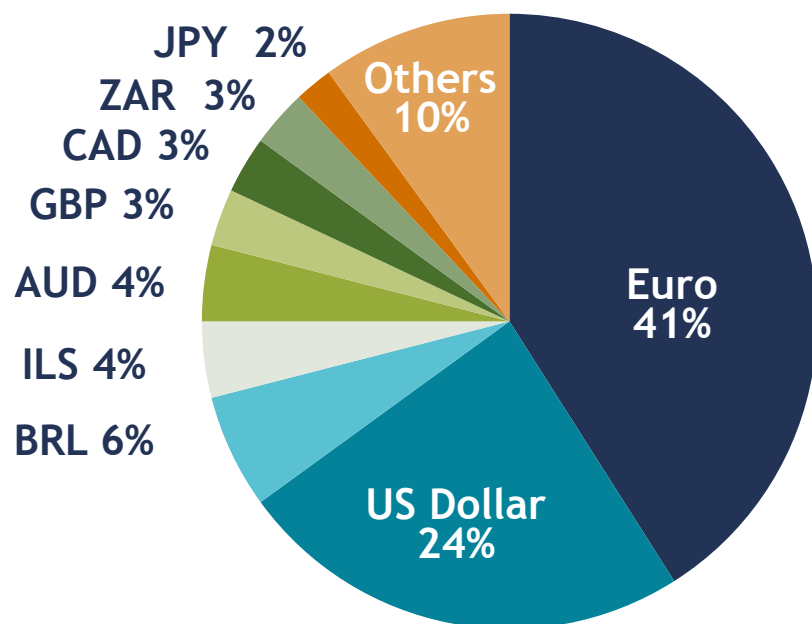
4th Quarter & Full-Year 2011 Results (IFRS, unaudited)

Arnd Zinnhardt, CFO
January 24, 2012



Currency impact on revenue

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



(in €m)

Currency impact on revenue	Q4 2011	FY 2011
Licenses	-1.8	-6.3
Maintenance	-0.4	-4.9
Consulting & other	-0.4	-2.0
Total	-2.6	-13.2
Δ% (yoy)	-0.9%	-1.2%

Segment report Q4 2011 / FY 2011

Business Process Excellence

<i>(in €m)</i>	Q4 2011	Q4 2010	Δ%	Δ% acc	FY 2011	FY 2010	Δ%	Δ% acc
Licenses	56.6	59.8	-5%	-3%	168.6	164.4	+3%	+5%
Maintenance	44.7	40.4	+11%	+11%	169.2	155.0	+9%	+11%
Product revenue	101.3	100.2	+1%	+2%	337.8	319.4	+6%	+8%
Services & other	49.8	48.0	+4%	+4%	190.1	179.8	+6%	+6%
Total revenue	151.1	148.2	+2%	+3%	527.9	499.2	+6%	+7%
Cost of sales	-52.4	-47.0	+11%		-187.1	-169.8	+10%	
Gross profit	98.7	101.2	-2%		340.8	329.4	+3%	
Sales & marketing	-33.7	-39.7	-15%		-125.3	-125.1	-	
R & D	-16.5	-15.7	+5%		-61.3	-59.9	+2%	
Segment result	48.5	45.8	+6%		154.2	144.4	+7%	

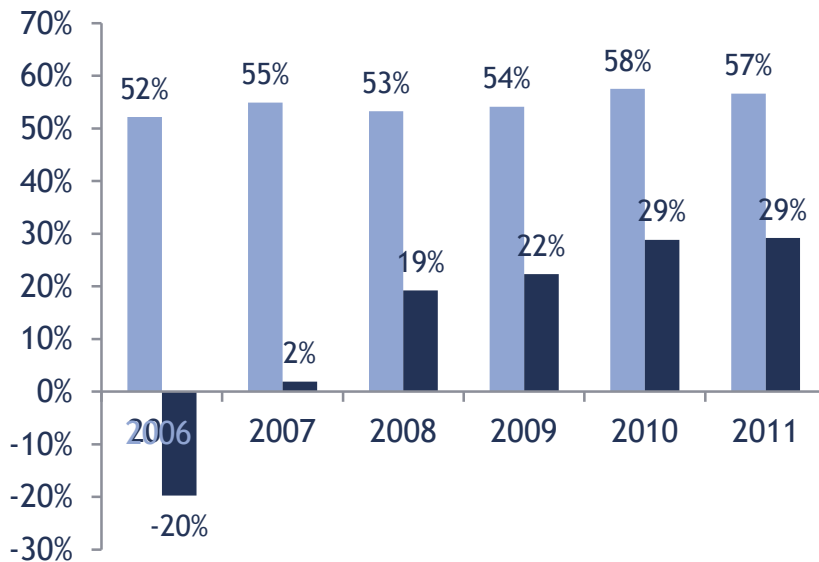
Segment report Q4 2011 / FY 2011

Enterprise Transaction Systems

<i>(in €m)</i>	Q4 2011	Q4 2010	Δ%	Δ% acc	FY 2011	FY 2010	Δ%	Δ% acc
Licenses	32.9	66.0	-50%	-49%	120.1	156.3	-23%	-21%
Maintenance	48.6	49.9	-3%	-2%	192.8	198.3	-3%	-2%
Product revenue	81.5	115.9	-30%	-29%	312.9	354.6	-12%	-10%
Services & other	18.2	17.3	+5%	+6%	68.4	65.4	+5%	+5%
Total revenue	99.7	133.2	-25%	-24%	381.3	420.0	-9%	-8%
Cost of sales	-17.2	-17.5	-2%		-72.3	-73.6	-2%	
Gross profit	82.5	115.7	-29%		309.0	346.4	-11%	
Sales & marketing	-18.8	-20.8	-10%		-66.8	-73.3	-9%	
R & D	-6.0	-8.3	-28%		-26.4	-31.6	-16%	
Segment result	57.7	86.6	-33%		215.8	241.5	-11%	

Growing relevance of BPE also on income level

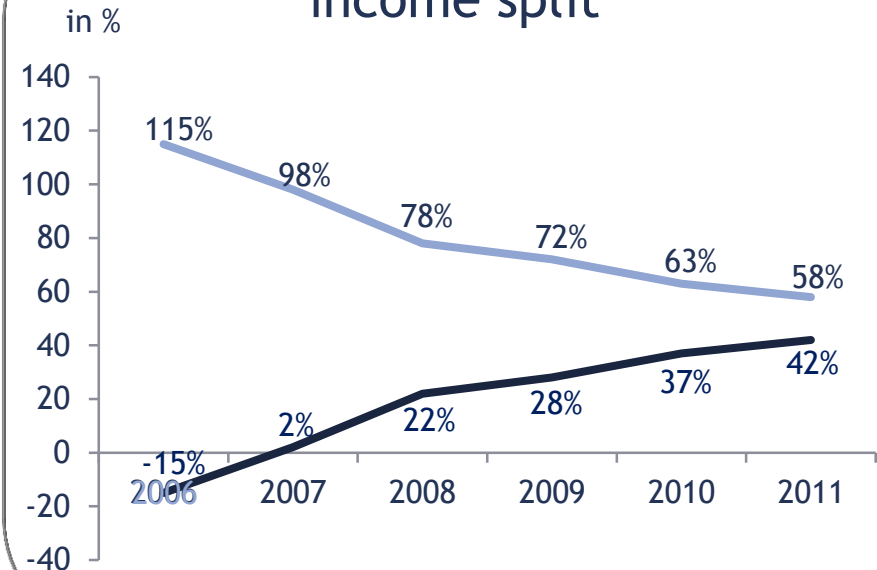
Ongoing margin improvement in BPE ...



Segment Margin (in %)

- Business Process Excellence
- Enterprise Transaction Systems

... leads to a balanced income split



Segment contribution split BPE/ETS (in %)

Segment report Q4 2011 / FY 2011

IDS Scheer Consulting

<i>(in €m)</i>	Q4 2011	Q4 2010	Δ%	Δ% acc	FY 2011	FY 2010	Δ%	Δ% acc
External product revenue	6.4	5.9	+8%	+9%	23.2	22.8	+2%	+3%
Services & other	36.7	39.4	-7%	-7%	166.0	177.5	-6%	-6%
Total revenue	43.1	45.3	-5%	-5%	189.2	200.3	-6%	-5%
Cost of sales	-35.4	-47.3	-25%		-162.3	-177.7	-9%	
Gross profit	7.7	-2.0	-		26.9	22.6	+19%	
Sales & marketing	-5.5	-6.0	-8%		-25.7	-28.5	-10%	
R & D	-0.1	-0.1	-		-0.4	-0.6	-33%	
Segment result	2.1	-8.1	-		0.8	-6.5	-	

Result Q4 2011 / FY 2011

<i>(in €m)</i>	Q4 2011	Q4 2010	Δ%	FY 2011	FY 2010	Δ%
Total revenue	294.0	326.7	-10%	1,098.3	1,119.5	-2%
Cost of sales	-109.7	-117.3	-6%	-442.1	-442.0	-
Gross profit	184.3	209.4	-12%	656.2	677.5	-3%
<i>Margin in %</i>	<i>62.7%</i>	<i>64.1%</i>		<i>59.7%</i>	<i>60.5%</i>	
R & D	-22.6	-24.0	-6%	-88.0	-92.0	-4%
Sales & marketing	-61.7	-69.2	-11%	-230.2	-238.9	-4%
Administration	-26.1	-23.7	+10%	-75.1	-85.3	-12%
Other income/expense	+4.1	+1.6	-	+6.3	+7.3	-14%
EBIT	78.0	94.1	-17%	269.2	268.6	-
<i>Margin in %</i>	<i>26.5%</i>	<i>28.8%</i>		<i>24.5%</i>	<i>24.0%</i>	
EBITDA (pro-forma*)	89.2	106.1	-16%	315.5	315.0	-
<i>Margin in %</i>	<i>30.3%</i>	<i>32.5%</i>		<i>28.7%</i>	<i>28.1%</i>	

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

Net result Q4 2011 / FY 2011

<i>(in €m)</i>	Q4 2011	Q4 2010	Δ%	FY 2011	FY 2010	Δ%
EBIT	78.0	94.1	-17%	269.2	268.6	-
<i>Margin in %</i>	26.5%	28.8%		24.5%	24.0%	
Financial income	-3.1	-3.1	-	-9.9	-14.2	-30%
Profit before tax	74.9	91.0	-18%	259.3	254.4	+2%
Taxes	-23.0	-26.3	-13%	-82.1	-78.8	+4%
<i>Tax rate in %</i>	30.7%	28.9%		31.7%	31.0%	
Net income	51.9	64.7	-20%	177.2	175.6	+1%
EPS in €* 	€0.60	€0.76	-21%	€2.05	€2.06	-

* Weighted average shares outstanding (basic) Q4 2011: 86.7m / Q4 2010: 85.1m (pro-forma, incl. share split)

Cash flow Q4 2011 / FY 2011

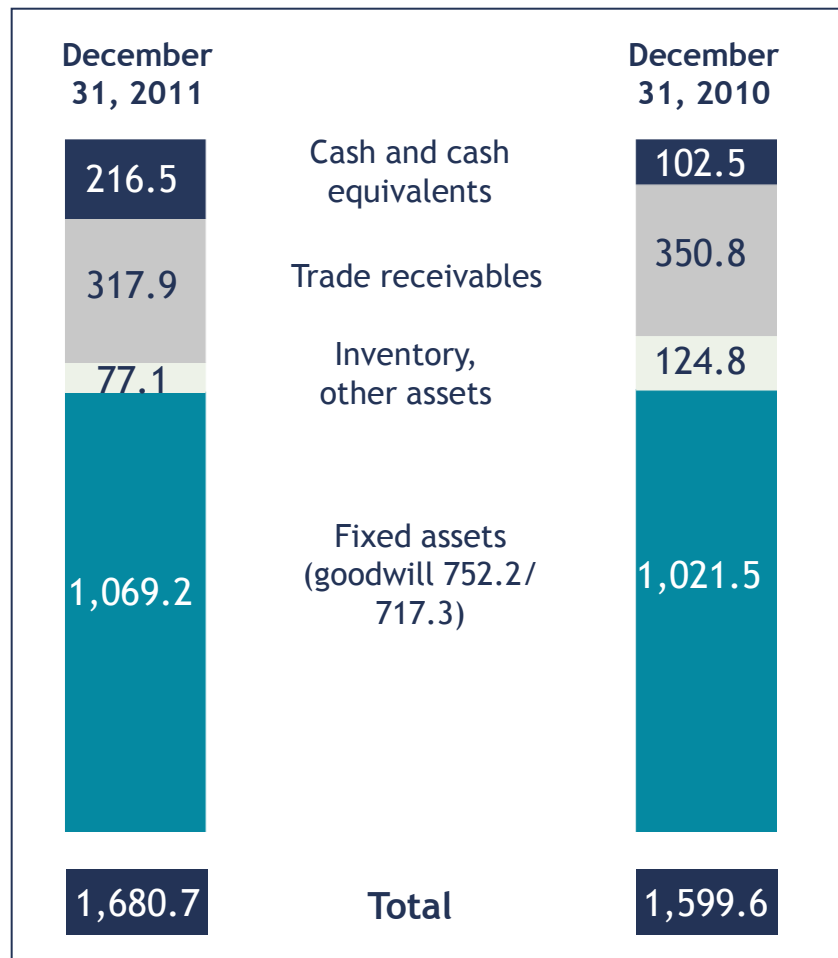
<i>(in €m)</i>	Q4 2011	Q4 2010	Δ%	FY 2011	FY 2010	Δ%
Operating cash flow	83.2	82.1	1%	198.6	227.4	-13%
./. CapEx*	-3.7	-3.0		-10.9	-9.6	
Free cash flow	79.5	79.1	1%	187.7	217.8	-14%
<i>as % of revenue</i>	27.0%	24.2%		17.1%	19.5%	
Free cash flow per share**	€0.92	€0.93	-1%	€2.18	€2.56	-15%
Weighted average number of shares (in m)**	86.7	85.1		86.2	85.1	

* Cash flow from investing activities except acquisitions / **pro-forma, incl. share split

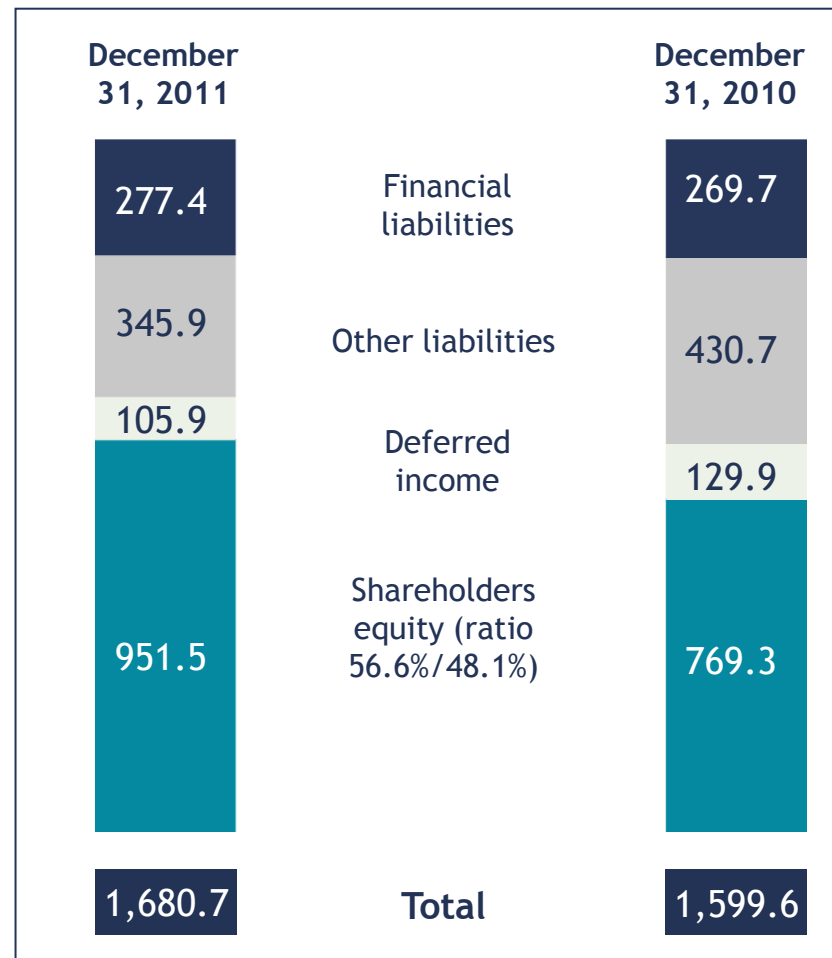
Balance sheet

(in €m)

Assets



Liabilities



Thank you!

Get There Faster.™

Amortization / depreciation impact 2011ff (preliminary)

<i>(in €m)</i>	Q4 2011	FY 2011	FY 2012ff*
Amortization IDS	2.7	11.0	11.0
Amortization other	5.5	21.9	24.5
Depreciation	2.8	13.3	11.2

Headcount by functional areas* and geography

<i>(in FTE)</i>	Dec 31, 2011	Sept 30, 2011	Δ% qoq	Dec 31, 2010	Δ% yoy
Total	5,535	5,498	+1%	5,644	-2%
Consulting & Services	2,894	2,874	+1%	3,039	-5%
R & D	887	855	+4%	850	+4%
Sales & marketing	1,023	1,031	-1%	1,022	-
Administration	731	738	-1%	733	-
USA	714	721	-1%	685	+4%
Germany	1,881	1,920	-2%	2,051	-8%
Rest of world	2,940	2,857	+3%	2,905	+1%

* According to P+L structure

Revenue Q4 2011 / FY 2011

<i>(in €m)</i>	Q4 2011	Q4 2010	Δ%	Δ% acc	FY 2011	FY 2010	Δ%	Δ% acc
Product	189.2	222.0	-15%	-14%	673.9	696.8	-3%	-2%
Licenses	91.6	127.7	-28%	-27%	295.2	327.4	-10%	-8%
Maintenance	97.6	94.3	+4%	+4%	378.7	369.4	+3%	+4%
Consulting & Services	103.4	103.7	-	-	419.8	418.7	-	+1%
Other	1.4	1.0	+40%	+38%	4.6	4.1	+12%	+13%
Total	294.0	326.7	-10%	-9%	1,098.3	1,119.5	-2%	-1%

Segment report quarterly development in 2011

IDS Scheer Consulting

<i>(in €m)</i>	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010
External product revenue	6.4	5.6	5.4	5.9	5.9
Services & other	36.7	42.8	40.4	46.0	39.4
Total revenue	43.1	48.4	45.8	51.9	45.3
Cost of sales	-35.4	-37.4	-44.1	-45.4	-47.3
Gross profit	7.7	11.0	1.7	6.5	-2.0
Sales & marketing	-5.5	-7.0	-6.7	-6.5	-6.0
R & D	-0.1	-0.1	-0.1	-0.1	-0.1
Segment result	2.1	3.9	-5.1	-0.1	-8.1
<i>in % of revenue</i>	4.8%	8.1%	-	-	-

*Please contact:
Investor Relations
Uhlandstrasse 12
64297 Darmstadt
Germany*

*phone: +49 (0) 6151 / 92- 3046
fax: +49 (0) 6151 / 92- 1933
web: softwareag.com
e-mail: investor.relations@softwareag.com*

Get There Faster.™