

Software AG

2nd Quarter 2012 Results (IFRS, unaudited)

July 24, 2012

Arnd Zinnhardt
CFO

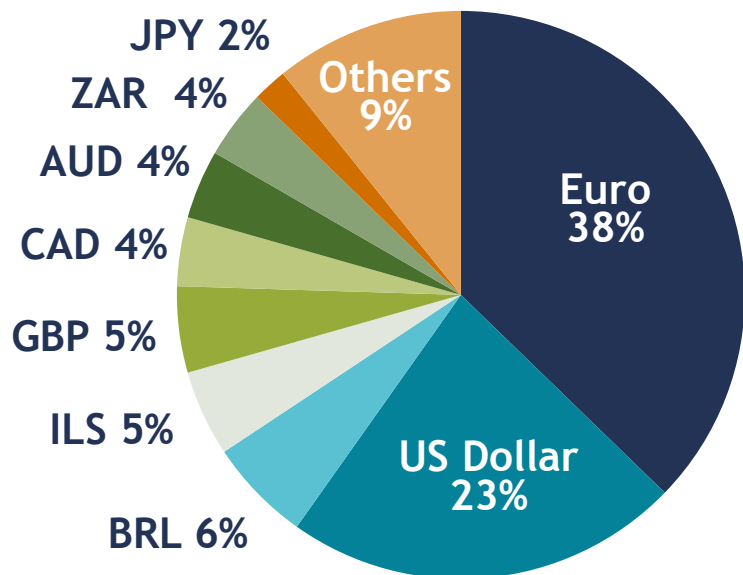


Safe harbor

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.

Currency impact on revenue YTD 2012 (6 months)

- ➔ 38% revenue in Euro
- ➔ 62% revenue in foreign currency



Currency impact on revenue

(in €m; yoy)	Q2 2012	Q2 in %	H1 2012	H1 in %
Licenses	3.3	4.5%	4.6	3.3%
Maintenance	4.1	4.4%	5.9	3.1%
Consulting & other	1.5	1.9%	2.3	1.3%
Total	8.9	3.6%	12.8	2.6%

Segment report Q2 2012 / YTD 2012 (6 months)

Business Process Excellence

<i>(in €m)</i>	Q2 2012	Q2 2011	Δ%	YTD 2012	YTD 2011	Δ%
Licenses	45.6	31.3	46%	81.3	70.4	15%
Maintenance	48.1	41.6	16%	93.0	81.9	14%
Product revenue	93.7	72.9	29%	174.3	152.3	14%
Services & other	38.5	48.7	-21%	82.3	93.3	-12%
Total revenue	132.2	121.6	9%	256.6	245.6	4%
Cost of sales	-42.7	-42.3	1%	-86.2	-87.6	-2%
Gross profit	89.5	79.3	13%	170.4	158.0	8%
Sales & marketing	-38.5	-29.6	30%	-72.9	-60.0	22%
R & D	-18.8	-15.0	25%	-36.4	-29.6	23%
Segment result	32.2	34.7	-7%	61.1	68.4	-11%

Segment report Q2 2012 / YTD 2012 (6 months)

Enterprise Transaction Systems

<i>(in €m)</i>	Q2 2012	Q2 2011	Δ%	YTD 2012	FY 2011	Δ%
Licenses	30.1	25.1	20%	58.8	55.6	6%
Maintenance	47.6	48.1	-1%	95.2	96.7	-2%
Product revenue	77.7	73.2	6%	154.0	152.3	1%
Services & other	17.2	16.5	4%	35.3	34.2	3%
Total revenue	94.9	89.7	6%	189.3	186.5	2%
Cost of sales	-16.8	-19.5	-14%	-35.9	-39.5	-9%
Gross profit	78.1	70.2	11%	153.4	147.0	4%
Sales & marketing	-15.6	-14.5	8%	-31.8	-31.2	2%
R & D	-6.5	-6.8	-4%	-13.2	-13.6	-3%
Segment result	56.0	48.9	15%	108.4	102.2	6%

Segment report Q2 2012 / YTD 2012 (6 months)

IDS Scheer Consulting

<i>(in €m)</i>	Q2 2012	Q2 2011	Δ%	YTD 2012	YTD 2011	Δ%
External product revenue	4.1	5.4	-24%	8.7	11.2	-22%
Services & other	27.4	40.4	-32%	58.6	86.5	-32%
Total revenue	31.5	45.8	-31%	67.3	97.7	-31%
Cost of sales	-32.0	-44.1	-27%	-65.4	-89.5	-27%
Gross profit	-0.5	1.7	-	1.9	8.2	-77%
Sales & marketing	-4.1	-6.7	-39%	-9.3	-13.2	-30%
R & D	0.0	-0.1	-	0.0	-0.2	-
Segment result	-4.6	-5.1	10%	-7.4	-5.2	-42%

Result Q2 2012 / YTD 2012 (6 months)

<i>(in €m)</i>	Q2 2012	Q2 2011	Δ%	YTD 2012	YTD 2011	Δ%
Product revenue	175.5	151.2	16%	337.1	315.8	7%
Total revenue	258.6	257.1	1%	513.2	529.7	-3%
Cost of sales	-97.6	-111.0	-12%	-199.3	-226.1	-12%
Gross profit	161.0	146.1	10%	313.9	303.6	3%
<i>Margin in %</i>	<i>62.3%</i>	<i>56.8%</i>		<i>61.2%</i>	<i>57.3%</i>	
R & D	-25.3	-21.9	16%	-49.6	-43.4	14%
Sales & marketing	-61.6	-53.6	15%	-120.9	-110.1	10%
Administration	-18.7	-15.7	19%	-34.2	-33.7	1%
Other income/expense	+1.7	+4.0	-	+2.7	+2.7	-
EBIT	57.1	58.9	-3%	111.9	119.1	-6%
<i>Margin in %</i>	<i>22.1%</i>	<i>22.9%</i>		<i>21.8%</i>	<i>22.5%</i>	
EBITDA (pro-forma*)	69.9	70.0	-	137.2	141.2	-3%
<i>Margin in %</i>	<i>27.0%</i>	<i>27.2%</i>		<i>26.7%</i>	<i>26.7%</i>	

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

Net result Q2 2012 / YTD 2012 (6 months)

<i>(in €m)</i>	Q2 2012	Q2 2011	Δ%	YTD 2012	YTD 2011	Δ%
EBIT	57.1	58.9	-3%	111.9	119.1	-6%
<i>Margin in %</i>	22.1%	22.9%		21.8%	22.5%	
Financial income	-1.9	-2.0	-5%	-4.0	-3.4	18%
Profit before tax	55.2	56.9	-3%	107.9	115.7	-7%
Taxes	-17.7	-18.2	-3%	-34.6	-37.0	-6%
<i>Tax rate in %</i>	32.1%	32.0%		32.1%	32.0%	
Net income	37.5	38.7	-3%	73.3	78.7	-7%
EPS in €*	0.43	0.45	-4%	0.84	0.92	-9%

* Weighted average shares outstanding (basic) Q2 2012: 86.8m / Q2 2011: 86.0 m (incl. share split)

Cash flow Q2 2012 / YTD 2012 (6 months)

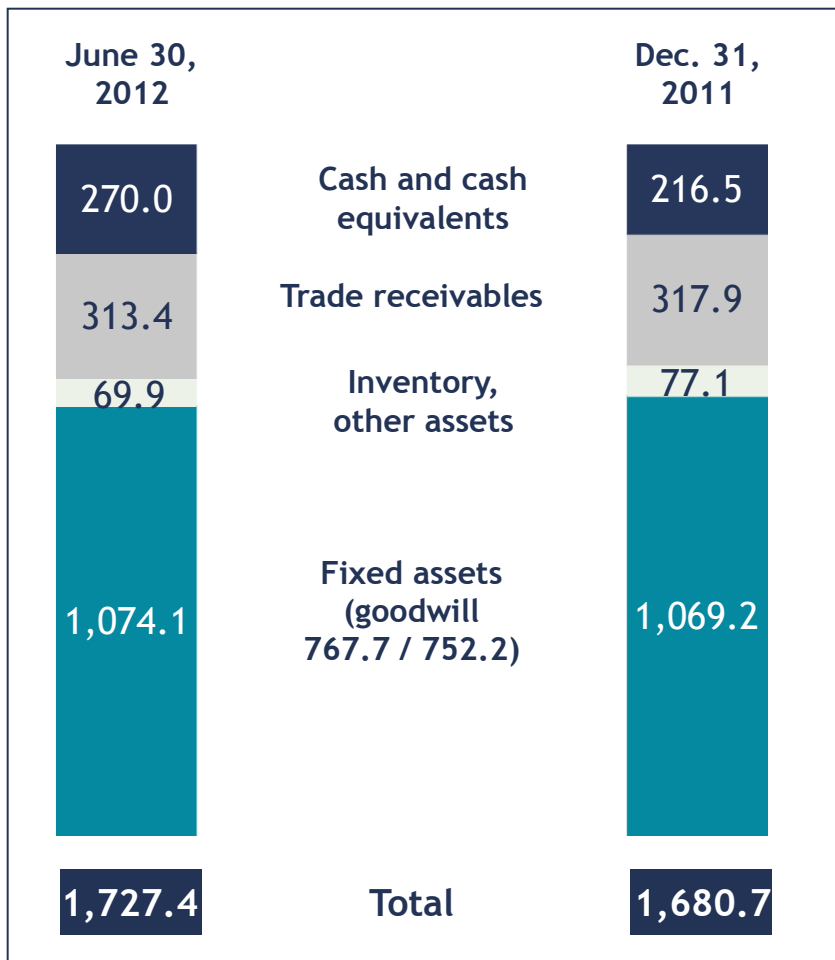
<i>(in €m)</i>	Q2 2012	Q2 2011	Δ%	YTD 2012	YTD 2011	Δ%
Operating cash flow	43.8	46.6	-6%	104.8	97.6	7%
./. CapEx*	-2.0	-0.7		-3.9	-2.6	
Free cash flow	41.8	45.9	-9%	100.9	95.0	6%
<i>as % of revenue</i>	16.2%	17.9%		19.7%	17.9%	
Free cash flow per share in €**	0.48	0.53	-9%	1.16	1.11	5%
Weighted average number of shares (in m)**	86.8	86.0		86.8	85.7	

* Cash flow from investing activities except acquisitions / ** incl. share split 2011

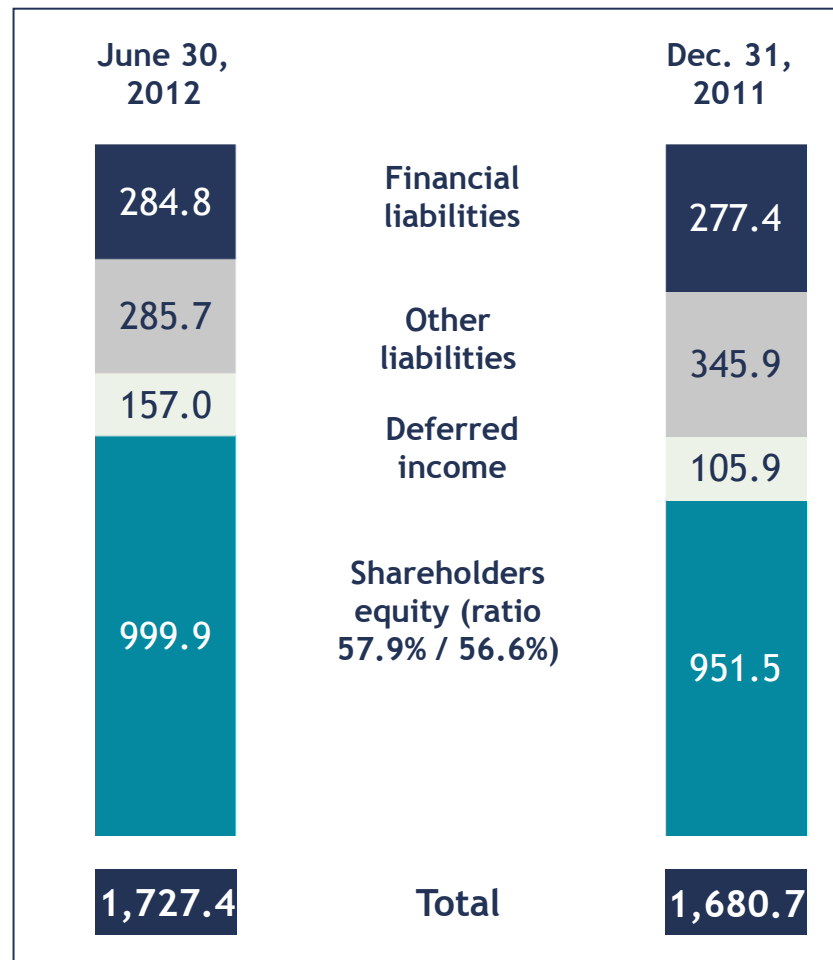
Balance sheet

(in €m)

Assets



Liabilities



Outlook FY 2012 - Update

<i>(in €m)</i>	2011	Outlook 2012 (as of July 24, 2012)	H1 2012
Product Revenue Group	673.9	+2% to +7%*	+3.4%*
Total Revenue BPE	527.9	+5% to +15%*	+1.1%*
Total Revenue ETS	381.3	-6% to -3%*	-0.7%*
EBIT Margin	24.5%	23.0% to 24.5%	21.8%

Thank you!

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Amortization / depreciation impact 2012ff (preliminary)

<i>(in €m)</i>	Q2 2012	FY 2012*	FY 2013ff*
Amortization IDS	2.7	11.0	11.0
Amortization other	6.8	25.2	25.5
Depreciation	3.3	13.2	13.2

Headcount by functional areas* and geography

<i>(in FTE)</i>	June 30, 2012	March 31, 2012	Δ% qoq	June 30, 2011	Δ% yoy
Total	5,461	5,498	-1%	5,478	-
Consulting & Services	2,794	2,864	-2%	2,865	-2%
R & D	896	884	1%	845	6%
Sales & marketing	1,042	1,019	2%	1,036	1%
Administration	729	731	-	732	-
USA	725	715	1%	733	-1%
Germany	1,803	1,835	-2%	1,946	-7%
Rest of world	2,933	2,948	-1%	2,799	5%

* According to P+L structure

Revenue Q2 2012 / YTD 2012 (6 months)

<i>(in €m)</i>	Q2 2012	Q2 2011	Δ%	YTD 2012	YTD 2011	Δ%
Product	175.5	151.5	16%	337.1	315.8	7%
Licenses	76.0	57.7	32%	141.3	129.0	10%
Maintenance	99.5	93.8	6%	195.8	186.8	5%
Consulting & Services	82.7	104.8	-21%	175.4	211.1	-17%
Other	0.4	0.8	-	0.7	2.8	-
Total	258.6	257.1	1%	513.2	529.7	-3%

Seasonal split of license revenues by quarter

in % of FY license revenue

