

Software AG 3rd Quarter 2012 Results (IFRS, unaudited)

October 30, 2012

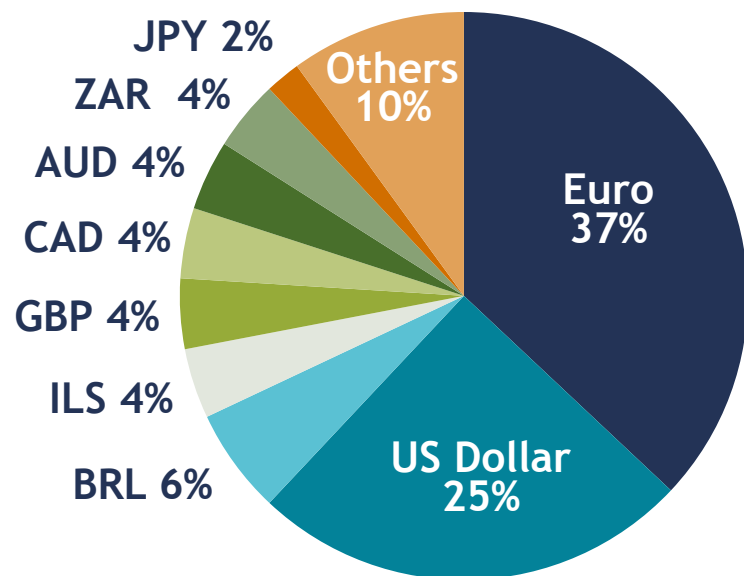
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Safe harbor

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 (9 months)

- ➔ 37% revenue in Euro
- ➔ 63% revenue in foreign currency



Currency impact on revenue

(in €m; yoy)	Q3 2012	Q3 in %	9m 2012	9m in %
Licenses	3.1	4%	7.6	4%
Maintenance	4.8	5%	10.7	4%
Consulting & other	1.7	2%	4.2	2%
Total	9.6	4%	22.5	3%

Segment report Q3 2012 / YTD 2012 (9 months) Business Process Excellence

<i>(in €m)</i>	Q3 2012	Q3 2011	Δ%	YTD 2012	YTD 2011	Δ%
Licenses	50.0	41.7	20%	131.3	112.1	17%
Maintenance	46.7	42.5	10%	139.7	124.4	12%
Product revenue	96.7	84.2	15%	271.0	236.5	15%
Services & other	37.6	47.0	-20%	119.9	140.2	-14%
Total revenue	134.3	131.2	2%	390.9	376.7	4%
Cost of sales	-38.3	-47.2	-19%	-124.5	-134.6	-8%
Gross profit	96.0	84.0	14%	266.4	242.1	10%
Sales & marketing	-36.5	-31.6	16%	-109.4	-91.7	19%
R & D	-18.8	-15.1	25%	-55.2	-44.7	23%
Segment result	40.7	37.3	9%	101.8	105.7	-4%

Segment report Q3 2012 / YTD 2012 (9 months) Enterprise Transaction Systems

<i>(in €m)</i>	Q3 2012	Q3 2011	Δ%	YTD 2012	YTD 2011	Δ%
Licenses	30.2	31.7	-5%	89.1	87.2	2%
Maintenance	47.4	47.5	-	142.5	144.2	-1%
Product revenue	77.6	79.2	-2%	231.6	231.4	-
Services & other	16.2	15.9	2%	51.5	50.2	3%
Total revenue	93.8	95.1	-1%	283.1	281.6	1%
Cost of sales	-18.2	-15.6	17%	-54.0	-55.1	-2%
Gross profit	75.6	79.5	-5%	229.1	226.5	1%
Sales & marketing	-15.9	-16.8	-5%	-47.8	-47.9	-
R & D	-6.3	-6.8	-7%	-19.5	-20.5	-5%
Segment result	53.4	55.9	-4%	161.8	158.1	2%

Segment report Q3 2012 / YTD 2012 (9 months)

IDS Scheer Consulting

<i>(in €m)</i>	Q3 2012	Q3 2011	Δ%	YTD 2012	YTD 2011	Δ%
External product revenue	4.0	5.6	-29%	12.7	16.8	-24%
Services & other	25.3	42.8	-41%	83.9	129.3	-35%
Total revenue	29.3	48.4	-39%	96.6	146.1	-34%
Cost of sales	-27.6	-37.4	-26%	-93.0	-126.9	-27%
Gross profit	1.7	11.0	-85%	3.6	19.2	-81%
Sales & marketing	-4.4	-7.0	-37%	-13.8	-20.2	-32%
R & D	-	-0.1	-	-	-0.3	-
Segment result	-2.7	3.9	-	-10.2	-1.3	-

Result Q3 2012 / YTD 2012 (9 months)

<i>(in €m)</i>	Q3 2012	Q3 2011	Δ%	YTD 2012	YTD 2011	Δ%
Product revenue	178.3	168.9	6%	515.3	484.7	6%
Total revenue	257.4	274.6	-6%	770.6	804.3	-4%
Cost of sales	-90.2	-106.4	-15%	-289.5	-332.4	-13%
Gross profit	167.2	168.2	-1%	481.1	471.9	2%
<i>Margin in %</i>	<i>65.0%</i>	<i>61.3%</i>		<i>62.4%</i>	<i>58.7%</i>	
R & D	-25.2	-22.0	15%	-74.8	-65.4	14%
Sales & marketing	-60.4	-58.5	3%	-181.3	-168.6	8%
Administration	-20.0	-15.3	31%	-54.2	-49.1	10%
Other income/expense	-0.5	-0.4	25%	2.1	2.4	-13%
EBIT	61.1	72.0	-15%	172.9	191.2	-10%
<i>Margin in %</i>	<i>23.7%</i>	<i>26.2%</i>		<i>22.4%</i>	<i>23.8%</i>	
EBITDA (pro-forma*)	73.7	85.1	-13%	210.8	226.3	-7%
<i>Margin in %</i>	<i>28.6%</i>	<i>31.0%</i>		<i>27.4%</i>	<i>28.1%</i>	

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

Net result Q3 2012 / YTD 2012 (9 months)

<i>(in €m)</i>	Q3 2012	Q3 2011	Δ%	YTD 2012	YTD 2011	Δ%
EBIT	61.1	72.0	-15%	172.9	191.2	-10%
<i>Margin in %</i>	23.7%	26.2%		22.4%	23.8%	
Financial income	-1.4	-3.2	56%	-5.2	-6.8	24%
Profit before tax	59.7	68.8	-13%	167.7	184.4	-9%
Taxes	-19.0	-22.2	14%	-53.7	-59.1	9%
<i>Tax rate in %</i>	31.8%	32.3%		32.0%	32.0%	
Net income	40.7	46.6	-13%	114.0	125.3	-9%
EPS in €*	0.47	0.54	-13%	1.31	1.46	-10%

* Weighted average shares outstanding (basic) Q3 2012: 86.8 m / Q3 2011: 86.7 m (incl. share split)

Cash flow Q3 2012 / YTD 2012 (9 months)

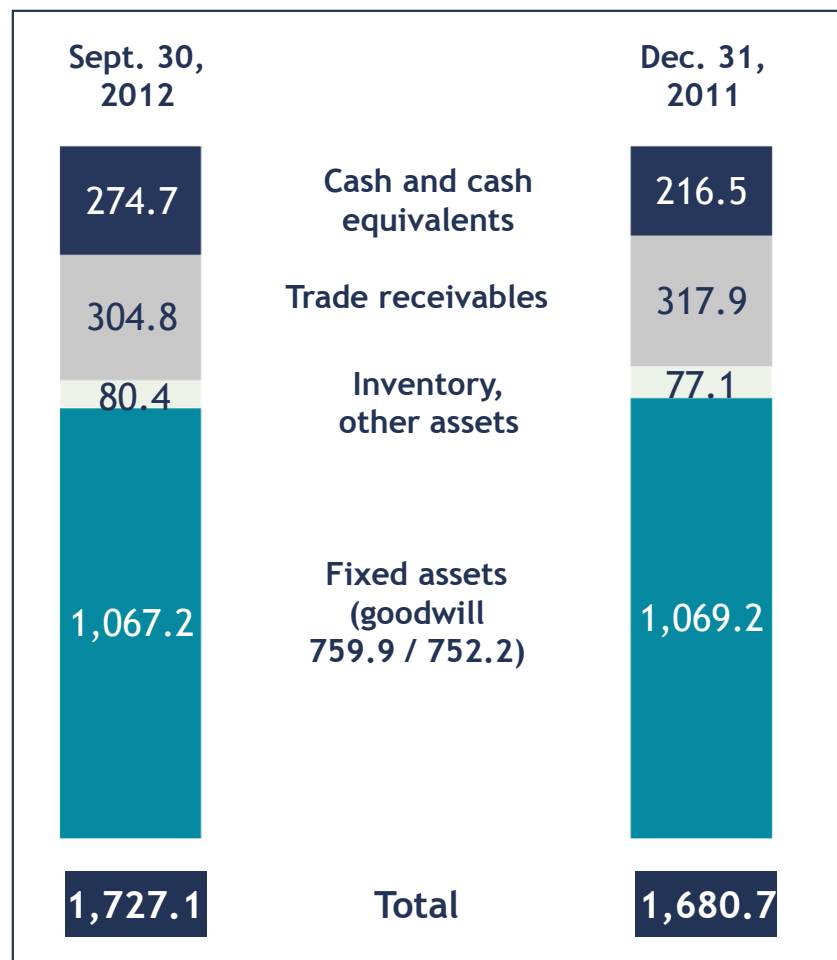
<i>(in €m)</i>	Q3 2012	Q3 2011	Δ%	YTD 2012	YTD 2011	Δ%
Operating cash flow	28.7	17.9	60%	133.5	115.4	16%
./. CapEx*	-4.1	-4.6		-8.0	-7.2	
Free cash flow	24.6	13.3	85%	125.5	108.2	16%
<i>as % of revenue</i>	9.6%	4.8%		16.3%	13.5%	
Free cash flow per share in €**	0.28	0.15	87%	1.45	1.26	15%
Weighted average number of shares (in m)**	86.8	86.7		86.8	86.0	

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

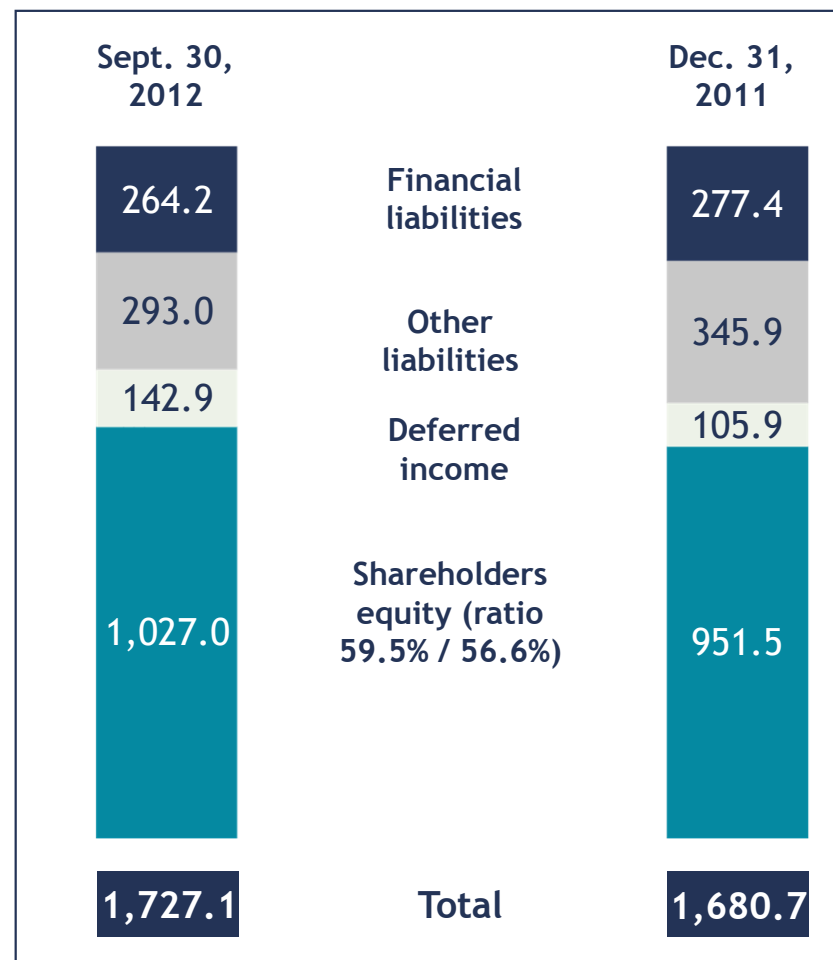
Balance sheet

(in €m)

Assets



Liabilities



Outlook FY 2012

<i>(in €m, IFRS)</i>	FY 2011	Outlook FY 2012 (as of Oct. 30, 2012)	9m 2012
Product Revenue Group	674	+3% to +6%*	+ 3%*
thereof BPE	338	+10 to +13%*	+10%*
Total Revenue BPE	528	0% to + 3%*	0%*
Total Revenue ETS	381	-4% to -2%*	- 2%*
EBIT Margin Group	24.5%	23.0% to 24.0%	22.4%

* Net of currency, delta

Thank you!

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Amortization / depreciation impact 2012ff (preliminary)

<i>(in €m)</i>	Q3 2012	FY 2012*	FY 2013ff*
Amortization IDS	2.7	11.0	11.0
Amortization other	7.0	26.6	25.5
Depreciation	2.9	12.4	11.6

* Estimated

Headcount by functional areas* and geography

<i>(in FTE)</i>	Sept. 30, 2012	June 30, 2012	Δ% qoq	Sept. 30, 2011	Δ% yoy
Total	5,436	5,461	-	5,498	-1%
Consulting & Services	2,716	2,794	-3%	2,874	-5%
R & D	892	896	-	855	4%
Sales & marketing	1,084	1,042	4%	1,031	5%
Administration	744	729	2%	738	1%
USA	739	725	2%	721	2%
Germany	1,783	1,803	-1%	1,920	-7%
Rest of world	2,914	2,933	-1%	2,857	2%

* According to P+L structure

Revenue Q3 2012 / YTD 2012 (9 months)

<i>(in €m)</i>	Q3 2012	Q3 2011	Δ%	YTD 2012	YTD 2011	Δ%
Product	178.3	168.9	6%	515.3	484.7	6%
Licenses	80.5	74.7	8%	221.8	203.6	9%
Maintenance	97.8	94.2	4%	293.5	281.1	4%
Consulting & Services	78.2	105.2	-26%	253.7	316.4	-20%
Other	0.9	0.5	-	1.6	3.2	-
Total	257.4	274.6	-6%	770.6	804.3	-4%