

Software AG

4th Quarter & Full-Year 2012 Results (IFRS, unaudited)

January 29, 2013



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.

Software AG

4th Quarter & Full-Year 2012 Results (IFRS, unaudited)

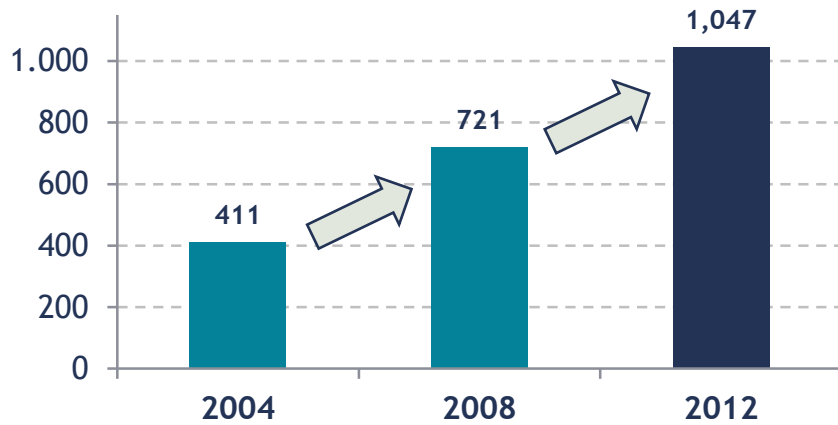
Karl-Heinz Streibich, CEO
January 29, 2013



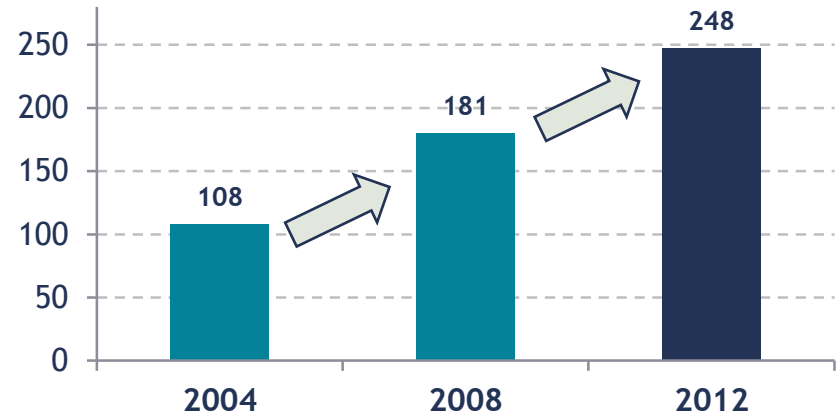
Activities Implemented	Status
<p><u>North America:</u></p> <ul style="list-style-type: none"> • Strengthened Presence in Silicon Valley • Establishment of a Federal Unit • New President and CEO for the local business • Expansion of Hub Cities 	
<p><u>EMEA and Asia/Pacific:</u></p> <ul style="list-style-type: none"> • Increased team capacity 	
<p>Development of a global maintenance & support unit</p> <p>New focus on the partner business</p> <p>Re-alignment of IDS through focusing on core markets</p>	

Software AG's Track Record

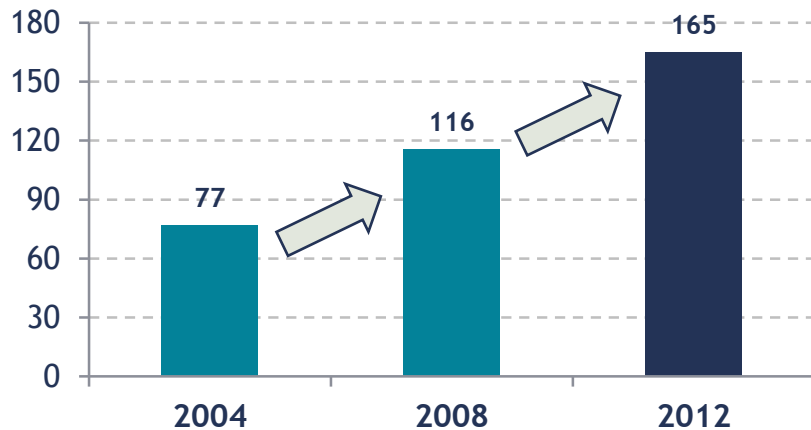
Revenue in €m



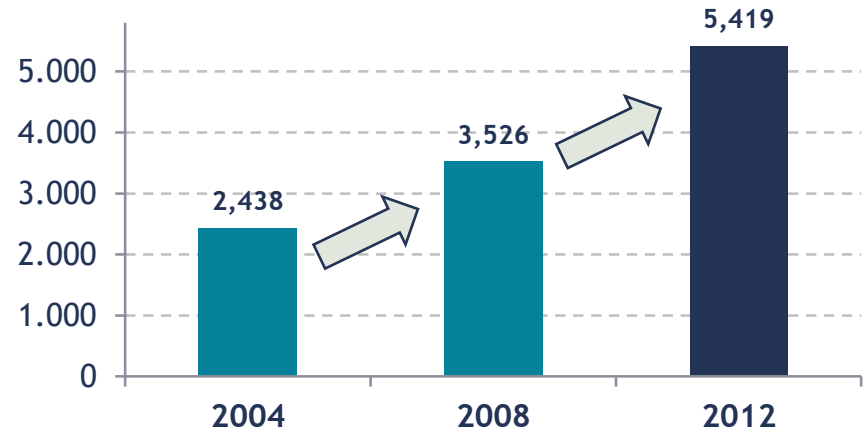
EBIT in €m



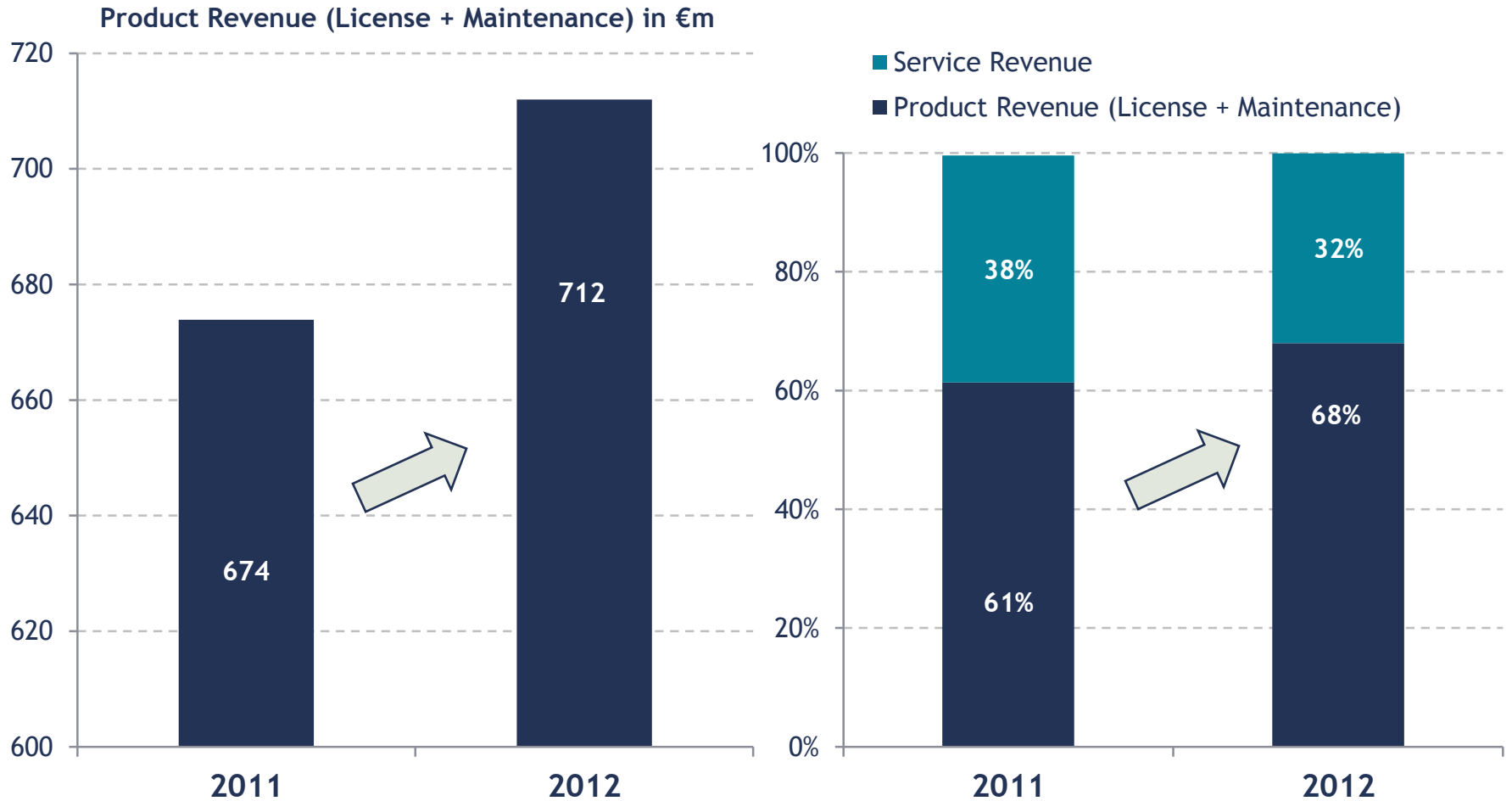
Net profit in €m



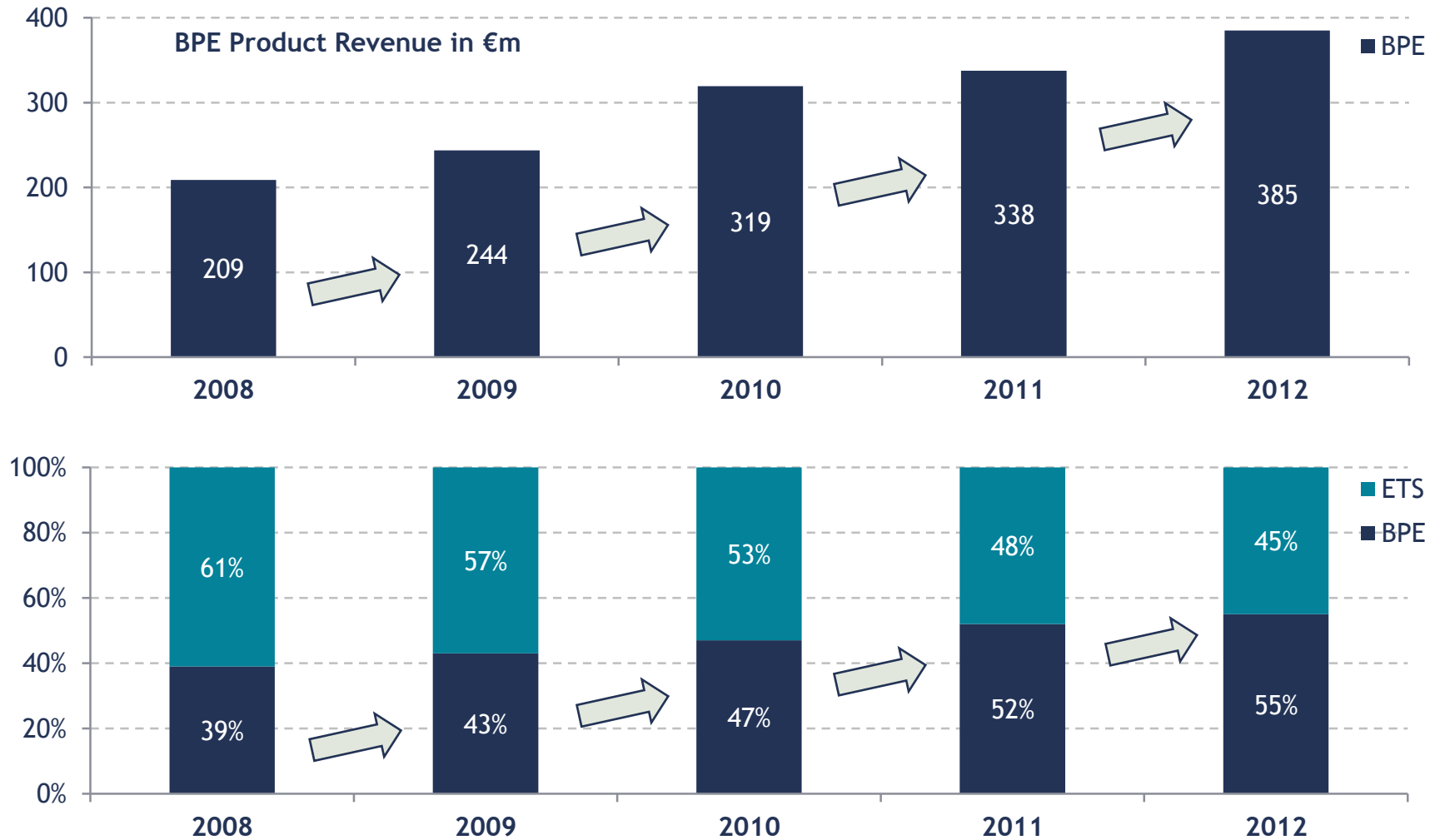
Employees



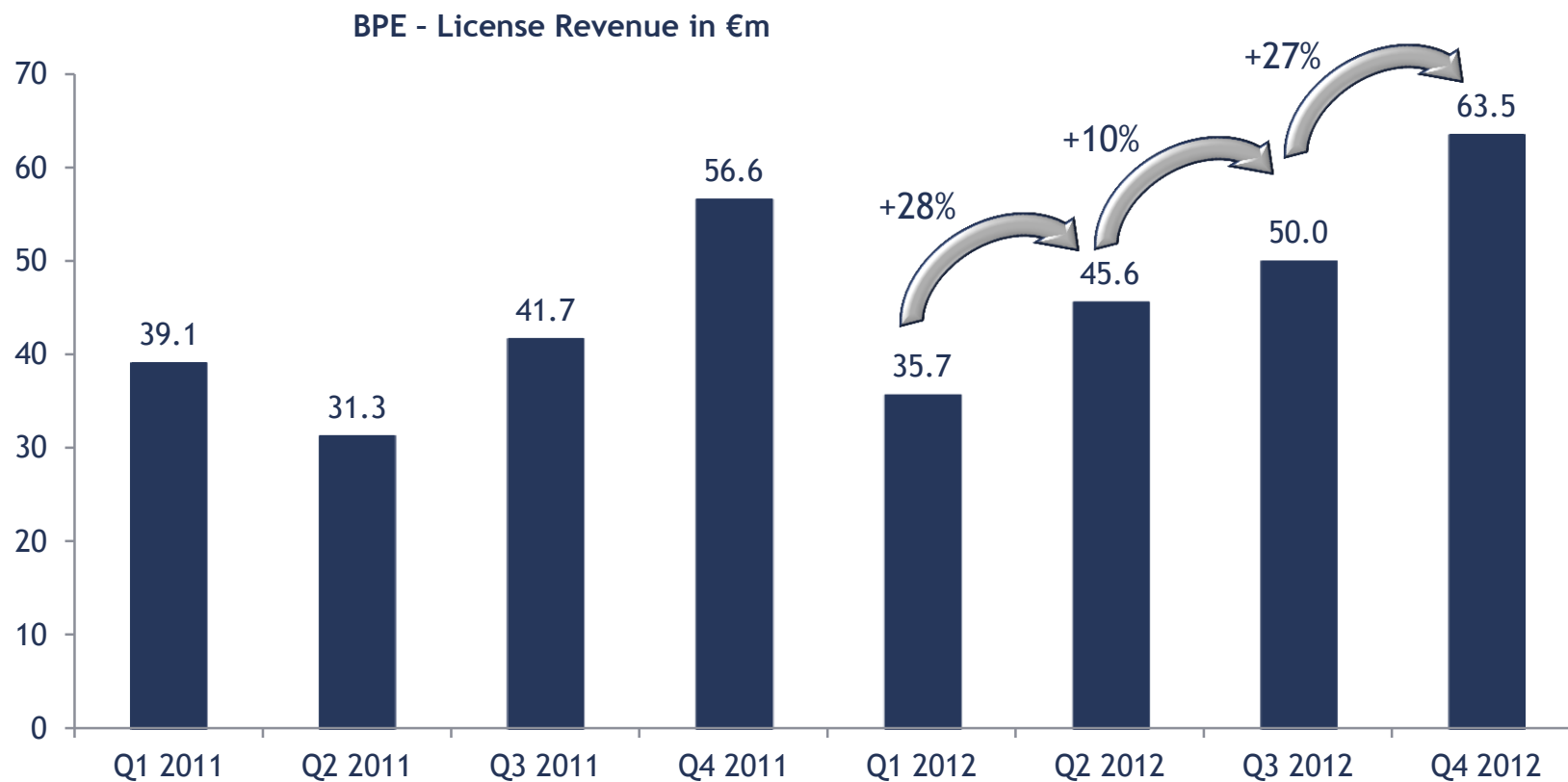
Increase of Product Revenue Drives Improvement of Revenue Mix



Increasing Product Revenue from the High-Growth BPE Division



BPE - Dynamic Growth in License Revenue



2012 - Average Growth per Quarter 21%

Software AG

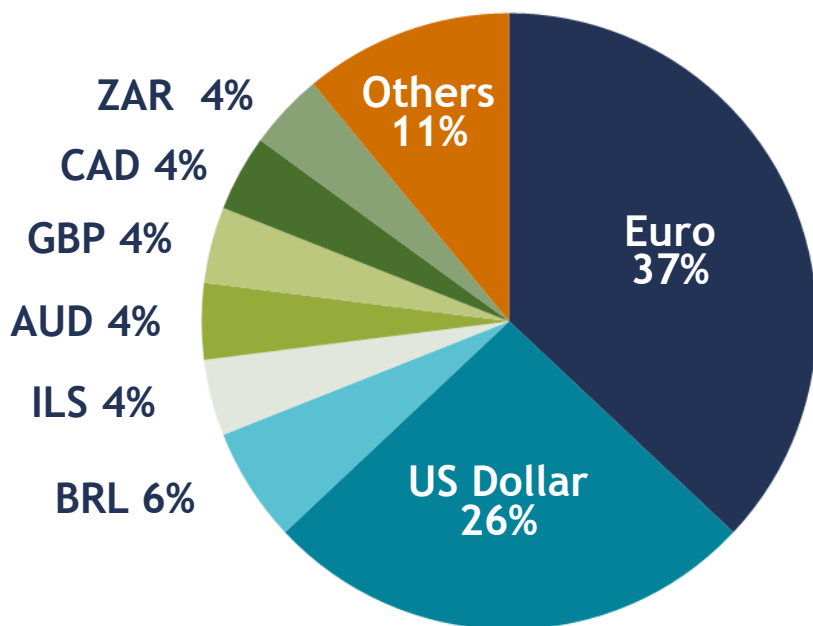
4th Quarter & Full-Year 2012 Results (IFRS, unaudited)

Arnd Zinnhardt, CFO
January 29, 2013



Currency impact on revenue

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



Currency impact on revenue

<i>(in €m; yoy)</i>	Q4 2012	Q4 in %	FY 2012	FY in %
Licenses	+0.6	0.6%	+8.2	2.7%
Maintenance	+1.4	1.4%	+12.1	3.2%
Consulting & other	+0.9	1.1%	+5.0	1.5%
Total	+2.9	1.1%	+25.3	2.5%

Segment report Q4 2012 / FY 2012

Business Process Excellence

<i>(in €m)</i>	Q4 2012	Q4 2011	Δ%	FY 2012	FY 2011	Δ%
Licenses	63.5	56.6	+12%	194.7	168.6	+15%
Maintenance	50.2	44.7	+12%	190.0	169.2	+12%
Product revenue	113.7	101.3	+12%	384.7	337.8	+14%
Services & other	42.4	49.8	-15%	162.3	190.1	-15%
Total revenue	156.1	151.1	+3%	547.0	527.9	+4%
Cost of sales	-38.8	-52.4	-26%	-163.3	-187.1	-13%
Gross profit	117.3	98.7	+19%	383.7	340.8	+13%
Sales & marketing	-41.0	-33.7	+22%	-150.3	-125.3	+20%
R & D	-19.7	-16.5	+19%	-75.0	-61.3	+22%
Segment result	56.6	48.5	+17%	158.4	154.2	+3%

Segment report Q4 2012 / FY 2012

Enterprise Transaction Systems

<i>(in €m)</i>	Q4 2012	Q4 2011	Δ%	FY 2012	FY 2011	Δ%
Licenses	32.3	32.9	-2%	121.3	120.1	+1%
Maintenance	45.7	48.6	-6%	188.3	192.8	-2%
Product revenue	78.0	81.5	-4%	309.6	312.9	-1%
Services & other	14.1	18.2	-23%	65.7	68.4	-4%
Total revenue	92.1	99.7	-8%	375.3	381.3	-2%
Cost of sales	-16.7	-17.2	-3%	-70.8	-72.3	-2%
Gross profit	75.4	82.5	-9%	304.5	309.0	-1%
Sales & marketing	-17.1	-18.8	-9%	-64.8	-66.8	-3%
R & D	-6.5	-6.0	+1%	-26.1	-26.4	-1%
Segment result	51.8	57.7	-10%	213.6	215.8	-1%

Segment report Q4 2012 / FY 2012

IDS Scheer Consulting

<i>(in €m)</i>	Q4 2012	Q4 2011	Δ%	FY 2012	FY 2011	Δ%
External product revenue	5.2	6.4	-19%	17.9	23.2	-23%
Services & other	23.3	36.7	-37%	107.2	166.0	-35%
Total revenue	28.5	43.1	-34%	125.1	189.2	-34%
Cost of sales	-27.3	-35.4	-23%	-120.3	-162.3	-26%
Gross profit	1.2	7.7	-84%	4.8	26.9	-82%
Sales & marketing	-3.9	-5.5	-29%	-17.7	-25.7	-31%
R & D	0	-0.1	-	0	-0.4	-
Segment result	-2.7	2.1	-	-12.9	0.8	-

Result Q4 2012 / FY 2012

<i>(in €m)</i>	Q4 2012	Q4 2011	Δ%	FY 2012	FY 2011	Δ%
Total revenue	276.7	294.0	-6%	1,047.3	1,098.3	-5%
Cost of sales	-88.9	-109.7	-19%	-378.4	-442.1	-14%
Gross profit	187.8	184.3	+2%	668.9	656.2	+2%
<i>Margin in %</i>	<i>67.9%</i>	<i>62.7%</i>		<i>63.9%</i>	<i>59.7%</i>	
R & D	-26.3	-22.6	+16%	-101.1	-88.0	+15%
Sales & marketing	-65.6	-61.7	+6%	-246.9	-230.2	+7%
Administration	-21.6	-26.1	-17%	-75.8	-75.1	+1%
Other income/expense	+1.1	+4.1	-	+3.2	+6.3	-
EBIT	75.4	78.0	-3%	248.3	269.2	-8%
<i>Margin in %</i>	<i>27.2%</i>	<i>26.5%</i>		<i>23.7%</i>	<i>24.5%</i>	

Net income Q4 2012 / FY 2012

<i>(in €m)</i>	Q4 2012	Q4 2011	Δ%	FY 2012	FY 2011	Δ%
EBIT	75.4	78.0	-3%	248.3	269.2	-8%
Financial income	-3.5	-3.1	+13%	-8.8	-9.9	-11%
Profit before taxes	71.9	74.9	-4%	239.5	259.3	-8%
Other taxes	-2.5	-5.4	-54%	-8.0	-11.0	-27%
Income taxes	-18.7	-17.6	+6%	-66.8	-71.1	-6%
<i>Tax rate in %</i>	<i>29.5%</i>	<i>30.7%</i>		<i>31.2%</i>	<i>31.7%</i>	
Net income	50.7	51.9	-2%	164.7	177.2	-7%
EPS in €*	€0.58	€0.60	-3%	€1.90	€2.05	-7%

* Weighted average shares outstanding (basic) Q4 2012: 86.8m / Q4 2011: 86.7m (pro-forma, incl. share split)

Cash flow Q4 2012 / FY 2012

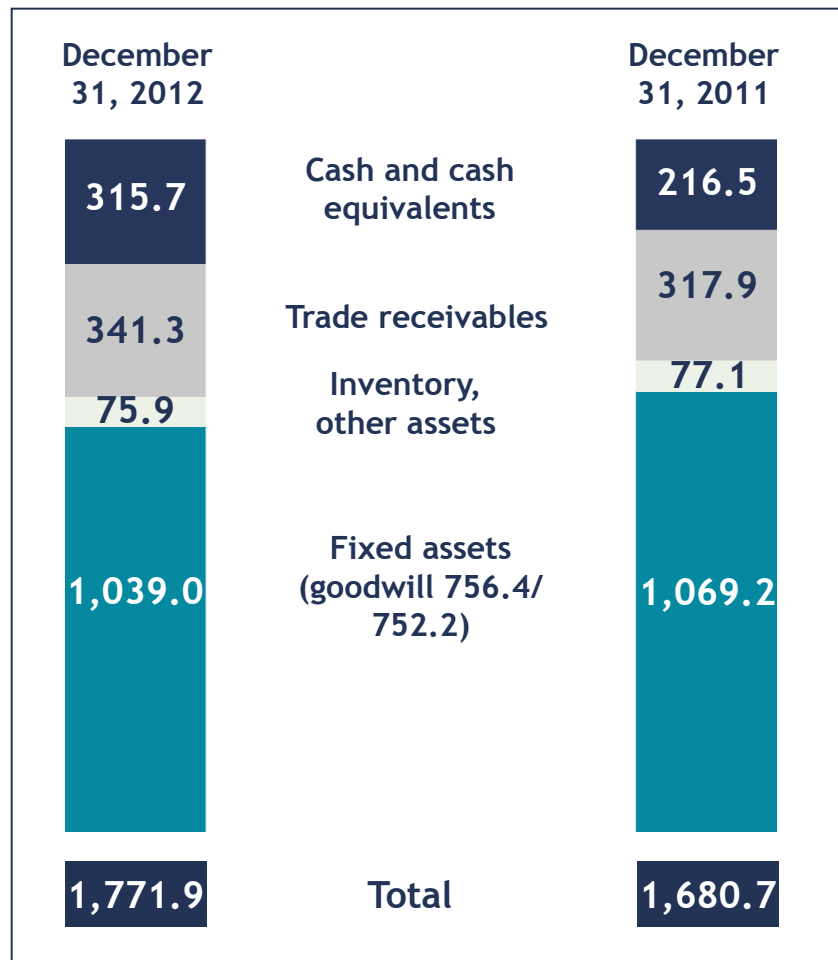
<i>(in €m)</i>	Q4 2012	Q4 2011	Δ%	FY 2012	FY 2011	Δ%
Operating cash flow	50.9	83.2	-39%	184.4	198.6	-7%
./. CapEx*	-5.7	-3.7		-13.7	-10.9	
Free cash flow	45.2	79.5	-43%	170.7	187.7	-9%
<i>as % of revenue</i>	16.3%	27.0%		16.3%	17.1%	
Free cash flow per share**	0.52	€0.92	-43%	1.97	€2.18	-10%
Weighted average number of shares (in m)**	86.8	86.7		86.8	86.2	

* Cash flow from investing activities except acquisitions / **pro-forma

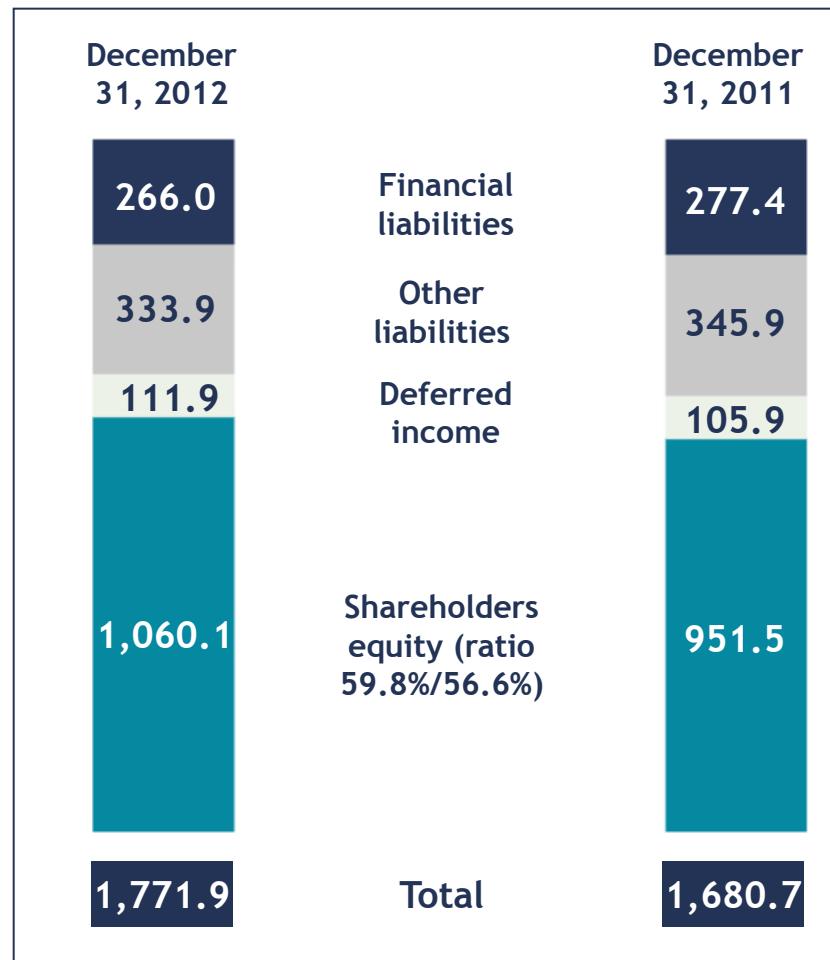
Balance sheet

(in €m)

Assets



Liabilities



Appendix

Get There Faster.™

Net income / EBIT Q4 2012 / FY 2012

<i>(in €m)</i>	Q4 2012	Q4 2011	Δ%	FY 2012	FY 2011	Δ%
Net Income	50.7	51.9	-2%	164.7	177.2	-7%
Income taxes	+18.7	+17.6	+6%	+66.8	+71.1	-6%
Other taxes	+2.5	+5.4	-54%	+8.0	+11.0	-27%
Financial income	+3.5	+3.1	+13%	+8.8	+9.9	-11%
EBIT	75.4	78.0	-3%	248.3	269.2	-8%
<i>Margin in %</i>	27.2%	26.5%		23.7%	24.5%	
Amortization	+9.7	+8.3	+17%	+38.1	+32.9	+16%
EBITA	85.1	86.3	-1%	286.4	302.1	-5%
<i>Margin in %</i>	30.8%	29.4%		27.3%	27.5%	
Depreciation	+3.4	+2.9	+17%	+12.9	+13.4	-4%
EBITDA	88.5	89.2	-1%	299.3	315.5	-5%
<i>Margin in %</i>	32.0%	30.3%		28.6%	28.7%	

Amortization / depreciation impact 2012ff (preliminary)

<i>(in €m)</i>	Q4 2012	FY 2012	FY 2013ff*
Amortization IDS	2.7	11.0	10.7
Amortization other	7.0	27.1	25.7
Depreciation	3.4	12.9	13.6

Headcount by functional areas* and geography

<i>(in FTE)</i>	Dec 31, 2012	Sept 30, 2012	Δ% qoq	Dec 31, 2011	Δ% yoy
Total	5,419	5,436	-	5,535	-2%
Consulting & Services	2,658	2,716	-2%	2,894	-8%
R & D	887	892	-1%	887	-
Sales & marketing	1,131	1,084	+4%	1,023	+11%
Administration	743	744	-	731	+2%
USA	758	739	+3%	714	+6%
Germany	1,768	1,783	-1%	1,881	-6%
Rest of world	2,893	2,914	-1%	2,940	-2%

* According to P+L structure

Revenue Q4 2012 / FY 2012

<i>(in €m)</i>	Q4 2012	Q4 2011	Δ%	FY 2012	FY 2011	Δ%
Product	196.8	189.2	+4%	712.2	673.9	+6%
Licenses	97.1	91.6	+6%	318.9	295.2	+8%
Maintenance	99.7	97.6	+2%	393.3	378.7	+4%
Consulting & Services	79.6	103.4	-23%	333.3	419.8	-21%
Other	0.3	1.4	-	1.8	4.6	-
Total	276.7	294.0	-6%	1,047.3	1,098.3	-5%

Get There Faster.™

Your contact:

Investor Relations
Uhlandstrasse 12
64297 Darmstadt
Germany

phone: +49 (0) 6151 / 92 1900
fax: +49 (0) 6151 / 9234 1900
web: softwareag.com
e-mail: investor.relations@softwareag.com

Follow us on Twitter:
 [@SoftwareAG_IR](https://twitter.com/SoftwareAG_IR)

