INTERIM MANAGEMENT REPORT 1 | 2013

CHANGE
CHALLENGE
CHANCE

KEY FIGURES

in € millions (unless otherwise stated)	Q1 2013	Q1 2012	Change in %
Revenue	**224.9**	254.6	−12
By type			
• Product revenue	157.1	161.5	−3
• Services	67.5	92.7	−27
• Other	0.3	0.4	
By business line			
• Business Process Excellence (BPE)	90.3	80.6	12
• Enterprise Transaction Systems (ETS)	64.5	76.6	−16
• Consulting	70.1	97.4	−28
EBIT*	**41.6**	54.8	−24
as % of revenue	18.5	21.5	
Net income	**27.2**	35.9	−24
as % of revenue	12.1	14.1	
Earnings per share (€, basic)	0.32	0.41	−22
Earnings per share (€, diluted)	0.32	0.41	−22
Free cash flow	62.7	59.1	6
Employess (full-time equivalents)	**5,300**	5,498	
of which in Germany	1,727	1,835	
R&D	901	884	
Balance sheet	**Mar. 31, 2013**	**Mar. 31, 2012**	
Total assets	1,855.1	1,701.2	
Cash and cash equivalents	422.8	272.3	
Net debt (net cash)	-60.8	6.3	
Shareholders' equity	1,046.1	974.6	
as % of total assets	**56**	57	

* EBIT: net income + income tax + other tax + financial result

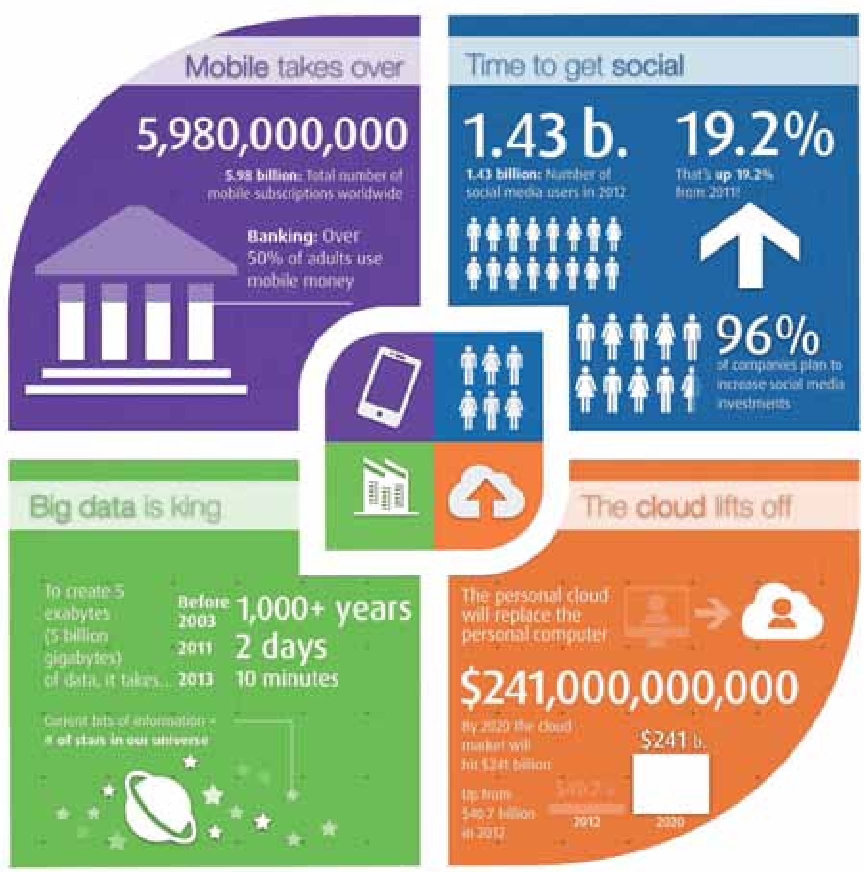
CHANGE
CHALLENGE
CHANCE

FOR THE DIGITAL
ENTERPRISE

Digitization is changing the world and our lives. New technologies change the way companies do business. They bring about new organizational approaches. They create innovative work opportunities. The speed at which this happens is not the only challenge. Software AG helps its customers propel their transformation to becoming a Digital Enterprise and achieve their business goals. We have been setting standards in process automation, data management and system integration for more than 40 years. This innovative power has made us a technology leader. It also presents chances. Chances that we are taking in order to move forward on our path of success.

CHANGE. CHALLENGE. CHANCE: Not just true for our customers, also for us.

TECHNOLOGIES AROUND THE 4 FORCES



Software AG drives innovations for four megatrends: cloud, mobile, social collaboration, big data.

GENERAL TRENDS IN THE IT INDUSTRY

The software sector is currently undergoing a long-term period of upheaval, influenced by the convergence of four megatrends in this industry: cloud, mobile, social collaboration and big data.

Companies are increasingly outsourcing data and applications to external providers and paying for IT resources based on usage (Software as a Service). Moreover, cloud computing services (the shift of data and applications to the Internet) offer major savings potential, because organizations no longer need to maintain the cost-intensive computing capacities that were necessary in the past.

All the while, the growing popularity of smart phones and tablet PCs is placing new demands on developers of mobile solutions.

The trend of social collaboration is also impacting the software industry. As in private social networks, the intensified use of social networks for interactive collaboration at a professional level is enabling greater accessibility of information, which facilitates the utilization of existing knowledge and efficient processes.

Big data is another current IT trend. Big data refers to the processing and analysis of the growing amounts of data constantly being produced by companies, websites, social networks, etc. Conventional methods and tools can no longer handle these vast volumes efficiently. But new in-memory technology alleviates this with efficient management of large and, above all, unstructured data. This technology enables direct access to data stored in the main memory (cache). That accelerates data access by up to 1,000 times faster than with databases. Organizations using this technology therefore gain a clear competitive advantage.

Due to the global proliferation of these megatrends and increasingly shorter innovation cycles, software companies currently face the challenges of overhauling their business models, working more closely with other vendors and adapting to the quickly changing needs of customers. The industry's transition also offers major opportunities for innovative companies to position themselves in the market. Software AG recognized the changed requirements early, incorporated them into the development of its product portfolio and is gearing its activities strongly toward the new technology megatrends that are revolutionizing the IT industry.

TO THIS END, SOFTWARE AG IS:

- Expanding its presence in specific markets, such as North America.
- Investing in research and development for new products that will improve its competitive position.
- Focusing on the big data market in order to generate significant additional growth stimulus.
- Developing solutions that help customers adapt to external changes faster, more flexibly and more efficiently.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

Preliminary Remarks
This quarterly report contains forward-looking statements. They are based on plans, estimates and projections that are currently available to Software AG's management. Forward-looking statements therefore apply only to the date on which they were made. Software AG accepts no obligation to develop forward-looking statements based on new information or future events. Forward-looking statements by nature contain factors of risk and uncertainty. A number of important factors can contribute to actual results deviating considerably from forward-looking statements. All of the information in this report that does not represent forward-looking statements relates to the situation on March 31, 2013, or the first quarter of the current fiscal year ended on that date, unless otherwise stated. Software AG's segment reporting is prepared in accordance with IFRS 8 (Segment Reporting). Segmentation is by business line and corresponds to the Group's internal controlling and reporting lines. Accordingly, Software AG reports on the following business lines: Business Process Excellence (BPE—with the webMethods, ARIS and Terracotta product families), Enterprise Transaction Systems (ETS—with the ADABAS-Natural product families) and Consulting (all consulting services offered by the Company independent of products as of the 2013 fiscal year).

INTERIM MANAGEMENT REPORT

1 SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

NEW GROWTH STRATEGY 2018

Software AG plans to achieve product revenue of 1 billion euros in the BPE process and integration business line by the year 2018. This is the next milestone in its sustainable growth strategy, which the Company communicated at its financial press conference on January 29, 2013. In order to move toward that target, Software AG will leverage the opportunities that a Digital Enterprise offers customers through the interplay between the four megatrends: cloud, mobile, social collaboration and big data. These trends will be the critical engines of growth in the IT sector. Through targeted investments and divestitures, Software AG further intensified its focus on its core business in the first quarter of 2013. Moreover, Software AG reinforced its technology leadership in the past quarter by unveiling a number of product innovations and earning top scores from market analysts.

CONSULTING REALIGNED

The consulting units that were previously linked to the three segments BPE, ETS and IDSC were placed under uniform management in the current fiscal year. This operational consolidation led to a new reporting structure and thus to a new segmentation. As indicated in the 2012 Annual Report, the consulting units pertaining to the previous business lines have been recognized for the first time in this quarterly report as a new segment referred to as Consulting. Separating consulting services from the product business—which consists of license and maintenance revenue—will allow Software AG to position itself more strongly as product-independent, vendor-neutral consulting partner and provide comprehensive support to organizations in their transformation projects. The strategic focus of the new SAP business line will be process consulting in the German-speaking region (Germany, Austria, Switzerland). For this reason, Software AG sold its SAP-related consulting activities in Canada and the USA to IT provider itelligence as of January 16, 2013.

U.S. FEDERAL UNIT ESTABLISHED

Moreover, Software AG continued to drive forward its marketing and sales initiative in the strategically key North American market in the quarter under review. As part of this, in February 2013 the Company established Software AG Government Solutions, based in Reston, Virginia, which is a subsidiary devoted solely to business with the U.S. public sector and its most important suppliers. Development of the federal unit began in 2012. As a company with German roots, this unit helps Software AG's chances when bidding on public contracts from the U.S. government and signing large deals with new customers in the public sector.

INNOVATIONS FROM CEBIT 2013

One highlight of the first quarter of 2013 was Software AG's presence at CeBIT 2013 in Hannover, Germany in early March. The Company took advantage of the IT industry's leading fair to present numerous technological innovations for the Digital Enterprise. These innovations even drew German chancellor Angela Merkel's attention during her visit to Software AG's stand as part of her annual tour of the fair.

- Software AG announced In-Genius for the third quarter of 2013, the sector's very first scalable in-memory intelligence platform for big data. It integrates in-memory data management with processing and streaming of data thereby providing valuable, relevant information in real time. In-Genius is based on the Terracotta in-memory data platform, BigMemory 4.0, which has been available since CeBIT. This technology enables IT departments to move all important data from slow, expensive hard-disk memory to the ultra-fast main memory. They can achieve higher processing speeds, better scalability and simplified usability and processes even with extremely large amounts of data.

- Version 9 of the ARIS software product was unveiled at ProcessWorld, a customer event held in Orlando, FL in October 2012. The product was presented to the IT community at CeBIT and is now available to the general public. This platform for business process management combines the functionality of the four technology trends — mobile, big data, social collaboration and cloud. The enhanced functionality results in optimized business processes and enables business units to become involved quickly at any stage of a project. The performance of ARIS 9.0 also impressed the independent market research firm, Forrester Research. Its latest study, The Forrester Wave™: Enterprise Architecture Management Suites, positioned Software AG as a leader with a top score in the "Product Strategy" category. Software AG also earned the best rating of all vendors for guaranteeing high-quality and efficient business solutions.

- Furthermore, Software AG announced at CeBIT that webMethods 9.0—the newest version of its integration platform—would be available in the second quarter of the current fiscal year. webMethods enables organization to incorporate time-critical, cloud-based, mobile applications through significantly improved performance. Terracotta BigMemory 4.0 will be integrated here as well. The technology features the market's very first in-memory-enabled Enterprise Service Bus (ESB).

- Finally, Software AG presented a prototype solution for integrating the high-performance ADABAS transactional database with Terracotta technology and Hadoop. It allows customers to carry out analyses of their entire data store in real time.

INVESTMENT IN MOBILE SOLUTIONS STARTUP COMPANY

Software AG expanded to incorporate a key technology and a growth driver of the IT sector at the end of March. The investment in Berlin-based metaquark GmbH includes a buy-out option and ensures Software AG access to the innovative startup's technological expertise in mobile solutions. The mobile technologies of both companies have already been integrated. At CeBIT 2013 Software AG introduced its new webMethods Mobile Suite, which is a platform that covers the entire life cycle of enterprise-wide, mobile applications. This collaboration has evolved into a strategic partnership, which is now being expanded through a financial investment.

SHARE BUYBACK AND DIVIDEND

In addition to targeted investments and acquisitions, Software AG is also employing its high level of disposable cash amounting to €316 million as of December 31, 2012 to repurchase treasury stock. The share buyback program was approved up to a total volume of €180 million by the Management Board and Supervisory Board on February 7, 2013. During the period from February 12, 2013 to (and including) April 29, 2013, a total of 3,924,441 treasury shares were bought at an average price of €29.27 per share for a total price of €114,868,956. This represents 4.52 percent of Software AG's share capital. The share buyback program was concluded in account of Software AG's Annual Shareholders' Meeting, held on May 3, 2013, to ensure that the decision on the appropriation of profits could be based on explicit terms with regard to the number of dividend-bearing shares.

The Company adheres to a sustainable dividend policy with payout ratios ranging between 20 and 25 percent of Group net income. This continuity is intended for the long term. The Management and Supervisory Boards therefore again proposed a dividend of €0.46 per share for the 2012 fiscal year at the Annual Shareholders' Meeting on May 3, 2013. This represents a payout ratio of 23 percent of Group net income.

2 FINANCIAL PERFORMANCE

2.1 SALES BY REVENUE TYPE

Total revenue

Software AG started fiscal 2013 on a trend of continued dynamic development in its largest business line—Business Process Excellence (BPE). This line clearly outperformed the market in the first quarter of the year with a double-digit growth rate (19 percent at constant currency). The BPE license business—Software AG's unequivocal engine of growth—again achieved the highest growth rates ensuring long-term maintenance revenue and cash flow as well as providing a base for new consulting revenues. These results illustrate the positive impact of the Company's expansion of sales and investments in high-growth markets, begun last year. As expected, performance of the traditional Enterprise Transaction Systems (ETS) business line for database software was below the same quarter of the previous year. The newly established Consulting business line, which includes the entire service and consulting portfolio as of this fiscal year, posted a decline in revenue due to dedicated consolidation measures.

The Company was not able to overcompensate for the weak performance of the other two lines, especially Consulting, with BPE's double-digit growth. This resulted in total revenue of €224.9 million for the quarter under review compared to €254.6 million in the first quarter of 2012, which was unusually strong with respect to regular seasonality.

Due to the business lines' varied performance, the revenue mix further improved in favor of growth-driving, high-margin license and maintenance revenue. Product sales represented about 70 percent (2012: 63 percent) of total revenue.

Totaling €63.6 million, license revenue was nearly equal to that of the first quarter of 2012 (€65.2 million). Software AG also approximated the previous year's record result for maintenance with €93.5 million (2012: €96.3 million).

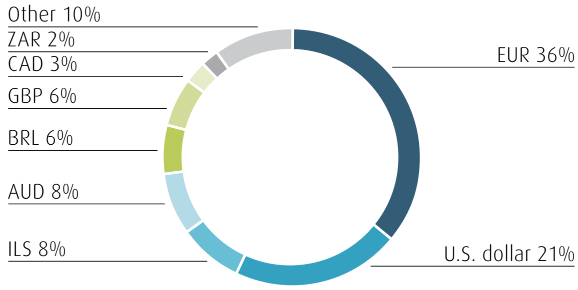
Due to the new focus of the service business on profitable projects and market segments since last fiscal year, service revenue for the first quarter of 2013 was €67.5 million. This reflects a 27.2-percent decline from €92.7 million in 2012.

Exchange rate effects

IMPACT OF EXCHANGE RATES ON REVENUE

Q1 2013

36% revenue in €
64% revenue in other currencies



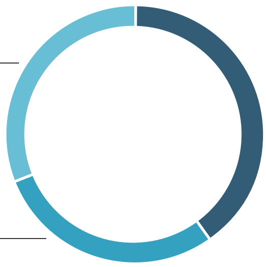
Exchange rates had a slightly negative effect on Software AG's revenue in the first quarter of 2013, primarily because of the euro's regained strength. Total currency translation effects on Group revenue were €-3.8 million. All three business lines were impacted, though maintenance again suffered the worst with a negative effect of €2.4 million. The effects on license and consulting revenue were €-0.7 million respectively.

The eurozone's contribution to revenue in the first quarter dropped to 36 percent (2012: 41 percent). The Company's dependence on the euro thus continued to diminish, which Software AG considers to be positive in light of the ongoing euro crisis and associated risks. Revenue was more diversely distributed among other currencies.

2.2 REVENUE AND EARNINGS BY BUSINESS LINE (SEGMENT REPORT)

Software AG's total revenue in the first quarter of 2013 was €224.9 million and was distributed among the business lines as follows:

PRODUCT REVENUE



This revenue distribution illustrates the positive trend toward a high-margin product business and, within the product business, toward the fast-growing BPE line. This is confirmation of the success of Softrware AG's strategic focus on the growth potential of integration and process software. As a result, the contribution of BPE products to Group revenue of 31.6 percent in the first quarter of 2012 rose to 40.2 percent in the quarter under review. ETS contributed 28.7 percent and Consulting 31.1 percent to Group revenue.

Business Process Excellence (BPE)

Segment Report Q1 2013 Business Process Excellence

in € millions	**Q1 2013**	Q1 2012	Δ%	Δ% acc
Licenses	41.9	35.7	+17 %	+19 %
Maintenance	48.4	44.9	+8 %	+10 %
Product revenue	**90.3**	**80.6**	**+12 %**	**+14 %**
Other				
Total revenue	**90.3**	**80.6**	**+12 %**	**+14 %**
Cost of sales	−5.8	−4.9	+18 %	
Gross profit	**84.5**	**75.7**	**+12 %**	
Sales & marketing	−46.0	−30.9	+49 %	
Research & development	−19.7	−17.5	+13 %	
Segment earnings	**18.8**	**27.3**	**−31 %**	

The Business Process Excellence (BPE) business line consists of the innovative webMethods (IT integration), ARIS (business process software) and Terracotta (big data) product families. BPE reported about 14 percent in growth (at constant currency) at €90.3 million (2012: €80.6 million). With these results, the Company clearly outperformed its competitors and increased its market share in the period under review. This dynamic development verifies the impact of strategic growth measures—including the expansion of the Company's sales force in specific markets—which were introduced last year.

As in previous quarters, the sale of licenses for integration and process software fueled growth the most. BPE license revenue increased 19 percent (at constant currency) to €41.9 million (2012: €35.7 million). BPE license sales generated two-thirds of the Group's total license revenue. Geographically speaking the largest percentage of BPE license revenue came from Europe/Middle-East/Africa (EMEA) and North America as well as from the rapidly growing Asia-Pacific/Japan (APJ) region where a 26-percent gain was achieved. BPE maintenance revenue increased 10 percent (at constant currency) to €48.4 million (2012: €44.9 million). First-quarter results from the BPE line confirm that Software AG's strategic growth measures are already having an effect.

As part of the growth-oriented initiative, Software AG made an extremely high investment of €46.0 million (2012: €30.9 million) in the expansion of the BPE line. This led to a 49-percent or €5-million increase in the cost of marketing and sales year-on-year. As part of the sales initiative, the number of employees in this division rose by 82 compared with the end of 2012 or by 194 compared with the same quarter last year. Research and development expenses were raised by 13 percent to €19.7 million. As a result, the fast-growing BPE segment earnings fell to €18.8 million (2012: 27.3 million).

Enterprise Transaction Systems (ETS)

Segment Report Q1 2013
Enterprise Transaction Systems

in € millions	**Q1 2013**	Q1 2012	Δ%	Δ% acc
Licenses	21.1	28.7	−26 %	−26 %
Maintenance	43.2	47.6	−9 %	−6 %
Product revenue	**64.3**	**76.3**	**−16 %**	**−14 %**
Other	0.2	0.3	–	–
Total revenue	**64.5**	**76.6**	**−16 %**	**−14 %**
Cost of sales	−3.8	−3.6	+6 %	
Gross profit	**60.7**	**73.0**	**−17 %**	
Sales & marketing	−13.8	−15.3	−10 %	
Research & development	−6.5	−6.7	−3%	
Segment earnings	**40.4**	**51.0**	**−21 %**	

The traditional Enterprise Transaction Systems (ETS) business line consists of revenues from licenses, maintenance and services from the ADABAS and Natural product families. As expected, ETS reported a loss in the first quarter of 2013, with revenue totaling €64.5 million (2012: €76.6 million). The expected decline in the current year is due to a weaker cycle of contract renewals in comparison with the long-term average. An additional factor to consider is that a number of deals were signed earlier than planned before the end of the 2012 fiscal year. Because the ETS products represent a key technology to a large customer base, Software AG anticipates the division's performance to improve during the second half of 2013.

License revenue for this consistently profitable business line was €21.1 million compared to €28.7 million in the same quarter last year. This reflects a return to the expected seasonal level: License revenue in the first quarter of 2012 still accounted for 24 percent of expected license revenue for the full year, whereas its contribution in the current year is 20 percent.

Maintenance revenue for the same period fell a slight 6 percent at constant currency to €43.2 million (2012: €47.6 million).

The cost of sales in the ETS division went up a moderate 6 percent to €3.8 million (2012: €3.6 million). Overhead costs, however, were improved such that central sales, marketing and development expenses could be reduced. Marketing and sales expenses decreased 10 percent in the first quarter to €13.8 million. And, research and development expenses went down to €6.5 million (2012: €6.7 million). Segment earnings totaled €40.4 million, which is 21 percent less than the €51.0 million from the same quarter of the previous year.

Consulting

Segment Report Q1 2013 Consulting

in € millions	**Q1 2013**	Q1 2012	Δ%	Δ% acc
Licenses	0.6	0.8	−25 %	−30 %
Maintenance	1.9	3.8	−50 %	−50 %
Product revenue	**2.5**	**4.6**	**−46 %**	**−47 %**
Services & other	67.6	92.8	−27 %	−26 %
Total revenue	**70.1**	**97.4**	**−28 %**	**−27 %**
Cost of sales	−60.2	−87.4	−31 %	
Gross profit	**9.9**	**10.0**	**−1 %**	
Research & development	−9.6	−9.7	−1 %	
Segment earnings	**0.3**	**0.3**	**–**	

The newly established Consulting business line, which comprised the services of BPE, ETS and IDS Scheer Consulting for the first time in this quarter, posted revenue at €70.1 million (2012: €97.4 million). The expected decline was caused by the new focus of the services division on profitable projects and the reduced implementation-related work necessary for BPE products thanks to their improved user-friendliness. Additionally, Software AG continued to refocus its consulting business on process consulting for SAP solutions in defined core markets, particularly German-speaking countries, and on withdrawing from unprofitable service projects in the SAP consulting market, which it began in fiscal 2012. The sale of its North American SAP-related service activities in January 2013 was a major step in the divestiture process.

The operational consolidation of consulting and service activities to form the new Consulting business line as of January 1, 2013 enables Software AG to position itself more strongly as a product-independent, vendor-neutral consulting partner and provide comprehensive support to organizations during their transformation projects.

2.3 EARNINGS PERFORMANCE

Earnings Q1 2013

in € millions	**Q1 2013**	Q1 2012	Δ%
Total revenue	**224.9**	**254.6**	**–12%**
Cost of sales	–75.8	–101.7	–25%
Gross profit	**149.1**	**152.9**	**–2%**
Margin as %	66.3%	60.1%	
Research & development	–26.2	–24.2	+8%
Sales & marketing	–72.8	–59.3	+23%
Administration	–17.8	–15.5	+15%
Other income/expense	+9.3	0.9	–
EBIT	**41.6**	**54.8**	**–24%**
Margin as %	18.5%	21.5%	

In the first quarter of the current fiscal year Software AG reduced its Group-wide cost of sales by 25 percent to €75.8 million (2012: €101.7 million). This was largely a result of consolidation measures in the Consulting division. Thanks to this improvement in combination with the positive trend in revenue distribution in favor of license and maintenance, Software AG's gross profit margin increased from 60.1 percent to a strong 66.3 percent.

Research and development expenses went up to €26.2 million (2012: €24.2 million). Administrative expenses rose 15 percent to €17.8 million euros due to one-time effects the year before and investments in efficiency measures to maximize the benefits of the expanded organization. Due to the planned increase in sales and marketing expenses, at €72.8 million (2012: €59.3 million), for addressing new high-potential markets—especially in the USA—EBIT (earnings before interest and taxes) was €41.6 million (2012: €54.8 million). This reflects a 24-percent drop compared to the relatively strong first quarter of 2012. Software AG's EBIT margin was 18.5 percent (2012: 21.5 percent) in the first quarter of 2013.

Net income

Net Income Q1 2013

in € millions	**Q1 2013**	Q1 2012	Δ%
EBIT	**41.6**	**54.8**	**–24 %**
Net financial income/expense	–1.3	–2.0	–35
Earnings before tax	40.3	52.8	–24 %
Other tax	–1.8	–1.3	+38 %
Income tax	–11.3	–15.6	–28 %
Tax rate as %	32.5 %	32.0 %	
Net income	**27.2**	**35.9**	**–24 %**
EPS in €*	**0.32**	**0.41**	**–22 %**

* Weighted average number of shares outstanding (basic): Q1 2013: 85.8 mn/Q1 2012: 86.8 mn

Software AG's tax rate was 32.5 percent, which is exactly the middle of the forecast range for this year. Net income after taxes fell to €27.2 million (2012: €35.9 million) due to the aforementioned investments and currency translation effects. Earnings per share were therefore €0.32 (2012: €0.41) in the quarter under review. The share buyback program started on February 12, 2013 already had an effect on earnings per share, which, adjusted, would have been €0.31.

3 FINANCIAL POSITION

3.1 CASH FLOW

Cash flow Q1 2013

in € millions	**Q1 2013**	Q1 2012	Δ%
Operating cash flow	**65.4**	**61.0**	**+7 %**
./. CapEX*	–2.7	–1.9	
Free cash flow	**62.7**	**59.1**	**+6 %**
% of revenue	27.9 %	23.3 %	
Free cash flow per share in €	**0.73**	**0.68**	**+7 %**

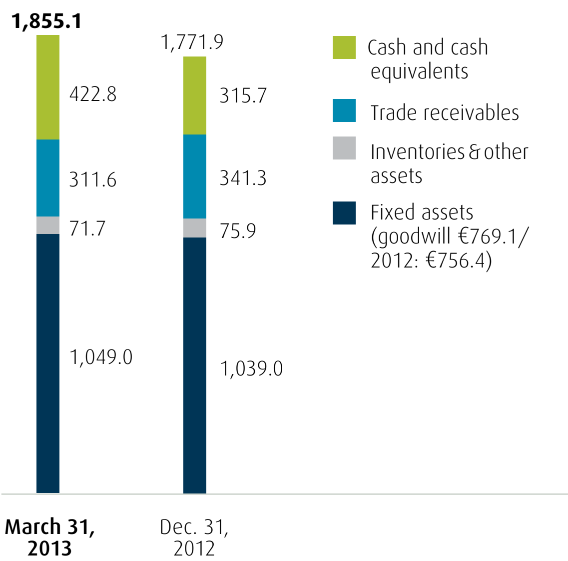
* Cash outflows from investing activities adjusted for acquisitions. Weighted average number of shares outstanding (basic): Q1 2013: 85.8 mn/Q1 2012: 86.8 mn

Free cash flow increased 6 percent to total €62.7 million (2012: €59.1 million) in the quarter under review. The reduction of Software AG's trade receivables and steady decrease of its DSO contributed to free cash flow. Accordingly, free cash flow per share rose to €0.73 (2012: €0.68) in the first quarter of 2013.

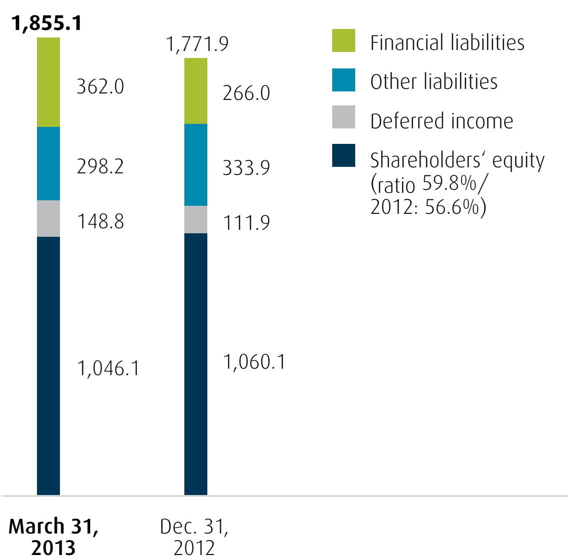
3.2 CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET

Assets in € millions



Liabilities in € millions



Total assets as of the end of 2012 increased by €83.2 million to €1,855.1 million as of March 31, 2013. Shareholders' equity as of March 31, 2013 fell to €1,046.1 million (Dec. 31, 2012: €1,060.1 million) due to the ongoing successful share buyback program. During the period from February 12, 2013 to (and including) April 29, 2013, a total of 3,924,441 treasury shares were bought at an average price of €29.27 per share for a total price of €114,868,956. Software AG's equity ratio declined from 60 percent at the end of 2012 to a still very high 56 percent as of March 31, 2013. Software AG again reported net liquidity as of March 31, 2013 with a cash surplus (cash less financial liabilities) of €60.8 million (Dec. 31, 2012: €49.6 million). This provides Software AG with the flexibility it needs to conduct the planned strategic expansion.

4 EMPLOYEES

As of March 31, 2013 Software AG had 5,300 (full-time) employees compared to 5,419 as of December 31, 2012 and 5,498 as of March 31, 2012. Of those, the number of employees in Sales and Marketing increased to 1,213 (Dec. 31, 2012: 1,131) and in Research and Development to 901 (Dec. 31, 2012: 887). In Germany, the number of employees fell to 1,727 (Dec. 31, 2012: 1,768).

5 OPPORTUNITIES AND RISKS

There were no changes to the risk situation of the Software AG Group in the first quarter of 2013 as portrayed in the Risk Report of the 2012 Annual Report. Corresponding opportunities are described in the Outlook section of this report and the 2012 Annual Report.

6 EVENTS AFTER THE BALANCE SHEET DATE

Software AG announced its acquisition of LongJump, a U.S.-based company, in conjunction with the release of its preliminary first-quarter results on April 25, 2013. LongJump was founded in 2003 and has its headquarters in Santa Clara, California as well as a research & development center in Indore, India. It serves a customer base of more than 220 companies, offering them a digital platform that enables users to create cloud-based applications independently, easily, quickly and without the need for help from the IT department. The demand for platforms such as this to efficiently develop applications internally is increasing steadily as enterprises become digital. Software AG is expanding its cloud expertise and extending its own cloud-ready product offering with the acquisition of LongJump.

7 OUTLOOK

FISCAL 2013 OUTLOOK CONFIRMED

	FY 2012	Outlook FY 2013 (as of Jan. 29, 2013)
Product revenue BPE	384 € millions	+ 16 % to + 22 %*
Product revenue ETS	310 € millions	− 9 % to − 4 %*
Earnings per share in €**	1.90	1.70 to 1.80

* At constant currency, delta
** Share buyback

Software AG expects the positive results to continue and confirms the forecast which was released with the 2012 full-year results on January 29, 2013. Accordingly, the Company expects an increase in BPE revenue between 16 and 22 percent (at constant currency) for fiscal year 2013. Revenue for the traditional ETS database business is likely to shrink between 4 and 9 percent (at constant currency), which will be more than offset by the targeted BPE growth. Taking into account the additional investments for the expansion of sales and marketing, earnings per share should be between €1.70 and €1.80 in fiscal 2013.

INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

for the three months ended March 31, 2013, IFRS, unaudited

in € thousands	**Q1 2013**	Q1 2012	Change in %
Licenses	63,581	65,247	–3
Maintenance	93,502	96,268	–3
Services	67,507	92,738	–27
Other	320	301	6
Total revenue	**224,910**	**254,554**	**–12**
Costs of sales	–75,775	–101,692	–25
Gross profit	**149,135**	**152,862**	**–2**
Research and development expenses	–26,220	–24,237	8
Sales, marketing and distribution expenses	–72,811	–59,274	23
General and administrative expenses	–17,845	–15,496	15
Other taxes	–1,819	–1,273	43
Operating result	**30,440**	**52,582**	**–42**
Other income	16,144	6,395	152
Other expenses	–6,775	–5,430	25
Net financial income/expense	–1,330	–2,062	–35
Earnings before income taxes	**38,479**	**51,485**	**–25**
Income taxes	–11,266	–15,622	–28
Net income	**27,213**	**35,863**	**–24**
Thereof attributable to shareholders of Software AG	27,198	35,757	–24
Thereof attributable to non-controlling interest	15	106	
Earnings per share in € (basic)	0.32	0.41	–22
Earnings per share in € (diluted)	0.32	0.41	–22
Weighted average number of shares outstanding (basic)	85,794,069	86,766,468	–
Weighted average number of shares outstanding (diluted)	86,196,214	86,999,430	–

STATEMENT OF COMPREHENSIVE INCOME

for the three months ended March 31, 2013, IFRS, unaudited

in € thousands	**Q1 2013**	Q1 2012
Net income	**27,213**	**35,863**
Currency translation differences	20,424	−12,488
Net gain/loss on remeasuring financial assets	1,536	406
Net loss/gain arising from translating net investments in foreign operations	1,029	−1,098
Net actuarial gain/loss and asset caps on defined benefit plans	15	−37
Other comprehensive income	**23,004**	**−13,217**
Total comprehensive income	**50,217**	**22,646**
Thereof attributable to shareholders of Software AG	50,202	22,540
Thereof attributable to non-controlling interests	15	106

CONSOLIDATED BALANCE SHEET

as of March 31, 2013, IFRS, unaudited

in € thousands	**Mar. 31, 2013**	Mar. 31, 2012
ASSETS		
Current assets		
Assets held for sale	0	6,092
Cash and cash equivalents	422,801	315,637
Inventories	117	111
Trade receivables	253,462	306,600
Other receivables and other assets	28,787	24,429
Income tax assets	21,336	22,959
	726,503	**675,828**
Non-current assets		
Intangible assets	210,600	214,393
Goodwill	769,135	756,372
Property, plant and equipment	64,548	64,014
Financial assets	4,722	4,252
Trade receivables	58,160	34,674
Other receivables and other assets	3,183	3,895
Income tax assets	1,979	1,769
Deferred taxes	16,226	16,662
	1,128,553	**1,096,031**
Total assets	**1,855,056**	**1,771,859**

in € thousands	**Mar. 31, 2013**	Mar. 31, 2012
EQUITY AND LIABILITIES		
Current liabilities		
Liabilities related to assets held for sale	0	3,307
Financial liabilities	48,512	52,572
Trade payables	43,806	47,833
Other liabilities	75,056	66,721
Other provisions	62,018	90,319
Tax liabilities	24,898	30,688
Deferred income	147,319	110,397
	401,609	**401,837**
Non-current liabilities		
Financial liabilities	313,475	213,440
Trade payables	0	220
Other liabilities	5,986	7,237
Provisions for pensions	49,065	50,194
Other provisions	8,106	10,504
Deferred taxes	29,222	26,829
Deferred income	1,499	1,532
	407,353	**309,956**
Equity		
Share capital	86,917	86,917
Capital reserve	43,466	42,124
Retained earnings	1,018,849	991,651
Other reserves	−37,242	-60,246
Treasury shares	−66,688	−1,157
Share attributable to shareholders of Software AG	**1,045,302**	**1,059,289**
Non-controlling interest	**792**	**777**
	1,046,094	**1,060,066**
Total equity and liabilities	**1,855,056**	**1,771,859**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the three months ended March 31, 2013, IFRS, unaudited

in € thousands	**Q1 2013**	Q1 2012
Net income	27,213	35,863
Income taxes	11,266	15,622
Net financial income/expense	1,330	2,062
Amortization/depreciation of non-current assets	12,699	12,453
Other non-cash expense and income	−4,106	86
Operating cash flow before changes in working capital	**48,402**	**66,086**
Changes in inventories, receivables and other current assets	26,081	11,375
Changes in payables and other liabilities	3,792	−2,392
Income taxes paid	−13,646	−14,625
Interest paid	−1,354	−1,610
Interest received	2,177	2,211
Net cash provided by operating activities	**65,452**	**61,045**
Proceeds from the sale of property, plant and equipment/intangible assets	62	106
Purchase of property, plant and equipment/intangible assets	−3,120	−2,084
Proceeds from the sale of financial assets	424	486
Purchase of financial assets	−73	0
Cash outflows from current financial assets	0	−433
Proceeds from the sale of disposal group	6,443	0
Payment for acquisitions, net	−104	−413
Net cash used in investing activities	**3,632**	**−2,338**

in € thousands	**Q1 2013**	Q1 2012
Proceeds from issue of share capital	0	0
Purchase of treasury stock (incl. hedge premiums paid)	−65,531	0
Dividends paid	0	−170
Additions to financial liabilities	100,000	0
Repayments of financial liabilities	−1,859	−1,149
Net cash provided by/used in financing activities	**32,610**	**−1,319**
Change in cash and cash equivalents from cash relevant transactions	101,694	57,388
Currency translation adjustment	5,470	−1,562
Net change in cash and cash equivalents	**107,164**	**55,826**
Cash and cash equivalents at the beginning of the period	315,637	216,479
Cash and cash equivalents at the end of period	**422,801**	**272,305**
Free cash flow	**62,745**	**59,120**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the three months ended March 31, IFRS, unaudited

in € thousands	Common shares (No.)	Share capital	Capital reserve	Retained earnings
Equity as of January 1, 2012	**86,766,468**	**86,828**	**35,716**	**867,053**
Total comprehensive income	–	–	–	35,757
Transactions with equity holders	–	–	–	–
Dividend payment	–	–	–	–
New shares issued	–	–	–	–
Stock options	–	–	644	–
Issue and disposal of treasury stock	–	–	–	–
Purchase of treasury stock	–	–	–	–
Transactions between shareholders	–	–	–	–
Equity as of March 31, 2012	**86,766,468**	**86,828**	**36,360**	**902,810**
Equity as of January 1, 2013	**86,875,068**	**86,917**	**42,124**	**991,651**
Total comprehensive income	–	–	–	27,198
Transactions with equity holders	–	–	–	–
Dividend payment	–	–	–	–
New shares issued	–	–	–	–
Stock options	–	–	1,342	–
Issue and disposal of treasury stock	–	–	–	–
Purchase of treasury stock (incl. hedge premiums paid)	−2,161,998	–	–	–
Other changes	–	–	–	–
Transactions between shareholders	–	–	–	–
Equity as of March 31, 2013	**84,713,070**	**86,917**	**43,466**	**1,018,849**

Other reserves				Treasury shares	Attributable to shareholders of Software AG	Non-controlling interests	**Total**
Currency translation differences	Fair value measurement of securities and derivatives	Actuarial gains/ losses from defined benefit plans	Currency translation gains/ losses from net investments in foreign operations				
−26,894	**−3,054**	**−11,332**	**4,185**	**−1,675**	**950,827**	**655**	**951,482**
−12,488	406	−37	−1,098	–	22,540	106	22,646
–	–	–	–	–	–	–	–
–	–	–	–	–	0	−170	−170
–	–	–	–	–	0	–	0
–	–	–	–	–	644	–	644
–	–	–	–	–	0	–	0
–	–	–	–	–	0	–	0
–	–	–	–	–	–	–	–
−39,382	**−2,648**	**−11,369**	**3,087**	**−1,675**	**974,011**	**591**	**974,602**
−38,731	**−3,546**	**−21,467**	**3,498**	**−1,157**	**1,059,289**	**777**	**1,060,066**
20,424	1,536	15	1,029	–	50,202	15	50,217
–	–	–	–	–	0	–	0
–	–	–	–	–	0	–	0
–	–	–	–	–	0	–	0
–	–	–	–	–	1,342	–	1,342
–	–	–	–	–	0	–	0
–	–	–	–	−65,531	−65,531	–	−65,531
–	–	–	–	–	0	–	0
–	–	–	–	–	–	–	–
−18,307	**−2,010**	**−21,452**	**4,527**	**−66,688**	**1,045,302**	**792**	**1,046,094**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

GENERAL

[1] Basis of presentation

Software AG's condensed and unaudited consolidated financial statements (interim financial statements) as of March 31, 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) applicable on the balance sheet date, as endorsed by the EU. The IASs/IFRSs applicable as of March 31, 2013 were observed, as were the corresponding interpretations of the International Financial Reporting Interpretations Committee (IFRIC—formerly SIC).

Software AG is a registered stock corporation under German law with registered offices in Darmstadt. Software AG is the parent company of a Group that is globally active in the fields of software development, licensing and maintenance as well as IT services.

The consolidated interim financial statements of Software AG are expressed in thousands of euros unless otherwise stated.

[2] Changes in the consolidated group

The following changes in the consolidated Group took place in the first three months of fiscal 2013:

	Germany	Foreign	**Total**
Dec. 31, 2012	**10**	**85**	**95**
Additions	1	0	1
Disposals (including mergers)	0	1	1
March 31, 2013	**11**	**84**	**95**

The addition relates to the acquisition of the German company, Metaquark, as described in Note 4. The disposal relates to the merger of a company in Italy.

[3] Accounting policies

The same accounting policies have been applied to the consolidated interim financial statements as were applicable to the consolidated financial statements as of December 31, 2012. For more detailed information on accounting policies, please see Note 3 of the consolidated financial statements for fiscal 2012. These quarterly financial statements have been prepared in accordance with IAS 34: Interim Financial Reporting.

[4] Business combinations

Software AG gained control of metaquark GmbH (Berlin/Germany) in the first quarter of 2013 by acquiring 16 percent of its shares and a put option on the remaining shares. Metaquark is a mobile solutions specialist. Mobile solutions in conjunction with big data, cloud and social collaboration play a key role in Software AG's strategy around the Digital Enterprise. The company currently has four employees. The consideration due for this acquisition is anticipated to amount to approximately €4.9 million.

The following table shows the allocation of the cost of the business combination to the net assets acquired:

in € thousands	Carrying amount prior to acquisition	Remeasurement to fair value	Opening balance
Cash and cash equivalents	572	0	572
Intangible assets	15	2,600	2,615
Goodwill	0	2,534	2,534
Other assets	201	0	201
Total assets	**788**	**5,134**	**5,922**
Liabilities and provisions	221	0	221
Deferred tax liabilities	0	832	832
Total equity and liabilities	**221**	**832**	**1,053**
Acquired assets and assumed liabilities, net	**567**	**4,302**	**4,869**
Payments to shareholders			100
Payments to the company			500
Consideration not yet paid for put option			4,269
Acquisition cost, gross			4,869
Cash and cash equivalents acquired			572
Net cost of the business combination			**4,297**

The goodwill capitalized in connection with this acquisition was allocated in full to the Business Process Excellence segment. The recognition of goodwill resulted from the fact that synergies and staff are not separable intangible assets within the meaning of IAS 38. The goodwill arising from this acquisition is not tax deductible. Software AG considers the impact of this acquisition on the Group's financial position, financial performance and cash flows to be immaterial.

Software AG acquired cloud platform provider LongJump (Relational Networks Inc.) with headquarters in Santa Clara, California (USA) in April, and thus after the balance sheet date but before the release of the quarterly financial statements. The LongJump digital platform enables end users to develop applications independently and without the help of the IT department. This will allow Software AG to extend its offering to include IT projects for small and medium-sized companies as well as individual departments. The company currently has 18 employees. The consideration due for this acquisition is anticipated to amount to approximately €20 million. Due to the short period of time between the time of acquisition and the publication release of this interim report, a preliminary purchase price allocation could not take place. Software AG considers the impact of this acquisition on the Group's financial position, financial performance and cash flows to be immaterial.

NOTES TO THE CONSOLIDATED BALANCE SHEET

[5] Disposal group

Software AG signed an agreement with itelligence AG (Bielefeld/Germany) on January 8, 2013 to sell its SAP-related service activities in Canada and USA. The transfer took place on January 16, 2013. The transaction covered all Software AG services related to SAP products that were coordinated in Toronto for Canada and in Reston, Virginia for the U.S.

The transaction resulted in earnings of about €3 million for the first quarter, which were reported as "other income."

[6] Goodwill

Goodwill amounted to €769,135 thousand as of March 31, 2013, an increase of €12,763 thousand compared to December 31, 2012. Of the rise in goodwill, €10,229 thousand resulted from currency translation gains, due in particular to the strong U.S. dollar, and €2,534 thousand from the Company's acquisition of metaquark (Berlin/Germany).

[7] Shareholders' equity

Share capital

Software AG's share capital totaled €86,917 thousand as of March 31, 2013, divided into 86,917,445 bearer shares. Each share entitles its holder to one vote.

Dividend payment

Pursuant to the proposal of the Management Board and the Supervisory Board, the Annual Shareholders' Meeting resolved on May 3, 2013 to appropriate €38,157 thousand for a dividend payout and to carry forward €220,700 thousand of the net retained profits of €258,857 thousand reported by Software AG, the controlling Group company, in 2012. This corresponded to a dividend of €0.46 per share.

Share buyback

As part of the share buyback program, which was approved by the Management Board with the consent of the Supervisory Board on February 7, 2013, 2,161,998 treasury shares were purchased at an average price of €30.30 by the end of the first quarter of 2013. Software AG thus held a balance of 2,204,375 treasury shares as of March 31, 2013 for a consideration paid of €66,655 thousand (excluding transaction costs). This is 2.54 percent of Software AG's share capital.

On April 30, 2013 Software AG announced the conclusion of the share buyback program that had been approved on February 7, 2013.

Between March 31, 2013 and the end of the buyback on April 29, 2013, 1,762,443 more treasury shares were purchased at an average price of €28.01. Software AG thus held a balance of 3,966,818 treasury shares as of May 2, 2013 for a consideration paid of €116,025,780 thousand (excluding transaction costs). This is 4.56 percent of Software AG's share capital.

OTHER DISCLOSURES

[8] Segment reporting

Beginning in fiscal year 2013 Management restructured the Company's internal reporting. Consulting services that have until now been incurred in both in the BPE segment and the ETS segment will in the future be consolidated with the IDSC consulting services and product business in a new segment called "Consulting." For further information on the adjustment to the internal reporting structure, please refer to the Forecast section of the Management Report.

The table below shows the segment data for the first quarters of 2013 and 2012:

Segment Report

for the three months ended March 31, 2013, IFRS, unaudited

in € thousands	Enterprise Transaction Systems (ETS)	
	Q1 2013	Q1 2012
Licenses	21,069	28,725
Maintenance	43,207	47,608
Product revenue	**64,276**	**76,333**
Services	0	0
Other	204	257
Total revenue	**64,480**	**76,590**
Cost of sales	−3,764	−3,624
Gross profit	**60,716**	**72,966**
Sales, marketing & distribution expenses	−13,804	−15,272
Segment contribution	**46,912**	**57,694**
Research and development expenses	−6,477	−6,690
Segment result	**40,435**	**51,004**
General and administrative expenses		
Other taxes		
Operating result		
Other operating income/expense, net		
Financial income/expense, net		
Earnings before income taxes		
Income Taxes		
Net income		

Business Process Excellence (BPE)		Consulting		Reconciliation		**Total**	
Q1 2013	Q1 2012	**Q1 2013**	Q1 2012	**Q1 2013**	Q1 2012	**Q1 2013**	Q1 2012
41,919	35,679	593	843			63,581	65,247
48,426	44,876	1,869	3,784			93,502	96,268
90,345	**80,555**	**2,462**	**4,627**			**157,083**	**161,515**
0	25	67,507	92,713			67,507	92,738
0	2	116	42			320	301
90,345	**80,582**	**70,085**	**97,382**			**224,910**	**254,554**
−5,831	-4,860	−60,211	−87,412	−5,969	−5,796	−75,775	−101,692
84,514	**75,722**	**9,874**	**9,970**	**−5,969**	**−5,796**	**149,135**	**152,862**
−46,007	−30,915	-9,596	−9,700	−3,404	−3,387	−72,811	−59,274
38,507	**44,807**	**278**	**270**	**−9,373**	**−9,183**	**76,324**	**93,588**
−19,743	−17,547	0	0	0	0	−26,220	−24,237
18,764	**27,260**	**278**	**270**	**−9,373**	**−9,183**	**50,104**	**69,351**
						−17,845	−15,496
						−1,819	−1,273
						30,440	**52,582**
						9,369	965
						−1,330	−2,062
						38,479	**51,485**
						−11,266	−15,622
						27,213	**35,863**

[9] Contingent liabilities

As of March 31, 2013, no provisions had been recognized for the following contingent liabilities, expressed at their nominal amounts, since it appeared unlikely that any claims would be asserted:

in € thousands	**March 31, 2013**	Dec. 31, 2012	March 31, 2012
Contingent liabilities	0	0	1,477

The carrying amount of collateral received was €28 thousand (2012: €28 thousand).

Disclosures on leases

The Group's rental agreements and operating leases relate chiefly to office space, vehicles and IT equipment. Lease payments under operating leases are recognized as an expense over the term of the lease.

in € thousands	Up to 1 year	1 to 5 years	> 5 years	**Total**
Contractually agreed payments (gross amount)	15,463	43,118	5,106	63,687
Estimated income from subleases	1,940	5,625	0	7,565
Contractually agreed payments (net amount)	13,523	37,493	5,106	56,122

[10] Seasonal influences

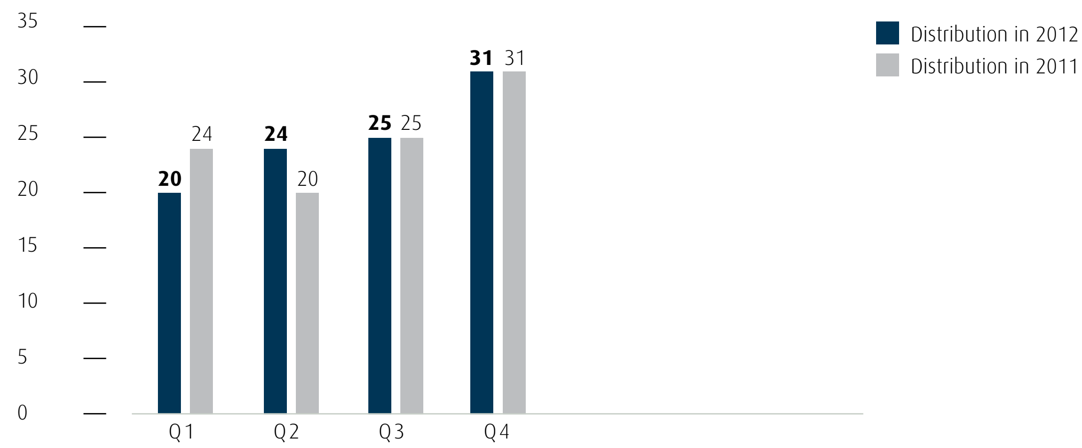
Revenues and pre-tax earnings were distributed over fiscal year 2012 as follows:

in € thousands	Q1 2012	Q2 2012	Q3 2012	Q4 2012	**2012**
License revenue as % of license revenue for the year	65,246 20	76,040 24	80,505 25	97,149 31	318,940 100
Total revenue as % of revenue for the year	254,554 24	258,645 25	257,424 25	276,711 26	1,047,334 100
Earnings before taxes as % of net income for the year	51,485 22	52,829 23	57,785 25	69,398 30	231,497 100

Based on historical data from past years, the revenue and earnings distribution in 2012 was not representative and is therefore useful only to a limited extent for calculating the expected distribution in 2013. The following graph illustrates the development of license revenues in 2012 und 2011.

The distribution of revenue and earnings is regularly affected by large individual contracts and is thus difficult to predict.

As % of total annual license revenue



[11] Litigation

In February 2010, a software company in Virginia, USA sued Software AG together with 11 additional defendants, including IBM and SAP, for infringement of several of its software patents. The lawsuit was filed with a court in Virginia. The proceedings were suspended for Software AG and additional defendants by order of the court. The proceedings are continuing against only one of the defendants. The verdict of these proceedings will determine if the proceedings against Software AG will be resumed. The court dismissed the test case, upon which the plaintiff filed an appeal. The court of appeals rejected the appeal in January 2012. The plaintiff brought further legal action. The proceedings against the other defendants are still pending.

In February 2012, a non-practicing entity (NPE: a company that solely pursues patent-right violations, rather than manufacturing or using the patented invention) from the U.S. state of Delaware sued Software AG in the District Court of Delaware for violating one of its software patents. This NPE has filed similar parallel lawsuits against three other defendants. The lawsuit against Software AG was withdrawn in January 2013. The NPE also filed a new lawsuit for the alleged violation of two of its software patents in January 2013.

A number of legal actions have been filed with the Regional Court of Saarbrücken in connection with the control and profit transfer agreement with IDS Scheer AG. In these proceedings, the petitioners are seeking an increase in their cash settlements and annual compensatory payments. Software AG considers the objections as to valuation to be groundless. The proceedings were combined into one. The first hearing took place on February 29, 2012 and had no tangible outcome. A new date has been scheduled for June 2013.

In connection with the merger of IDS Scheer AG and Software AG, a large number of legal challenges were filed with Regional Court of Saarbrücken, in which the plaintiffs seek a legal review of the set exchange ratio and cash compensation. Software AG considers the objections as to valuation to be groundless. The proceedings were combined into one. The first hearing took place on November 23, 2012 and also had no tangible outcome. In its decision of March 15, 2013, the Regional Court of Saarbrücken determined that the market value ratio method be employed for valuation and that cash compensation in the amount of €7.22 for every share held by outside shareholders be paid. Software AG appealed the decision.

In connection with the termination of David Broadbent's Management Board membership, Mr. Broadbent filed suit with the the Regional Court of Darmstadt, which the Company considers to be unfounded. After an extensive exchange of briefs, evidence was taken in May and September. The court ruled against the Company's arguments and found in favor of Mr. Broadbent on December 21, 2012. Software AG filed an appeal against the ruling.

There were no other changes with respect to the legal disputes reported at the end of 2012, nor were there any new legal disputes that could potentially have a significant effect on the Company's financial position, cash flows or profit or loss.

[12] Stock option plans and stock appreciation rights program

Software AG has various stock option plans for members of the Management Board, managers and other Group employees. Our stock price-based remuneration plans as of March 31, 2013 are described in detail on pages 228-233 of our 2012 Annual Report.

Management Incentive Plan 2011 (MIP IV) (2011-2016)

The rights granted under Management Incentive Plan 2011 (MIP IV) changed as follows in the first three months of the fiscal year:

in € thousands	Number of rights	Exercise price per right (in €)	Remaining term (in years)	Aggregated intrinsic value (in €)
Balance as of Dec. 31, 2012	**5,262,000**	**41.34**	**8.5**	**0**
Granted	120,000	41,34		
Forfeited	−237,833	41.34		
Balance as of March 31, 2013	**5,144,167**	**41.34**	**8.25**	**0**
Thereof exercisable as of March 31, 2013				

Management Incentive Plan 2007 (MIP III) (2007-2011)

There were no changes to the balance of rights granted under Management Incentive Plan 2007 (MIP III) compared to the balance on December 31, 2012.

All rights outstanding under MIP III as of March 31, 2013 were exercisable.

[13] Employees

As of March 31, 2013, the average number of employees (i. e., part-time employees are taken into account on a pro-rata basis only) by area of activity was as follows:

	March 31, 2013	March 31, 2012
Maintenance and Services	2,456	2,864
Sales and Marketing	1,213	1,019
Research and Development	901	884
Administration	730	731
	5,300	**5,498**

In absolute terms (i. e., part-time employees are counted in full), the Group employed 5,495 (2012: 5,696) people as of March 31, 2013.

[14] Changes and information regarding corporate bodies

No changes occurred on either the Management Board or the Supervisory Board between January 1 and March 31, 2013.

[15] Events after the balance sheet date

On April 30, 2013, Software AG announced the conclusion of the share buyback program which had been approved on February 7, 2013. More information on the development of the balance of treasury shares is provided in Note 7.

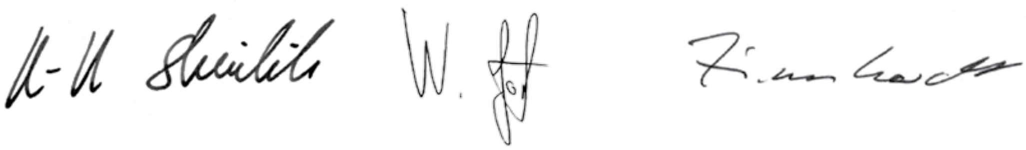
Software AG acquired cloud platform provider LongJump (Relational Networks Inc.) in April. More information on this is presented in Note 4.

Date and authorization for issue

Software AG's Management Board approved the consolidated quarterly financial statements on May 6, 2013.

Darmstadt, May 6, 2013

Software AG



K.-H. Streibich   Dr. W. Jost   A. Zinnhardt

SERVICE

FINANCIAL CALENDAR 2013/2014

2013	
July 25, 2013	Preliminary Q2/H1 2013 financial figures (IFRS, unaudited), Darmstadt, Germany
October 24, 2013	Preliminary Q3 2013 financial figures (IFRS, unaudited), Darmstadt, Germany

2014	
January 28, 2014	Preliminary Q4/FY 2013 financial figures (IFRS, unaudited), Darmstadt, Germany

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