



Software AG Financial Information Q3 / 2015

October 28, 2015
(unaudited)

Table of contents

p. 3	Key figures as of September 30, 2015
p. 4	Consolidated income statement for the nine months ended September 30, 2015
p. 5	Consolidated balance sheet as of September 30, 2015
p. 6	Consolidated statement of cash flows for the nine months ended September 30, 2015
p. 7	Segment report for the nine months ended September 30, 2015
p. 8	Segment report for the third quarter 2015
p. 9	Consolidated statement of changes in equity for the nine months ended September 30, 2015
p. 10	Statement of comprehensive income for the nine months ended September 30, 2015

KEY FIGURES as of September 30, 2015 (IFRS, unaudited)

In EUR millions (unless otherwise stated)	9 months 2015	9 months 2014	Change in %	Q3 2015	Q3 2014	Change in %
<i>Revenue</i>	615,6	610,5	1%	215,9	205,6	5%
Product revenue	473,3	446,5	6%	169,9	157,8	8%
Services	141,7	163,5	-13%	45,7	47,7	-4%
Other	0,6	0,5		0,3	0,1	
<i>Business Line</i>						
Digital Business Platform	294,0	276,4	6%	103,2	96,6	7%
Adabas & Natural	179,8	168,4	7%	66,9	61,3	9%
Consulting	141,8	165,7	-14%	45,8	47,7	-4%
EBIT*	129,3	104,6	24%	66,8	49,1	36%
as % of revenue	21,0%	17,1%		30,9%	23,9%	
Net income	83,4	63,1	32%	44,8	30,4	47%
as % of revenue	13,5%	10,3%		20,8%	14,8%	
EPS € basic [diluted]	1,06 [1,06]	0,79 [0,79]	34% [34%]	0,57 [0,57]	0,38 [0,38]	50% [50%]
Free Cash Flow	128,8	85,8	50%	22,6	19,4	16%
Employees (Full time equivalent)	4.384	4.553				
of which in Germany	1.176	1.237				
R&D	992	989				
Balance sheet	Sept. 30, 2015	Dec. 31, 2014				
Total assets	1.791,3	1.848,9				
Cash and cash equivalents	337,0	318,4				
Net debt	7,8	125,7				
Shareholders' equity	1.064,7	1.013,4				
as % of total assets	59,4%	55%				

*EBIT: Net income + Income taxes + other taxes + financial expense, net

CONSOLIDATED INCOME STATEMENT for the nine months ended **September 30, 2015** (IFRS, unaudited)

in EUR thousands	9 months 2015	9 months 2014	Change in %	Q3 2015	Q3 2014	Change in %
Licenses	168.950	171.495	-1%	68.897	64.184	7%
Maintenance	304.328	274.986	11%	101.002	93.631	8%
Services	141.705	163.549	-13%	45.736	47.685	-4%
Other	575	480	20%	236	141	67%
Total revenue	615.558	610.510	1%	215.871	205.641	5%
Costs of sales	-157.857	-182.316	-13%	-49.034	-51.412	-5%
Gross profit	457.701	428.194	7%	166.837	154.229	8%
Research and development expenses	-79.350	-81.010	-2%	-25.123	-27.210	-8%
Sales, marketing and distribution expenses	-197.529	-191.105	3%	-63.062	-57.463	10%
General and administrative expenses	-50.079	-54.413	-8%	-11.135	-19.401	-43%
Other taxes	-4.449	-6.150	-28%	-1.548	-2.109	-27%
Operating result	126.294	95.516	32%	65.969	48.046	37%
Other income	21.304	37.707	-44%	4.727	21.495	-78%
Other expenses	-22.712	-34.749	-35%	-5.422	-22.528	-76%
Financial expense, net	-2.793	-7.602	-63%	-354	-2.126	-83%
Profit before income taxes	122.093	90.872	34%	64.920	44.887	45%
Income taxes	-38.657	-27.748	39%	-20.125	-14.485	39%
Net income	83.436	63.124	32%	44.795	30.402	47%
Thereof attributable to shareholders of Software AG	83.269	62.990	32%	44.720	30.369	47%
Thereof attributable to non-controlling interest	167	134		75	33	
Earnings per share (EUR, basic)	1,06	0,79	34%	0,57	0,38	50%
Earnings per share (EUR, diluted)	1,06	0,79	34%	0,57	0,38	50%
Weighted average number of shares outstanding (basic)	78.816.237	79.331.652	-	78.611.023	78.918.844	-
Weighted average number of shares outstanding (diluted)	78.885.704	79.374.563	-	78.715.932	78.918.844	-

CONSOLIDATED BALANCE SHEET as of September 30, 2015 (IFRS, unaudited)

ASSETS (in EUR thousands)	Sept. 30, 2015	Dec. 31, 2014
Current assets		
Cash and cash equivalents	336.955	318.396
Securities	6.135	55.311
Inventories	90	85
Trade receivables	204.152	211.178
Other receivables and other assets	20.175	20.689
Income tax assets	28.084	29.725
	595.591	635.384
Non-current assets		
Intangible assets	163.423	180.196
Goodwill	888.065	857.279
Property, plant and equipment	55.660	61.171
Financial assets	11.620	7.103
Trade receivables	50.948	87.447
Other receivables and other assets	7.736	4.996
Income tax assets	5.494	4.423
Deferred taxes	12.768	10.937
	1.195.714	1.213.552
Total Assets:	1.791.305	1.848.936
EQUITY AND LIABILITIES (in EUR thousands)	Sept. 30, 2015	Dec. 31, 2014
Current liabilities		
Financial liabilities	132.240	103.646
Trade payables	25.816	32.600
Other liabilities	47.513	56.049
Other provisions	66.803	78.849
Tax liabilities	26.040	32.605
Deferred income	137.257	111.348
	435.669	415.097
Non-current liabilities		
Financial liabilities	212.517	340.499
Trade payables	0	0
Other liabilities	1.651	6.320
Provisions for pensions	42.278	42.566
Other provisions	16.202	13.205
Deferred taxes	17.708	17.131
Deferred income	604	738
	290.960	420.459
Equity		
Share capital	79.000	86.944
Capital reserve	39.741	43.195
Retained earnings	990.969	1.161.411
Other reserves	-27.504	-54.535
Treasury shares	-18.021	-224.466
Share attributable to shareholders of Software AG	1.064.185	1.012.549
Non-controlling interest	491	831
	1.064.676	1.013.380
Total Equity and Liabilities:	1.791.305	1.848.936

CONSOLIDATED STATEMENT OF CASH FLOWS for the nine months ended September 30, 2015 (IFRS, unaudited)

in EUR thousands	9 months 2015	9 months 2014	Q3 2015	Q3 2014
Net income	83.436	63.124	44.795	30.402
Income taxes	38.657	27.748	20.125	14.485
Net financial expense	2.793	7.602	354	2.126
Amortization/depreciation of non-current assets	37.957	39.625	11.500	12.185
Other non-cash expense and income	-8.890	11.220	-15.432	7.271
Operating cash flow before changes in working capital	153.953	149.319	61.342	66.469
Changes in inventories, receivables and other current assets	34.131	38.135	-5.427	-17.414
Changes in payables and other liabilities	2.012	-16.313	-8.779	-4.437
Income taxes paid	-45.901	-65.798	-15.428	-17.658
Interest paid	-10.195	-16.976	-5.702	-6.752
Interest received	5.944	6.171	2.161	1.837
Net cash provided by operating activities	139.944	94.538	28.167	22.045
Proceeds from the sale of property, plant and equipment/intangible assets	2.388	2.418	0	1.083
Purchase of property, plant and equipment/intangible assets	-9.174	-8.609	-3.198	-2.607
Proceeds from the sale of financial assets	144	177	6	21
Purchase of financial assets	-4.503	-2.769	-2.373	-1.136
Proceeds from the sale of current financial assets	49.232	26.000	25.011	20.000
Purchase of current financial assets	-3	-29.533	0	-24.779
Proceeds from the sale of disposal group	-1.000	18.057	0	-131
Payment for acquisitions, net	0	-3.667	0	0
Net cash used in investing activities	37.084	2.074	19.446	-7.549
Purchase of treasury stock (incl. hedge premiums paid)	-16.291	-70.582	-16.291	0
Sale of treasury stock	466	1.423	466	0
Dividends paid	-39.633	-36.430	-174	0
Additions to financial liabilities	6.170	35.000	1.323	10.000
Repayments of financial liabilities	-106.201	-212.566	-103.245	-10.554
Acquisition of non controlling interest	-500	0	-500	0
Net cash provided by/used in financing activities	-155.989	-283.155	-118.421	-554
Change in cash and cash equivalents from cash relevant transactions	21.039	-186.543	-70.808	13.942
Currency translation adjustment	-2.480	11.592	-16.173	7.147
Net change in cash and cash equivalents	18.559	-174.951	-86.981	21.089
Cash and cash equivalents at the beginning of the period	318.396	449.984	423.936	253.944
Cash and cash equivalents at the end of period	336.955	275.033	336.955	275.033
Free Cash Flow	128.799	85.755	22.602	19.406

SEGMENT REPORT for the nine months ended September 30, 2015 (IFRS, unaudited)

in EUR thousands	Adabas & Natural		Digital Business Platform		Consulting		Reconciliation		TOTAL	
	nine months		nine months		nine months		nine months		nine months	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Licenses	59.456	52.610	109.494	118.693	0	192			168.950	171.495
Maintenance	119.893	115.271	184.435	157.732	0	1.983			304.328	274.986
Product revenue	179.349	167.881	293.929	276.425	0	2.175			473.278	446.481
Services	0	0	2	0	141.703	163.549			141.705	163.549
Other	445	465	8	0	122	15			575	480
Total revenue	179.794	168.346	293.939	276.425	141.825	165.739			615.558	610.510
Cost of sales	-10.037	-9.318	-20.996	-16.556	-112.913	-137.655	-13.911	-18.787	-157.857	-182.316
Gross profit	169.757	159.028	272.943	259.869	28.912	28.084	-13.911	-18.787	457.701	428.194
Sales, Marketing & Distribution expenses	-24.981	-25.750	-144.630	-135.321	-14.215	-17.947	-13.703	-12.087	-197.529	-191.105
Segment contribution	144.776	133.278	128.313	124.548	14.697	10.137	-27.614	-30.874	260.172	237.089
Research and development expenses	-15.377	-18.407	-63.973	-62.603	0	0	0	0	-79.350	-81.010
Segment result	129.399	114.871	64.340	61.945	14.697	10.137	-27.614	-30.874	180.822	156.079
General and administrative expenses									-50.079	-54.413
Other taxes									-4.449	-6.150
Operating result									126.294	95.516
Other income, net									-1.408	2.958
Financial expense, net									-2.793	-7.602
Profit before income taxes									122.093	90.872
Income Taxes									-38.657	-27.748
Net income									83.436	63.124

SEGMENT REPORT for the third quarter 2015 (IFRS, unaudited)

in EUR thousands	Adabas & Natural		Digital Business Platform		Consulting		Reconciliation		TOTAL	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Licenses	27.507	21.949	41.390	42.235	0	0			68.897	64.184
Maintenance	39.240	39.259	61.762	54.345	0	27			101.002	93.631
Product revenue	66.747	61.208	103.152	96.580	0	27			169.899	157.815
Services	0	0	0	0	45.736	47.685			45.736	47.685
Other	154	136	1	0	81	5			236	141
Total revenue	66.901	61.344	103.153	96.580	45.817	47.717			215.871	205.641
Cost of sales	-3.374	-3.100	-7.435	-5.380	-34.327	-37.642	-3.898	-5.290	-49.034	-51.412
Gross profit	63.527	58.244	95.718	91.200	11.490	10.075	-3.898	-5.290	166.837	154.229
Sales, Marketing & Distribution expenses	-7.939	-7.816	-46.222	-40.806	-4.397	-4.768	-4.504	-4.073	-63.062	-57.463
Segment contribution	55.588	50.428	49.496	50.394	7.093	5.307	-8.402	-9.363	103.775	96.766
Research and development expenses	-4.606	-5.923	-20.517	-21.287	0	0	0	0	-25.123	-27.210
Segment result	50.982	44.505	28.979	29.107	7.093	5.307	-8.402	-9.363	78.652	69.556
General and administrative expenses									-11.135	-19.401
Other taxes									-1.548	-2.109
Operating result									65.969	48.046
Other income, net									-695	-1.033
Financial expense, net									-354	-2.126
Profit before income taxes									64.920	44.887
Income Taxes									-20.125	-14.485
Net income									44.795	30.402

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the nine months ended September 30, 2015 (IFRS, unaudited)

in EUR thousands	Share capital		Capital reserve	Retained earnings	Other reserves				Treasury shares	Attributable to shareholders of Software AG	Non-controlling interests	Total
	Common shares outstanding (no.)				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				
Equity as of January 1, 2014	81.513.689	86.944	46.144	1.087.328	-77.111	-2.055	-22.945	2.031	-155.534	964.802	793	965.595
Comprehensive income				62.990	42.924	523	-79	3.112		109.470	134	109.604
Transactions with equity holders												0
Dividend payment				-36.275						-36.275	-155	-36.430
New shares issued												0
Stock options			2.679							2.679		2.679
Issue and disposal of treasury stock	59.000		-165						1.650	1.485		1.485
Purchase of treasury stock	-2.653.845								-70.582	-70.582		-70.582
Other										0		0
Transactions between shareholders										0		0
Equity as of September 30, 2014	78.918.844	86.944	48.658	1.114.043	-34.187	-1.532	-23.024	5.143	-224.466	971.579	772	972.351
Equity as of January 1, 2015	78.918.844	86.944	43.195	1.161.411	-32.299	-1.365	-27.308	6.437	-224.466	1.012.549	831	1.013.380
Comprehensive income				83.269	22.240	1.709	0	3.082		110.300	167	110.467
Transactions with equity holders												0
Dividend payment				-39.459						-39.459	-174	-39.633
New shares issued										0		0
Stock options			-3.287							-3.287		-3.287
Issue and disposal of treasury stock	19.300	-7.944		-214.252					222.736	540		540
Purchase of treasury stock	-634.943								-16.291	-16.291		-16.291
Other										0		0
Transactions between shareholders			-167							-167	-333	-500
Equity as of September 30, 2015	78.303.201	79.000	39.741	990.969	-10.059	344	-27.308	9.519	-18.021	1.064.185	491	1.064.676

STATEMENT OF COMPREHENSIVE INCOME for the nine months ended September 30, 2015 (IFRS, unaudited)

in EUR thousands	9 months 2015	9 months 2014	Q3 2015	Q3 2014
Net income	83.436	63.124	44.795	30.402
Currency translation differences	22.240	42.924	-27.460	29.061
Net gain/loss on remeasuring financial assets	1.709	523	310	36
Net loss/gain arising from translating net investments in foreign operations	3.082	3.112	-50	2.796
Items that may be reclassified subsequently to profit or loss	27.031	46.559	-27.200	31.893
Net actuarial gain/loss and asset caps on defined benefit plans	0	-79	0	-160
Items that will not be reclassified to profit or loss subsequently	0	-79	0	-160
Other comprehensive income	27.031	46.480	-27.200	31.733
Total comprehensive income	110.467	109.604	17.595	62.135
Thereof attributable to shareholders of Software AG	110.300	109.470	17.520	62.102
Thereof attributable to non-controlling interests	167	134	75	33

Investor Relations

Uhlandstraße 12
64297 Darmstadt
Germany

Telephone: +49 (0) 6151 / 92 1900

Fax: +49 (0) 6151 / 9234 1900

E-Mail: investor.relations@softwareag.com

www.softwareag.com



