

# **Software AG**

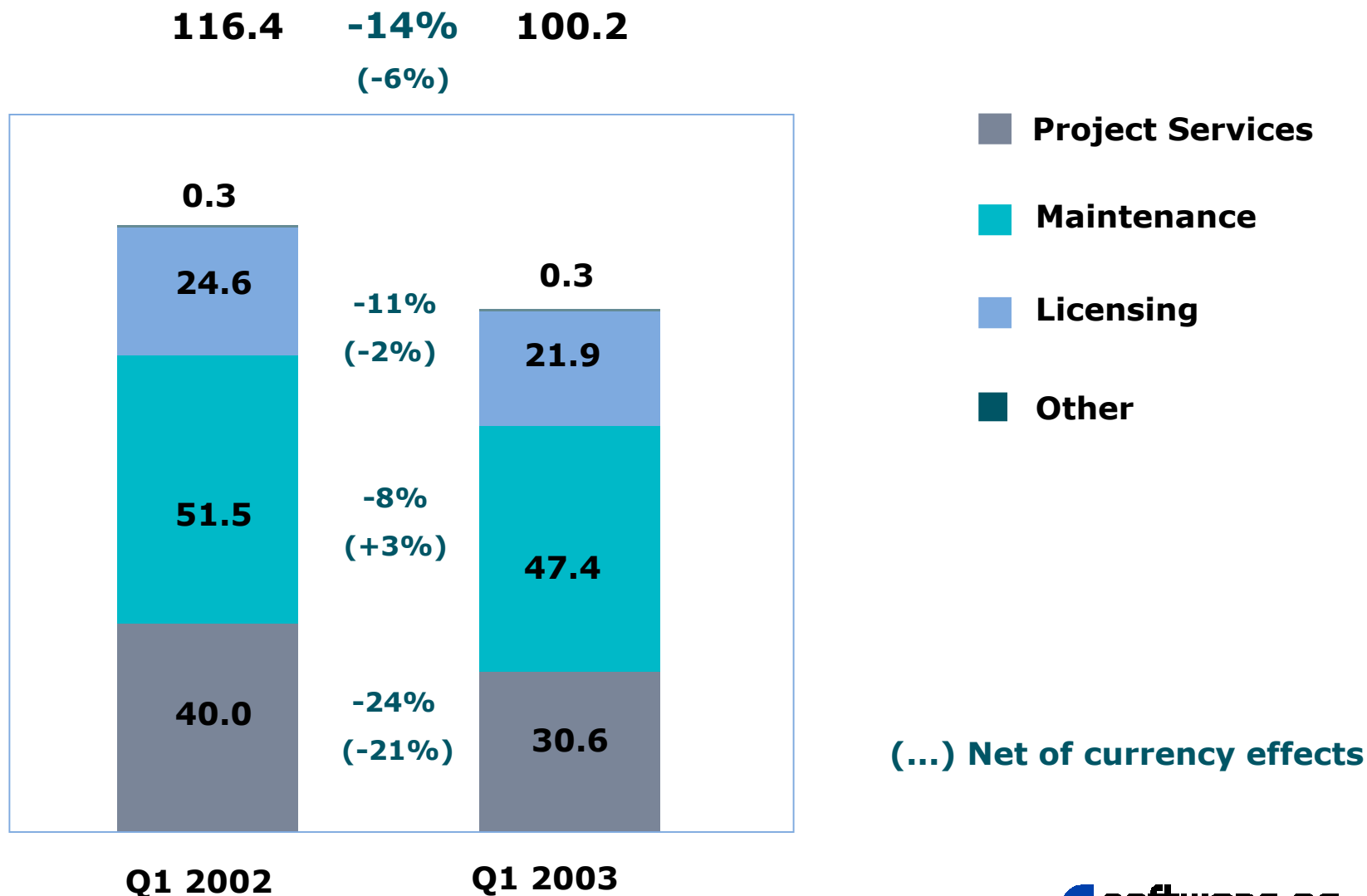
## **Interim Report 2003**

**1st Quarter 2003**

**April 24, 2003**

# Revenue Q1 2002/2003

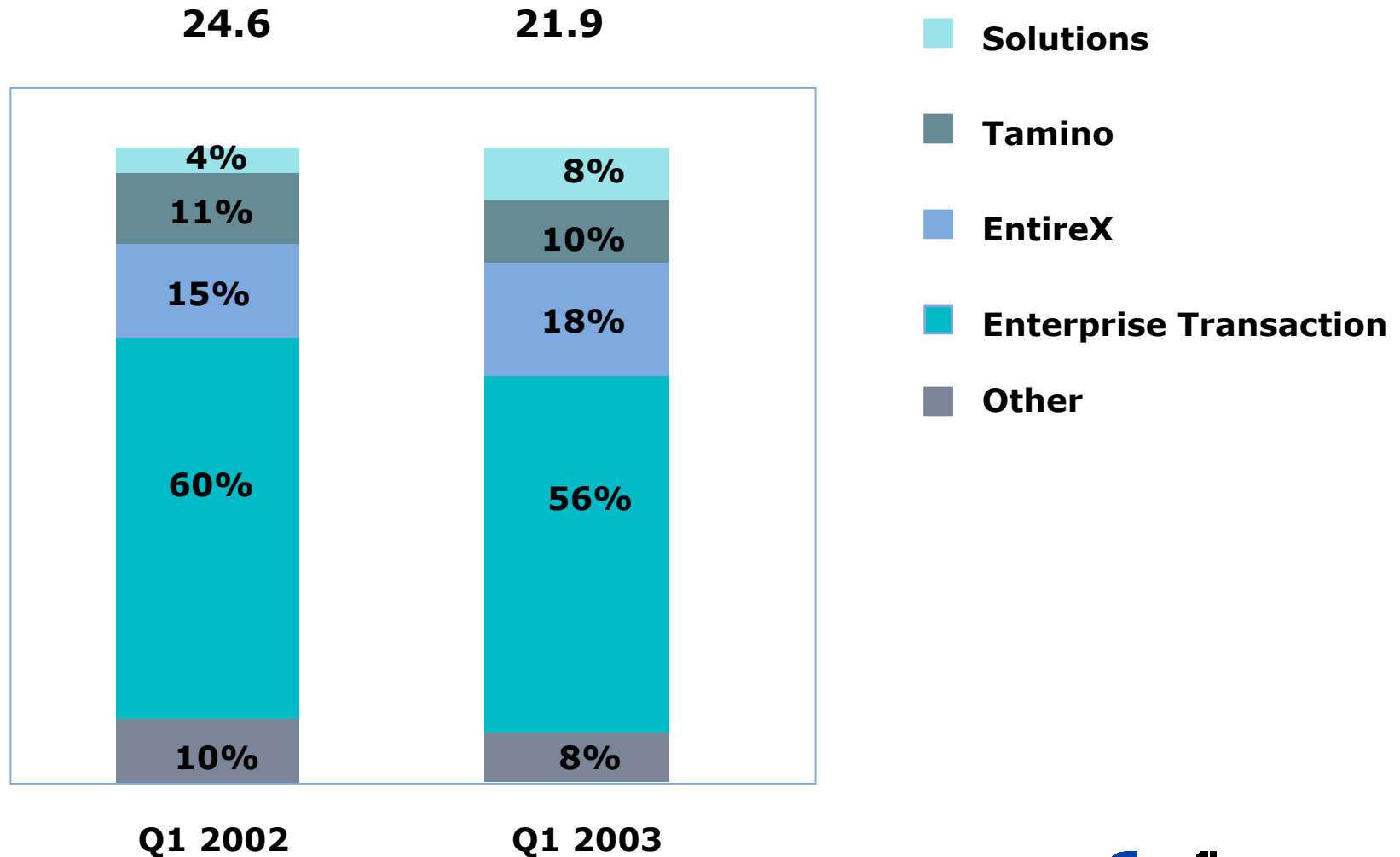
(in mio. euros)



# Licensing Revenue by Product Group

## Q1 2002/2003

(in mio. euros)



# Revenue by Region Q1 2002/2003

(in mio. euros)

## Americas

39.5 33.1



## Southern / Western Europe

29.3 28.0



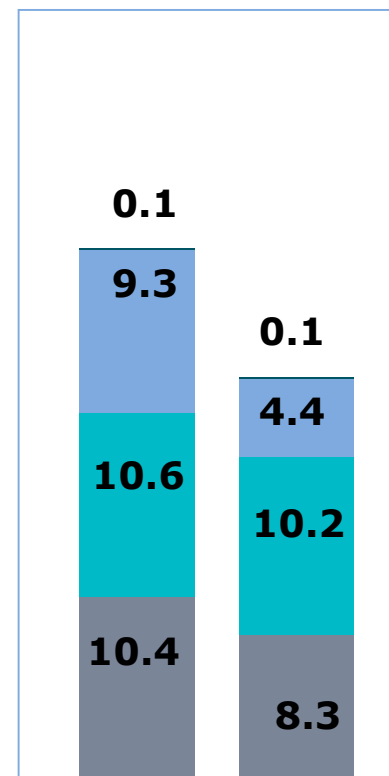
## Northern Europe Asia-SA

17.5 16.9



## Central / Eastern Europe

30.4 23.0



Actual Q1 2002 Actual Q1 2003

Actual Q1 2002 Actual Q1 2003

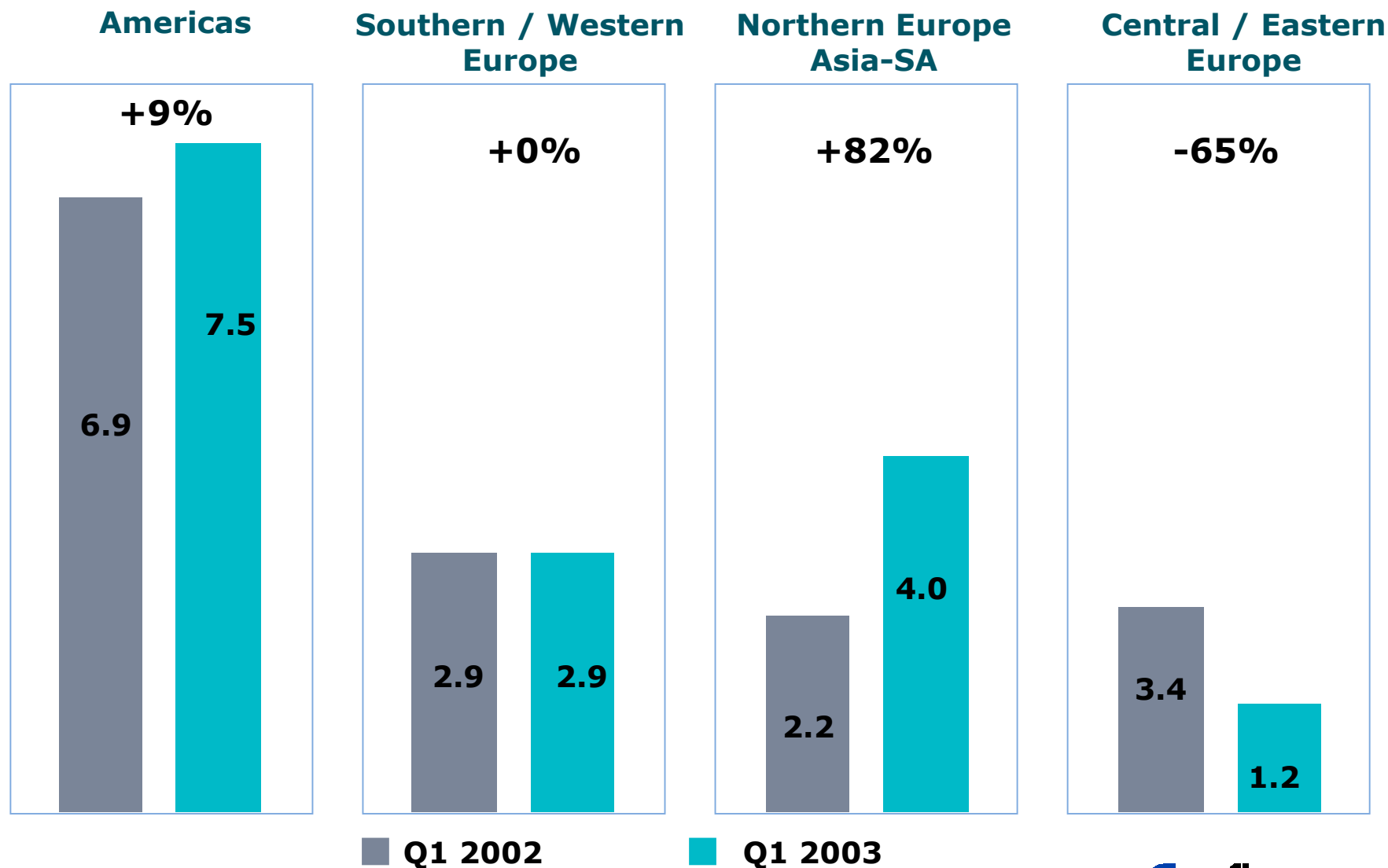
Actual Q1 2002 Actual Q1 2003

Actual Q1 2002 Actual Q1 2003

■ Project Services ■ Maintenance ■ Licensing ■ Other

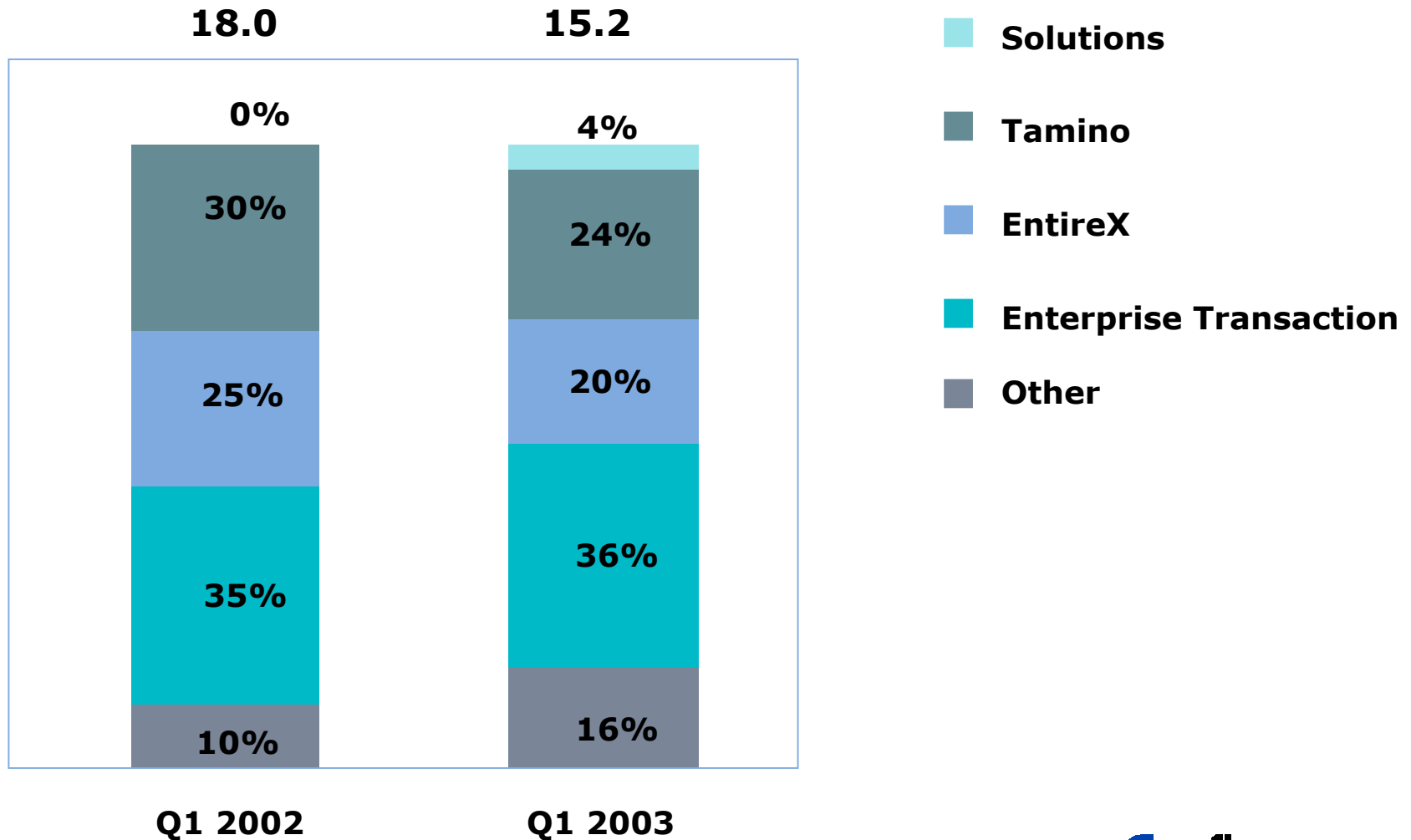
# Operating EBITA by Region Q1 2002/2003

(in mio. euros)



# Research & Development Expenses by Product Group

(in mio. euros)



# Result Q1 2002/2003

(in mio. euros)

	2003	2002
Operating EBITDA	9.0	5.6
Depreciation	-2.2	-2.7
Operating EBITA	6.8	2.9
Goodwill	-5.5	-5.5
Financial income	+1.0	+0.6
Operating result	2.3	-2.0
Income from investments	0.0	+9.3
Restructuring expenses	-23.8	-11.3
Profit before tax	-21.5	-4.0
Taxes	+11.8	+1.6
Net income	-9.7	-2.4
Earnings per share (in euro)	-0.36	-0.09

# Balance Sheet

(in mio. euros)

<b>Assets</b>	<b>March 31, 2003</b>	<b>Dec. 31, 2002</b>	<b>Liabilities</b>	<b>March 31, 2003</b>	<b>Dec. 31 2002</b>
<b>Fixed Assets</b>	<b>215.7</b>	<b>221.1</b>	<b>Shareholders' equity</b>	<b>216.9</b>	<b>214.5</b>
<b>Inventories</b>	<b>5.7</b>	<b>4.6</b>	<b>Provisions</b>	<b>124.9</b>	<b>108.7</b>
<b>Trade receivables and other assets</b>	<b>125.2</b>	<b>132.6</b>	<b>Liabilities to Banks</b>	<b>0.0</b>	<b>0.0</b>
<b>Cash and cash equivalents</b>	<b>80.9</b>	<b>75.4</b>	<b>Other liabilities</b>	<b>29.9</b>	<b>35.9</b>
<b>Prepaid expenses</b>	<b>40.5</b>	<b>7.1</b>	<b>Deferred income</b>	<b>96.3</b>	<b>81.7</b>
<b>Total</b>	<b>468.0</b>	<b>440.8</b>	<b>Total</b>	<b>468.0</b>	<b>440.8</b>

# Cash flow Q1 2002/2003

(in mio. euros)

	<b>Q1 2003</b>	<b>Q1 2002</b>
<b>Net cash used in / provided by operating activities</b>	<b>11.5</b>	<b>12.1</b>
<b>Net cash used in / provided by investing activities</b>	<b>-2.0</b>	<b>5.6</b>
<b>Net cash used in / provided by financing activities</b>	<b>-2.9</b>	<b>-27.0</b>
<b>Change in cash funds from exchange rate movements, changes in group structure for cash funds</b>	<b>-1.1</b>	<b>0.1</b>
<b>Net change in cash and cash equivalents</b>	<b>5.5</b>	<b>-9.2</b>
<b>Cash and cash equivalents as of December 31</b>	<b>75.4</b>	<b>50.3</b>
<b>Cash and cash equivalents as of March 31</b>	<b>80.9</b>	<b>41.1</b>
<b>Operating cash flow per share</b>	<b>0.42</b>	<b>0.44</b>

# Restructuring Program 2003

\*) Full Time  
Equivalent

- Cost-savings after restructuring 55 – 60 mio. euros p.a.
- Headcount reduction ca. FTE\* 300
  - thereof in Germany ca. FTE\* 240
  - thereof abroad ca. FTE\* 60
- Cost-savings in 2003 25 - 30 mio. euros
- One time restructuring expenses Q1 2003 23.8 mio. euros

# Outlook

# Outlook for 2003

- No improvement of market situation in sight
- Product revenue same level as 2002 (net of currency effects)
- Maintenance revenue ensuring about 40% of total revenue
- Positive operating result (about the amount of 2002)
- Positive net income
- Positive operating cash flow

