Results for the year ended 30 September 2008

Overview of the year

- Solid results in challenging market conditions
  - 6% organic revenue growth, excluding Sage Healthcare Division
  - 3% organic revenue growth, including Sage Healthcare Division
- UK business performed well in deteriorating market conditions
  - Growth sustained in key product lines
  - Customer support revenues remained strong
- Strong full year performance in Mainland Europe and Rest of World
  - Good management execution combined with benign market conditions
  - 42% of our organic business growing at 10%
- North American executive management team now in place
  - Focused on driving operational efficiencies and cost savings
  - Cost-saving initiative announced yesterday
- Quiet year for acquisitions

At constant exchange rates

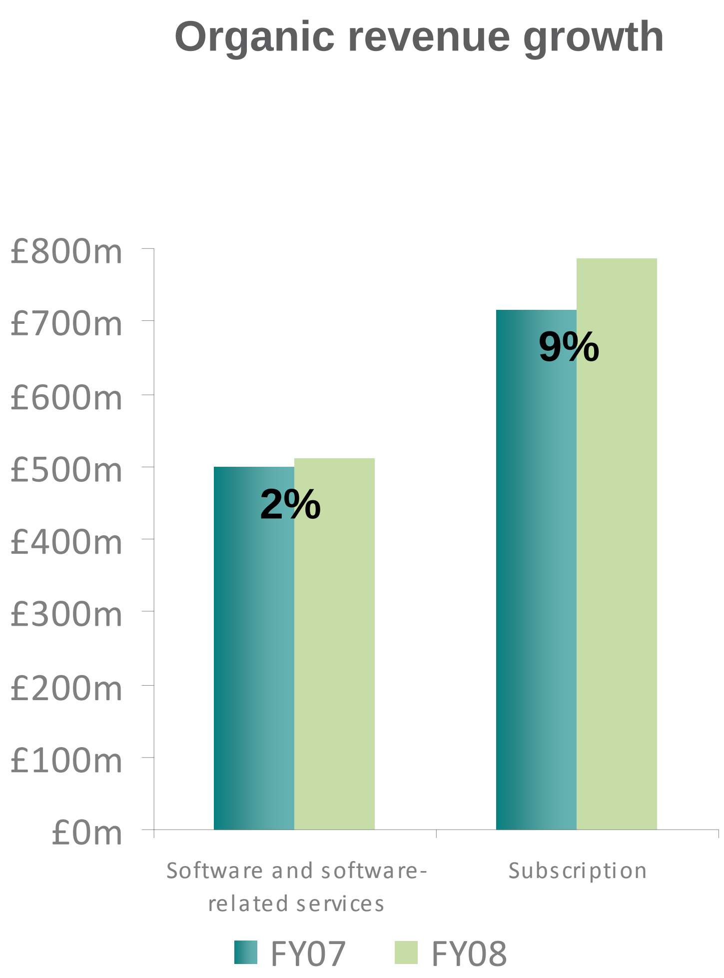
Financial highlights

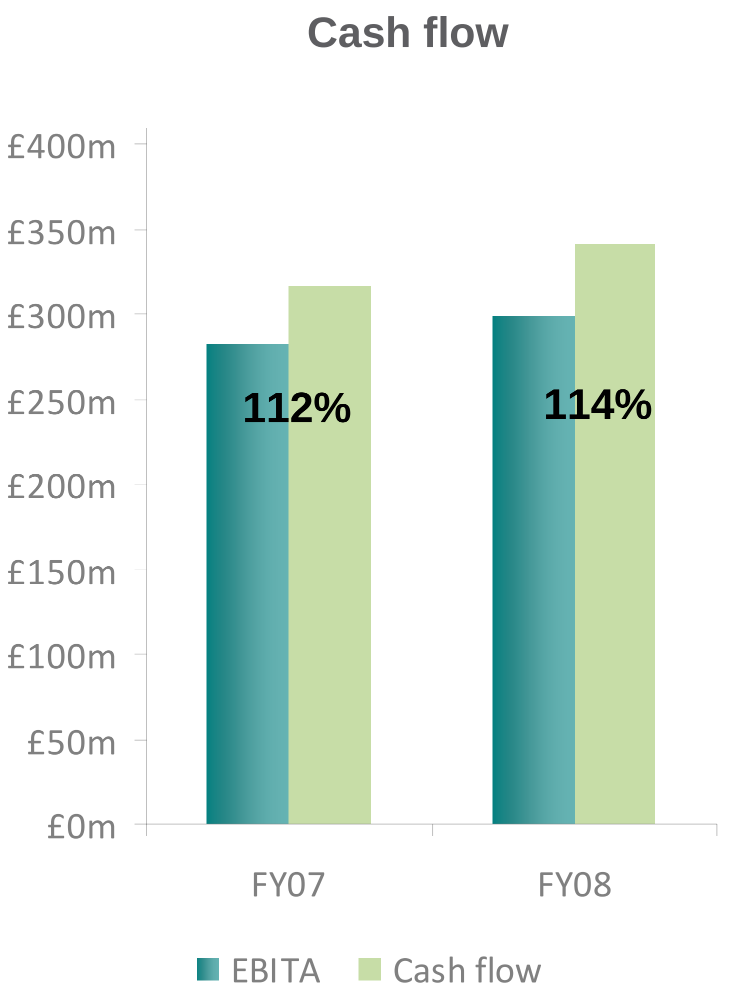
Year ended 30 September 2008

Revenue	£1,295.0m	▲	7%*
Adjusted pre-tax profit^	£273.4m	▲	3%
Adjusted earnings per share^	14.44p	▲	3%
Operating cash flow/EBITA†	114%		
Dividend per share	7.21p	▲	3%

*At constant exchange rates
^Stated prior to amortisation of intangible fixed assets and after neutralisation of foreign exchange movements
†Earnings before interest, tax and amortisation of intangible fixed assets (EBITA).

Subscription revenues underpin growth and cash flow
(excluding Sage Healthcare Division)

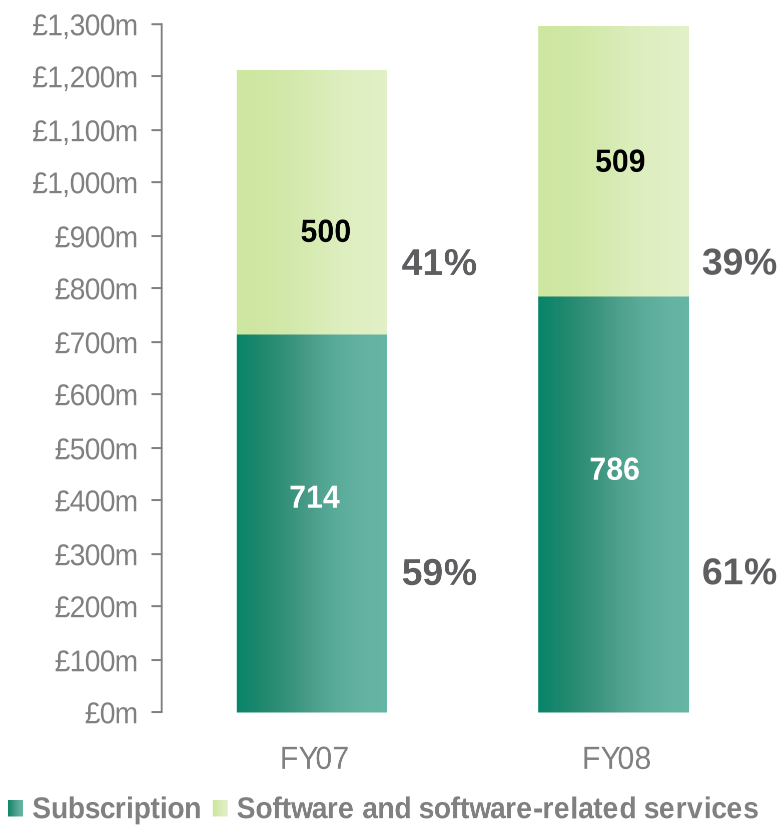




Financial review

Revenue sources

Total revenue +7%



£m at constant exchange rates

Organic revenue growth

Group organic growth
incl Sage Healthcare Division
+3%

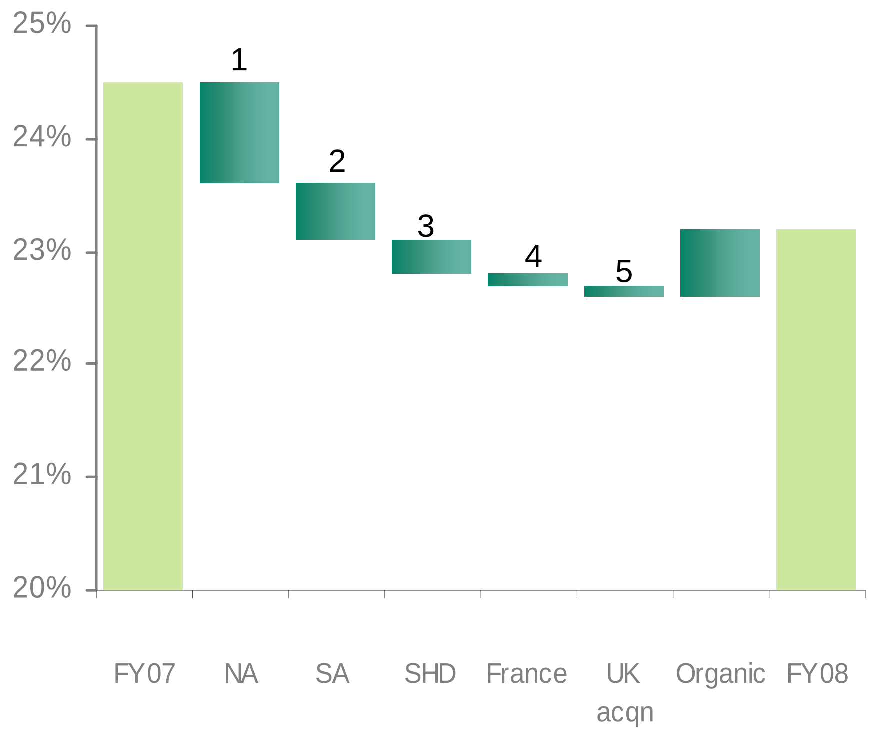
Group organic growth
excl Sage Healthcare Division
+6%

Software and software-related services
Licence, Training
Professional services
Business forms, Hardware
+2%

Subscription revenues
Combined software/support contracts
Maintenance and support
Transaction revenues
Hosted products
+9%

Margin evolution

- Key drivers:
  - Investment
    - 1 - North America investment in support
    - 2 - South Africa investment in infrastructure
  - Driving down cost base
    - 3 - North America (Sage Healthcare Division)
    - 4 - France
  - Recent acquisitions
    - 5 - Early dilutive impact
  - Organic improvements



Cash flow and net debt

	£m
EBITA	**299.8**
Depreciation / amortisation	22.7
Stock compensation	7.6
Working capital change	(9.3)
Deferred income change	18.8
Exchange differences	2.4
Cash flow from operations	**342.0**
Cash:profit conversion	***114%***

	£m
Cash flow from operations	**342.0**
Interest	(25.7)
Tax	(62.5)
Net capex	(38.6)
Free cash flow	**215.2**
Interest cover	***10.1x***

	£m
Net debt 1 October 2007	**(509.7)**
Free cash flow	215.2
Acquisitions	(81.1)
Dividends	(106.2)
FX translation	(66.1)
Other	6.9
Net debt 30 September 2008	**(541.0)**
Dividend cover	***2.0x***

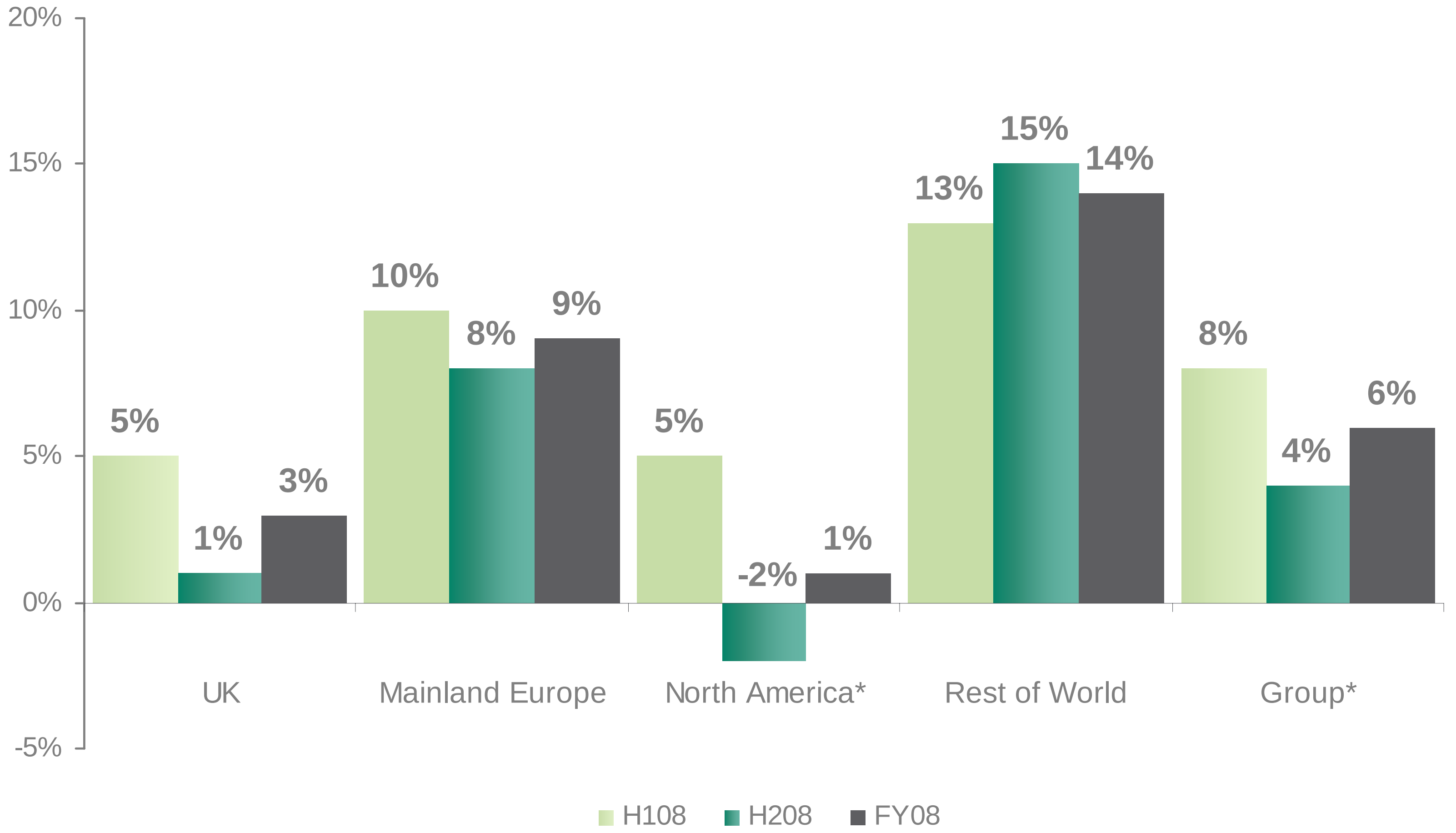
Strong balance sheet

- Net debt / EBITDA: 1.7x
  - Covenant <3.0x EBITDA
- PBIT / Interest: 10.1x
  - Covenant >4.0x EBITA
- £850m committed bank facilities
  - £750m expiring 2011
  - £100m expiring 2010
- Deferred income growing
  - Tied to underlying subscription revenue
  - Provides future revenue stream
- Strong working capital control

Balance sheet £m	Sept 2008	Sept 2007
Goodwill and intangibles	2,049.2	1,767.6
Property, plant and equipment	140.5	130.5
Net deferred tax	(21.6)	(5.9)
Net working capital	47.8	38.6
Deferred income	**(352.2)**	**(300.2)**
Tax liabilities	(69.2)	(56.3)
Retirement benefit obligations	(3.9)	(5.3)
Acquisition deferred consideration	(2.6)	(8.5)
	1,788.0	**1,560.5**
Net debt	**(541.0)**	**(509.7)**
Net assets	**1,247.0**	**1,050.8**

Regional review

Organic revenue growth H1 vs H2
(excluding Sage Healthcare Division)

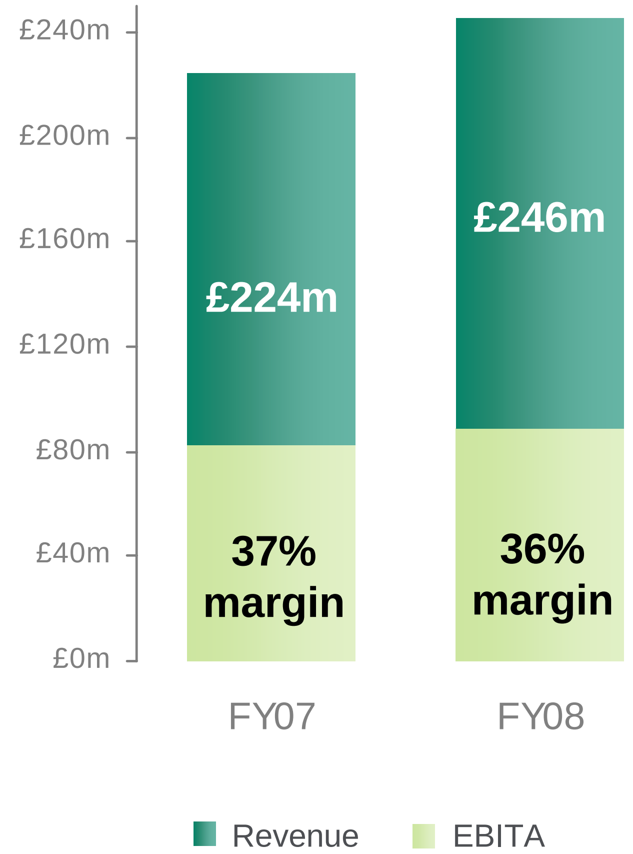


At constant exchange rates

* Excluding Sage Healthcare Division

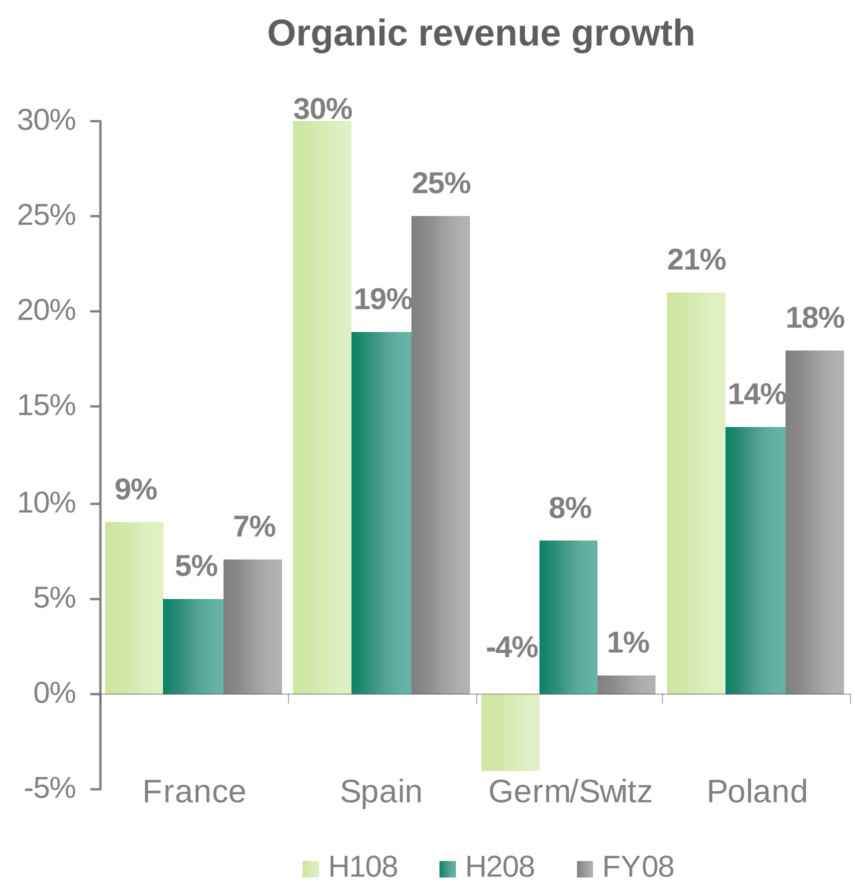
UK

- 10% growth in total revenues
- 3% organic revenue growth
  - Sage 50 continued to deliver strong growth
  - Payroll growth modest in absence of legislation change
  - Premium support and combined contracts continued strong growth
- 2 acquisitions completed in the year for an EV of £40m
- EBITA margin 36% (FY07: 37%)
  - Consequence of lower margin acquisitions



Mainland Europe

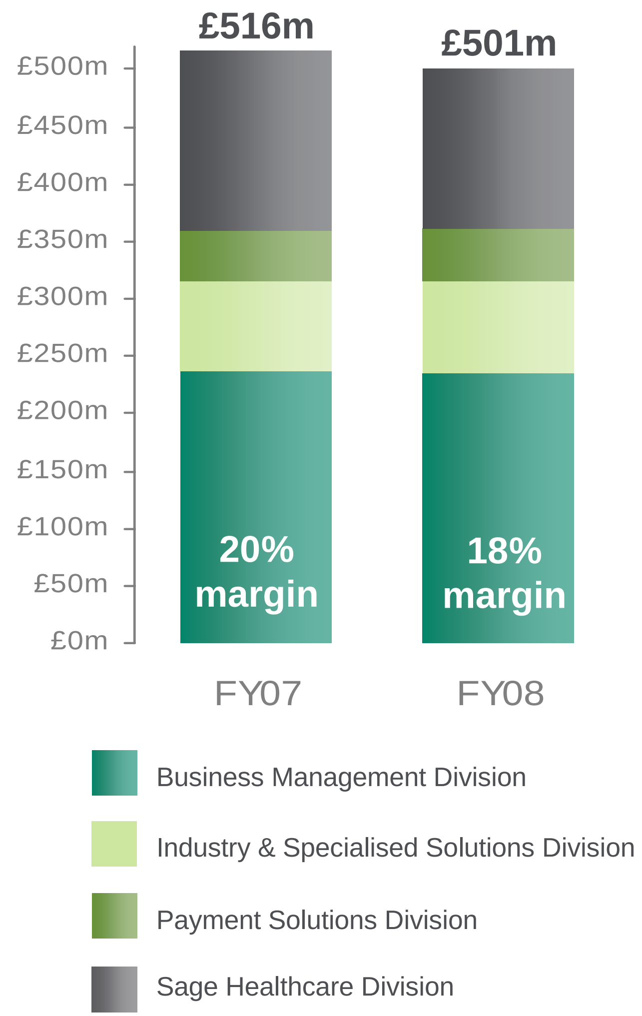
- 15% growth in total revenues
- 9% organic revenue growth
- France excellent performance
  - Good execution by experienced management team
  - Strong performance across product portfolio with innovation in premium support
- Spain strong growth in migrations and customer support
  - External change in local accounting standards
- Germany recovered as forecast in H2
- Poland strong
- EBITA margin 22% (FY07: 23%)
  - Restructuring of French logistics business and integration of lower margin acquisitions



At constant exchange rates

North America

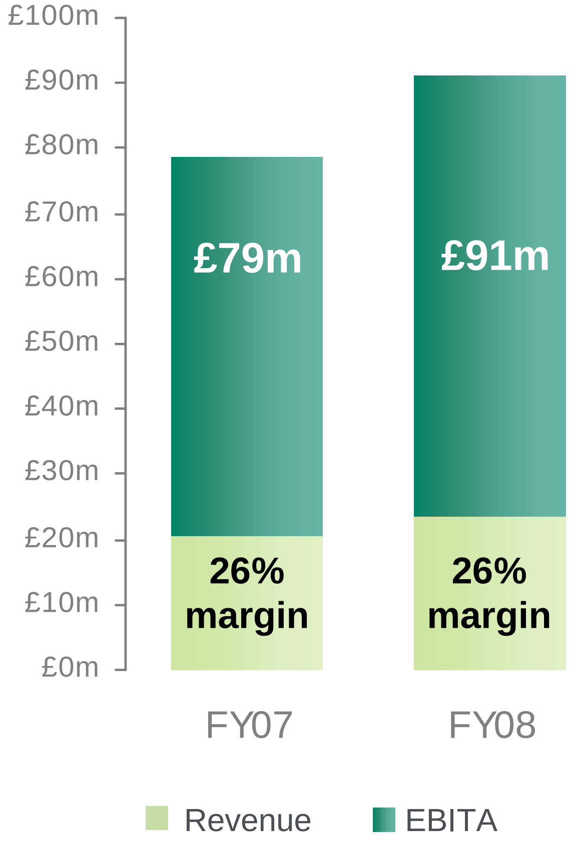
- 1% organic growth in revenues excluding Sage Healthcare Division
  - Contraction of 3% including Sage Healthcare Division
- Business Management Division flat
  - Peachtree flat overall for the year however H2 growth from migrations to Quantum
  - Both MAS and Peachtree affected by market conditions
- Industry & Specialised Solutions Division +3%
  - Construction solutions driven by growth in support
  - Non Profit Solutions continued to show good growth
- Payment Solutions Division +5%
- Sage Healthcare Division -11%
- EBITA margin 18% (FY07: 20%)
  - Investment in BMD support operations over the year



At constant exchange rates

Rest of World

- 16% growth in total revenues
- 14% growth in organic revenues
  - South Africa +20%
  - Australia +9%
- Strong growth in both licence and support contracts
- EBITA margin 26% (FY07: 26%)



At constant exchange rates

Business review and outlook

What is happening in the SME market

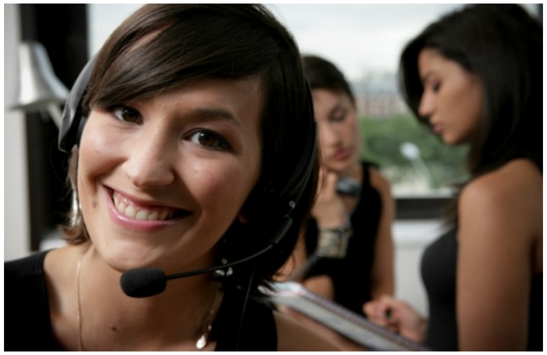
- Increased evidence of cost control and caution amongst SMEs
  - New customer acquisition and new licence growth affected
  - Purchase decision cycles lengthening in the mid-market
  - Entry-level customers delaying migration to mid-market solutions
- SMEs continue to need our products to run their businesses
  - Need to find efficiencies in running their businesses
  - Government initiatives creating more demand for up to date business management software and quality support
  - Quality products and support mission critical for smaller businesses
- Customer support still in high demand
  - Customer support increasingly important as business challenges grow for SMEs

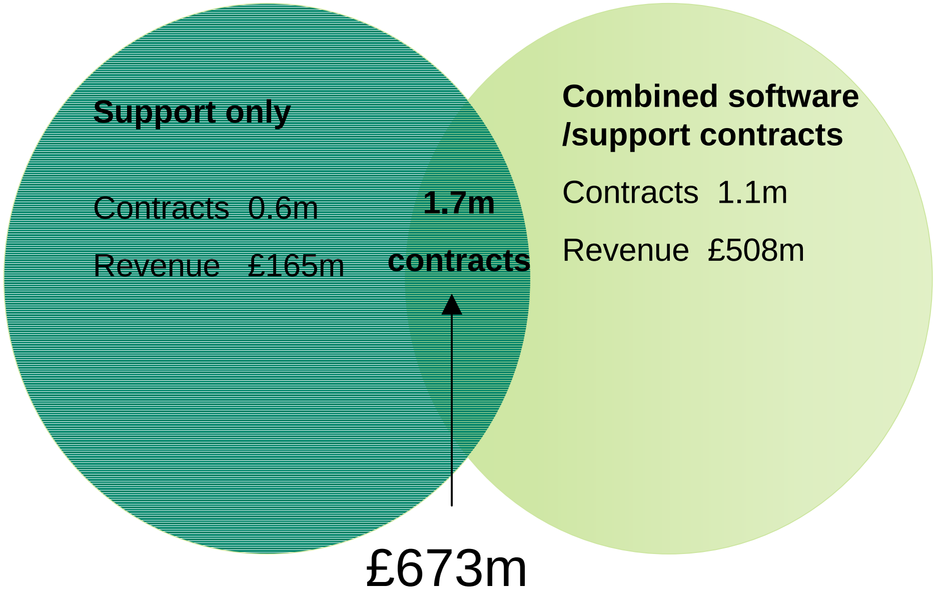
Sage's business strengths

- 5.8 million customers
  - Increase of 341,000 over the year
  - Geographically diverse
  - Rely on Sage as a business partner
- Robust routes to market
  - Direct (constitutes majority of our revenues)
  - Business partners
  - Accountants
  - Business and financial advisors
- Management teams with experience of SMEs
  - Experience of managing through challenging conditions
  - North American team much strengthened and driving new strategy forward
- Financially strong

Customer support underpins our business

- Maintenance and support revenue = 52% of total revenues





Combined software/support contracts – tiered offerings

	Support	Maintenance	Other	Example price
Tier 1	Telephone hot-line assistance / e-mail support	Software upgrade	Discounts on training	£200 - £700
Tier 2	As above + 1 hour response time	As above	As above + on-line training + on-line back-up	£500 - £1,000+
Tier 3	As above + dedicated support people / no call wait time	As above	As above	£700 - £1,500++

North America update

- Executive management team strengthened over past 6 months
  - President and CEO appointed in March 2008
  - Chief Financial Officer recruited June 2008
  - COO, Sage Healthcare Division joined September 2008
  - President, Sage Payment Solutions Division joined November 2008
- Focus on margin improvement and operational efficiency
  - Comprehensive organisational review
- Review of product and services portfolio on-going
  - Optimise market positioning and customer targeting
- Move to combined software/support model for *Simply*, *Peachtree*
- Integrated product suite strategy launched this year
  - Extended Enterprise Solutions

Sage Healthcare Division update

- Highly experienced COO appointed
  - In-depth knowledge of the healthcare sector
  - Excellent organisational and execution skills
- Focus on operational efficiencies over the next year
  - Sales team efficiencies
  - Rationalisation of ancillary operations
  - Leverage distribution opportunities
- Network services and customer support both stabilised
- Market position and product portfolio strong

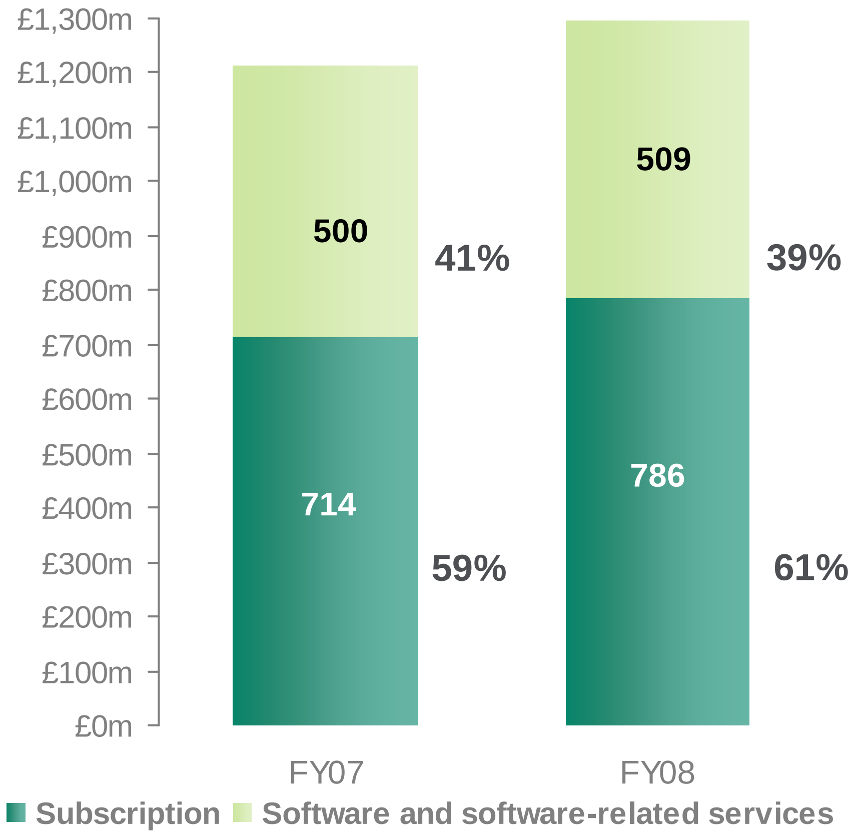
Outlook

- Business model resilient
  - Subscription revenues continue to offset weakness in software revenues
  - Cash flow remains strong
  - Robust balance sheet with committed financing
- Customer base of over 5m remains our competitive advantage
  - Market leader in most of our global markets
  - Geographically diverse spread of businesses
- Organisation structure allows for agility in local markets
  - For example VAT change in the UK market
  - Ability to manage costs on a local basis

Supplementary information

Revenue sources
(including Sage Healthcare Division)

Total revenue



Organic revenue growth

Group organic growth
incl Sage Healthcare Division — **+3%***

Software and software-related services
Licence, Training
Professional services
Business forms, Hardware
— **-2%***

Subscription revenues
Combined software/support contracts
Maintenance and support
Transaction revenues
Hosted products
— **+7%***

* Including Sage Healthcare Division
£m at constant exchange rates

UK

Revenues	
Subscription	£160.5m
Software and software-related services	£85.2m
Total	**£245.7m**
Profit	
EBITA	£88.5m
EBITA margin	**36%**

Customers*	
New customers	31,000
Total customers	**772,000**
Support contracts	
New support contracts	-
Total support contracts	**363,000**

* Excluding ACT!

Mainland Europe

Revenues	
Subscription	£237.4m
Software and software-related services	£219.9m
Total	**£457.3m**
Profit	
EBITA	£100.2m
EBITA margin	**22%**

Customers*	
New customers	127,000
Total customers	**1,629,000**
Support contracts	
New support contracts	59,000
Total support contracts	**628,000**

* Excluding ACT!

North America

Revenues	
Subscription	£351.3m
Software and software-related services	£149.6m
Total	**£500.9m**
Profit	
EBITA	£87.7m
EBITA margin	**18%**

Customers*	
New customers	124,000
Total customers	**2,995,000**
Support contracts	
New support contracts	3,000
Total support contracts	**601,000**

* Excluding ACT!

North American operating divisions

Small Business and Mid-Market accounting, ERP, CRM	Business Management Division 47% FY08 revenue
Industry-specific solutions and human resource management	Industry & Specialised Solutions Division 16% FY08 revenue
Emdeon Practice Services	Sage Healthcare Division 28% FY08 revenue
Verus	Sage Payment Solutions Division 9% FY08 revenue

Rest of World

Revenues	
Subscription	£36.5m
Software and software-related services	£54.6m
Total	**£91.1m**

Profit	
EBITA	£23.4m
EBITA margin	**26%**

Customers*	
New customers	59,000
Total customers	**501,000**

Support contracts	
New support contracts	35,000
Total support contracts	**154,000**

* Excluding ACT!