

Living breathing business



sage

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Commitment

What we do

Businesses today face more challenges than ever before: competition, government intervention, legislation, environmental pressures, skills shortages, ever demanding customers, high turnover of employees, and much more.

Faced with these challenges businesses need software suppliers in whom they can trust and with whom they can build real long term relationships. Quality of software, flexibility of solution and access to services of the highest standard – all these are expected in today's market.

What makes Sage different is our people and our deep, profound and passionate commitment to doing the right thing by the customer, to go the extra mile, to exceed their every expectation, to build a powerful and long term relationship cemented by an unconditional bond of trust, to leave no stone unturned in our desire to support the customer to the very best of our ability.

Why do our people do this? Because we care about business. Because we want our customers to be successful, to be able to do things the way they want to do them. Because we want our customers' experience of interacting with Sage to be truly extraordinary. Our commitment to our customers is total. Every day we come to work with this commitment top of mind.

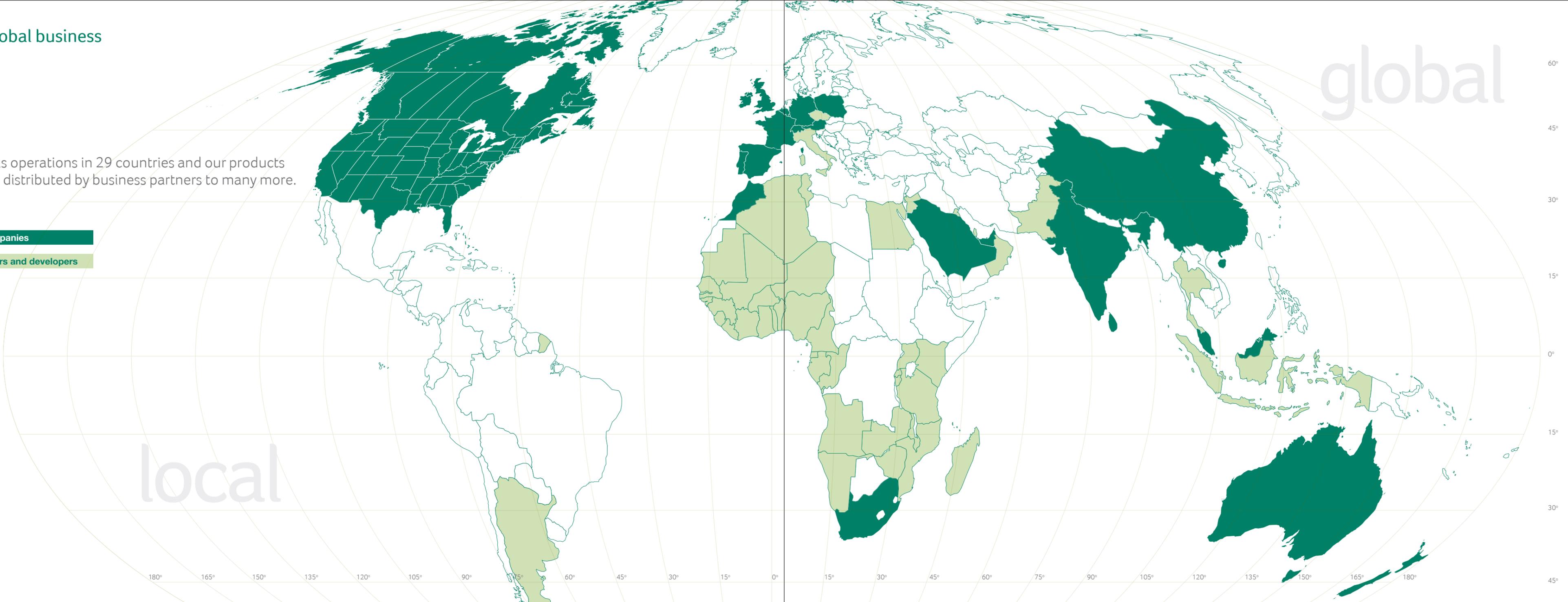
Here at Sage we live and breathe business every single day.

We provide products and services mainly to businesses with up to 500 employees, and most apply to those with less than 100 employees. Although some of our industry-specific and international applications do serve larger businesses.

Our global business

Sage has operations in 29 countries and our products are also distributed by business partners to many more.

- Sage companies
- Distributors and developers



A decentralised business

We believe that to offer an exceptional customer experience you have to truly understand what a customer needs and ensure you have very specific and relevant solutions to meet those needs. Legislation surrounding businesses and how they manage issues such as tax, payroll, HR and other regulations, are very different from one country to another, as every government has different rules.

Some of our competitors develop their products in one country then try to “localise” them for different markets and legislation before selling them into other countries around the world. We think we can do better, something our success in every major region of the world is built upon.

At Sage our products are developed locally by in-country experts, tested locally, sold locally and most importantly, supported locally. This means if you buy a Spanish product and phone Sage you will speak to a locally-based Spanish technical support expert who understands both your product, the local legislation and other market issues that affect you.

In contrast to many of our competitors, Sage does not take a ‘one size fits all’ approach

Our decentralised model provides global scale with local focus. This brings empathy, immediacy and real understanding of our customers and is one of our major competitive strengths. We consider ourselves unique in this respect versus our competitors.

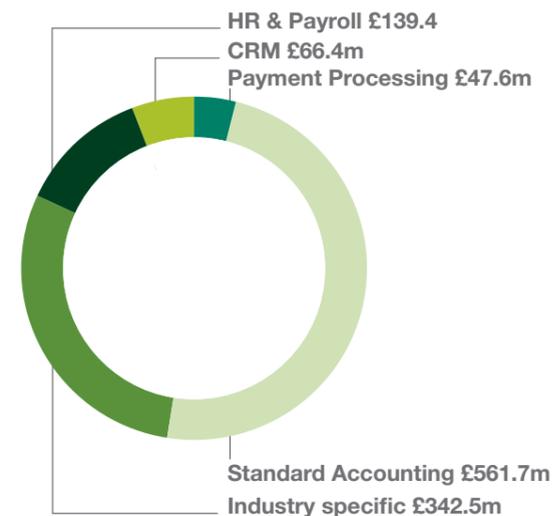
We do have global products that are unaffected by local requirements and legislation, such as Customer Relationship Management (CRM) tools that help you to attract and retain customers. These products are developed in a Sage Centre of Excellence and provided to operating companies for localisation, sales and local support.

Similarly, we have customers who have large international operations and need an Enterprise Resource Planning (ERP) solution that works across geographical boundaries. We have two such products, Accpac and Sage X3 ERP that are developed in North America and Europe respectively but can be sold more widely where appropriate. Even with our global and international products, we remain committed to providing high quality, local support.



Our products and services

Sage revenue by sector



Industry specific specialised sectors

	UK & Ireland	Mainland Europe	North America	Rest of World
Healthcare			•	
HR and Payroll	•	•	•	•
Construction/real estate	•	•	•	
Transport/Distribution		•		
Payment Processing	•		•	
Accountancy	•	•	•	•
Not-for-Profit		•	•	
Manufacturing	•	•	•	
Retail	•	•	•	

Our products are classified into the following groups.

- Accounting
- Payroll
- Customer relationship management (CRM)
- Financial forecasting
- Payment Processing
- Job Costing
- Human Resources
- Business Intelligence
- Taxation and other products for accountants
- Business Stationery
- Development platforms
- E-business

Many of our countries offer 'suites' which combine a number of the above solutions into a fully integrated package. We offer a range of industry specific and tailored solutions.

Whilst we are traditionally recognised for our roots in accounting software, today we have diversified our offer and non-accounting products and services make up more than 50% of our revenues.

Distribution

Sage products and services reach our customers three ways

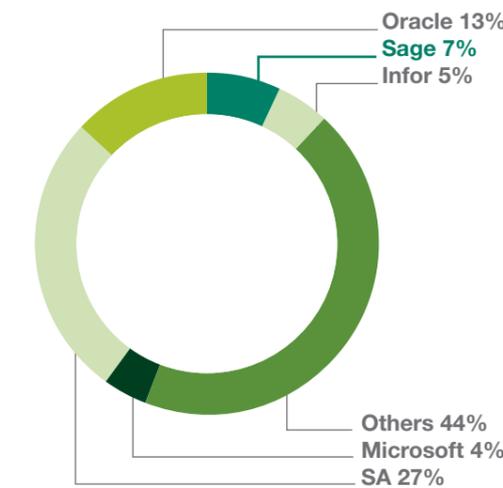
- Direct
- Business Partners
- Accountants.

We provide service and support not only directly but also through our network of 40,000 accountants and 26,000 business partners who provide local expertise, implementation and support. This provides a number of benefits enabling sharing of data between customers and their business advisors direct, development of applications for specific markets and brings our customers closer to Sage.

The business software and services market

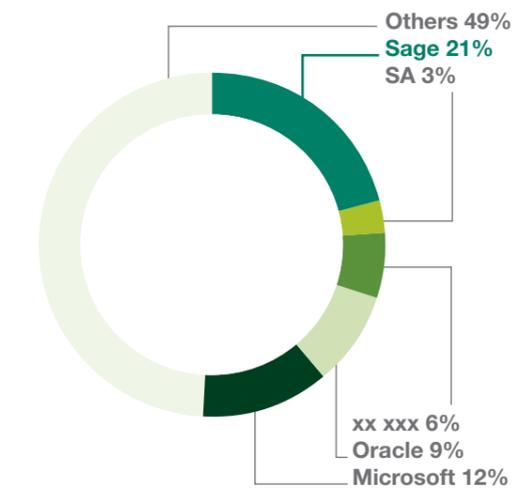
The global software market is very fragmented, particularly in the mid-market. Sage consistently ranks as one of the industry leaders in our market segment. Even though we are focused exclusively on the SME market, we are the third largest provider of business management solutions in the world*.

Business Management Solutions Providers



*Gartner, Aug 2006, Worldwide ERP licence & maintenance revenue by vendor.

In the Small Business Market^ Sage is regarded as the clear market leader.



^IDC, October 2006, Worldwide ERP Applications 2005 Vendor Shares; Based on ERP revenue Small Business = <500 employees.

How we differ

We differentiate ourselves from our competition through the experience we deliver to customers. We like to think that in our business what matters are people helping other people through technology. Unlike some of our competitors we are not led by technology or processes. Customers and their needs and expectations lead us.

Supporting our customers

We believe we are already the best in our industry at offering customer service but we want to offer an outstanding experience at every level. The support service and aftercare we provide to our customers is the cornerstone to our success. SMEs have limited sources of help and advice and very often no IT department. They look to Sage not just for advice on how software works but also how to get the most out of their software to enable better business performance and most importantly they come to us for advice on business critical topics and events such as tax, employee regulations, maternity, payroll, IFRS implementation and more.

As such we believe we are not just a software supplier but a partner in our customers' businesses helping them to meet their objectives and have the freedom to realise their ambitions. Our relationships are built on loyalty, trust and quality advice.

Our emphasis on support is backed up by resources. Across the business as a whole 45%* of our people work in technical support/customer service or customer training roles and we answer on average 36,000** calls from our customers every working day.

*FY08
**FY07



experience

Vision and goals

While we are a decentralised business, as one organisation we work together towards one future.

Called 'Our 2010 Strategy', this sets out a clear vision and is supported by a set of goals that all of our operating companies around the world are working towards. Our Vision is to be the most admired and respected software provider in the world. Our business will grow as we help our customers manage their businesses more efficiently.

Our products will be easy to install, customise and maintain. The services and support provided by our people and our partners will take the complexity out of managing business processes. Our business model and the way in which we operate it will make it easy to deal with Sage.

focus



Our goals

- To be a leader in the key markets of the world supplying business management software to SMEs.
- To continue to establish products and services that offer the most compelling fit to a customer's country and industry
- To have the most satisfied and active customers in our industry
- To have the most trusted brands in our markets
- To foster a dynamic, vigorous and innovative business measured by our strong organic growth rate
- To be the most admired employer within our markets.

Our principles

At Sage we nurture a very particular culture. Our principles of Innovation, Integrity, Simplicity, Trust and Agility drive everything we do, how we think, how we plan, how we make decisions and more.

Why do we do this? We believe these five words sum up the key attributes that will continue our success and best serve our customers.

Simplicity

Few people enjoy complexity and bureaucracy least of all people who have their hands full in actually running a business, getting a job done or delivering their results. And isn't it much more fun (and less stressful) to work in an organisation where things are clear, easy to understand and direct? Maintaining simplicity in a complex and challenging world can be hard, but we believe it's vital to us in preserving one of the core strengths of our business.

Trust

If you are prepared to place the inner financial workings of your business, or the payroll system for your people, in someone else's hands you need to believe that you can trust them fully to deliver. Our customers need to know and believe that we are on their side, that we are there to help them run a better business and that the advice we offer and the services we provide are in their best interests.

Integrity

Keeping promises is vital to build trust and loyalty with our customers. Whether it's as simple as telling someone you'll do something and then doing it or providing reliable, quality products on-time to the marketplace, integrity is central to maintaining our credibility.



Innovation

We are always thinking about how we can make the customer experience better. This is not just in terms of product innovation. Every aspect of how we work can benefit from a healthy shot of creativity. We are open to new ideas and to explore them constructively. Not every innovation will be right for us, in terms of timing, resource or practical application. However, our future success depends on the creativity of our individuals and teams and a willingness to keep thinking and acting on the possibilities for innovation in all we do.

Agility

People in business never seem to have enough time and when they need our services we have to be ready and responsive, anticipating and interpreting their needs. We've all experienced slow, unresponsive customer service and the frustration that creates. Likewise, a customer experience can be ruined by an inappropriate solution that's not clearly thought through in a timely fashion. Through agility, we will set ourselves apart, both as a company to do business with and as a place in which to work.



Our people

At Sage we employ people who have a passion for helping others succeed. Directly or indirectly, regardless of role, responsibilities, seniority or salary, we believe that for both the company and an individual to be successful, every employee at Sage must have a focus on our customers.

Only by giving a truly outstanding experience to customers in all their dealings with Sage will we set ourselves apart from our competition and continue to thrive. Our goal is to be an admired employer. This means that people will want to join Sage as a place of choice, achievement and opportunity, and one where they can genuinely be successful and fulfilled in their careers. People who work with us will recognise that the environment we create maximises their potential and is a place where innovation and creativity

can flourish. Above all, we continue to consider devolved accountability as central to everything we do and maintain an environment where entrepreneurship is welcomed.

Recruitment is managed by each country and business according to its needs and job roles are advertised on local country websites. If you join Sage you will enjoy working in an environment that is totally committed to equity and fairness and encourages and supports

open and honest dialogue at all levels. We believe that a sensible work life balance is important for everyone to be at their best and we offer a competitive package of salary and benefits.

At Sage we seek out and develop talent. We expect our people to work in the spirit of our principles and collaborate with each other in order to get the best results. We also set clear expectations of our leaders and have created

the 'Sage Leadership Standard' as we expect our leaders to create the kind of inspirational environment where people can flourish and create the extraordinary customer experiences that will set our business apart.

As a successful, growing business we always have interesting opportunities for like-minded people at all levels in the company.



passionate

Corporate Responsibility offers Sage the opportunity to not only act as a 'good citizen' but also to support our 2010 goals, particularly:

- Be the most trusted brand in our markets
- Be the most admired employer within our markets

To do this we have elected to take a simple, pragmatic approach that will enable us to:

- Focus on areas most meaningful to Sage
- Measure our progress
- Build in flexibility for our businesses around the Group

As a natural extension to our Guiding Principles Sage is committed to act as a responsible corporate citizen, being aware of our impacts as a business and seeking to enhance the positive and minimise the negative.

It is possible to undertake a raft of initiatives and actions under the remit of CR however Sage has chosen to focus on a few key areas where we believe we can make a difference, in a way that is meaningful to our organisation's strategy and our people.

Whilst any standards established by local government legislation will apply as a minimum, we aim to achieve best practice in the local context of every country in which we operate and share this across the Group so that we implement continuous improvement.

In our policy we have set out high-level expectations in four key areas of CR, and it is for the leadership teams in our operating companies to select the aspects of these in which they will invest their resources, depending on what is most meaningful and has the most impact and benefit locally.

The areas of focus are:

People

Each operating company selects which area to focus on based on what is most meaningful to them and their people. Targets for improvement are set locally and approved at Group level. Examples of focus areas include talent development, improving diversity and employee engagement.

Environment

All operating companies are now required to begin to measure and report carbon emissions and waste volumes. Each operating company should target one of these areas for measurable improvement.

Industry

Our goal here is to enhance our position as a business that supports the SME. Operating companies are to take a pro-active stance to develop an approach that will be most meaningful in their local markets and which will support the Sage Brand.

Community

Our people actively support a wide range of charities and community organisations that are meaningful to them for a variety of reasons. Activities like fundraising, sponsorship and volunteering are very common in Sage offices around the globe and are very much locally led.

responsible

Our history

The Sage Group plc is a remarkable North East success story. Founded in 1981 the organisation has grown to become a world-leading provider of business management software and services with over 14,000 people in a global operation that in the year ended 30th September 2007 generated revenues of £1,157m.

Like the city in which it was established, Sage is fresh thinking, dynamic, friendly and professional. The business has been built around innovation, starting in a local printing works on Newcastle's Quayside, when the owner and entrepreneur, David Goldman was seeking to automate the print estimating process in his business. He worked with a team of Newcastle University students, led by Graham Wylie and Paul Muller who, as part of a wider project, developed some software to manage both print estimating and basic accounting.

David realised other companies like his own would benefit from the software and formed a company to begin selling it. Initially just handfuls of copies sold, then when Amstrad launched its first desktop PC the software was adapted to run on it. Sales shot from around 30 to over 300 copies a month. To help manage demand and design more software to tap into this market Sage recruited new staff, including a commercially-minded accountant to help run the business – Paul Walker – who is now the Group's Chief Executive.

The business went from strength to strength, floated on the London Stock Exchange in 1989 and entered the FTSE 100 in 1999 where it remains today.

Today 5.7* million businesses worldwide rely on Sage to help them manage their key business processes. The business is still heavily focused on innovation and entrepreneurship in its people, adopting a decentralised strategy to ensure local ownership and empowered decision-making that is relevant to the customer in each market place in which it operates.

*FY08

proud

Finding out more and keeping in touch

Investors and shareholders

Information about our performance, corporate governance and other key data is all provided on our Investor Relations website. www.investors.sage.com. You can sign up for our regular alerts service online to help stay in touch.

Talk to us!

If you have questions about Sage then please get in touch and we will do our best to help. Your local business is your best first contact point, especially for products and services but if you'd like to talk to someone about global matters contact [insert generic email].



If you'd like to find out more about Sage and what it can offer you please get in touch with your local Sage business. Websites and main telephone numbers are shown below.

Sage UK Ltd

North Park, Newcastle Upon Tyne, NE13 9AA
Products and services: 0800 44 77 77
General: (+44) 191 294 3000

www.sage.co.uk

www.tassoftware.co.uk

www.protx.co.uk

www.snowdrop.co.uk

www.sage.ie

www.tassoftware.ie

Sage Software (North America)

Sage Software, 1505 Pavilion Place,
Norcross, Georgia 30093
Products and services: 866-308-2378
General: (001) 972-732-7500

www.sagesoftware.com

www.sagehealth.com

www.sagepayments.com

Sage Germany

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General: +49 69 5000 7-0

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Products and services/General:
+49 341 48 440 - 0

www.sage.de

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Products and services/General:
913 349 292

www.sage.es

Sage France

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Cedex 17, France
Products and services: 0 825 825 603
General: 01 41 66 21 21

www.sage.fr

www.ciel.com

www.sagecoala.com

www.sagecogestib.com

Sage Switzerland

Sage Schweiz AG, Oberneuhofstrasse 3
CH 6340 Baar, Switzerland
Products and services: 0848 868 848
General: 41-769-6868

www.sageschweiz.ch

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Av.D.Afonso Henriques, 1462-2º
4450-013 Matosinhos
Products and services/General:
+351 22 9395500

Edifício Centro de Comunicação
Alameda dos Oceanos, Lote 2.08 Piso 1
1990-075 Lisboa
Products and services/General:
+351 21 7101310

www.sage.pt

www.escripvoa.pt

Sage Poland

Sage Symfonia ul Berna 89
01-233 Warsaw, Poland
Products and services/General:
022 455 56 00

www.symfonia.pl

Sage Belgium/Luxemburg

Sage Bob Software, Excelsiorlaan 3
1930 ZAVENTEM, Belgium
Products and services/General:
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www.sagebobsoftware.be

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www.softline.co.za

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www.pastel.co.za

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www.me.sage.com

www.sageaccpac.com

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Sage India

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