

Software AG announces offer for IDS Scheer

Analyst Presentation

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Software AG And IDS Scheer Plan To Join Forces

- Establish a leading global player in SOA/BPM & Analysis
 - Strong convergence between Business Process Analysis (IDS Scheer) and SOA (Service-Oriented Architecture)/BPM (Business Process Management) of Software AG
 - Strong services capabilities will allow the combined entity to capture a greater portion of the business process value chain
 - Software AG integration and process acceleration capabilities will enhance both IDS Scheer's ARIS and SAP service offering
- Build a stronger position in growth markets Business Process Management (BPM) and Business Process Analysis (BPA)
 - Deliver the industry's most comprehensive business process platform
 - Gartner: BPM - CAGR of c. 24% through 2011
- Scale and revenue synergies for future growth
 - Combined company will generate more than € 1 bn revenue with EBITDA margin in the mid 20% range
- Create a world-class software powerhouse based in Germany

IDS Scheer: At A Glance

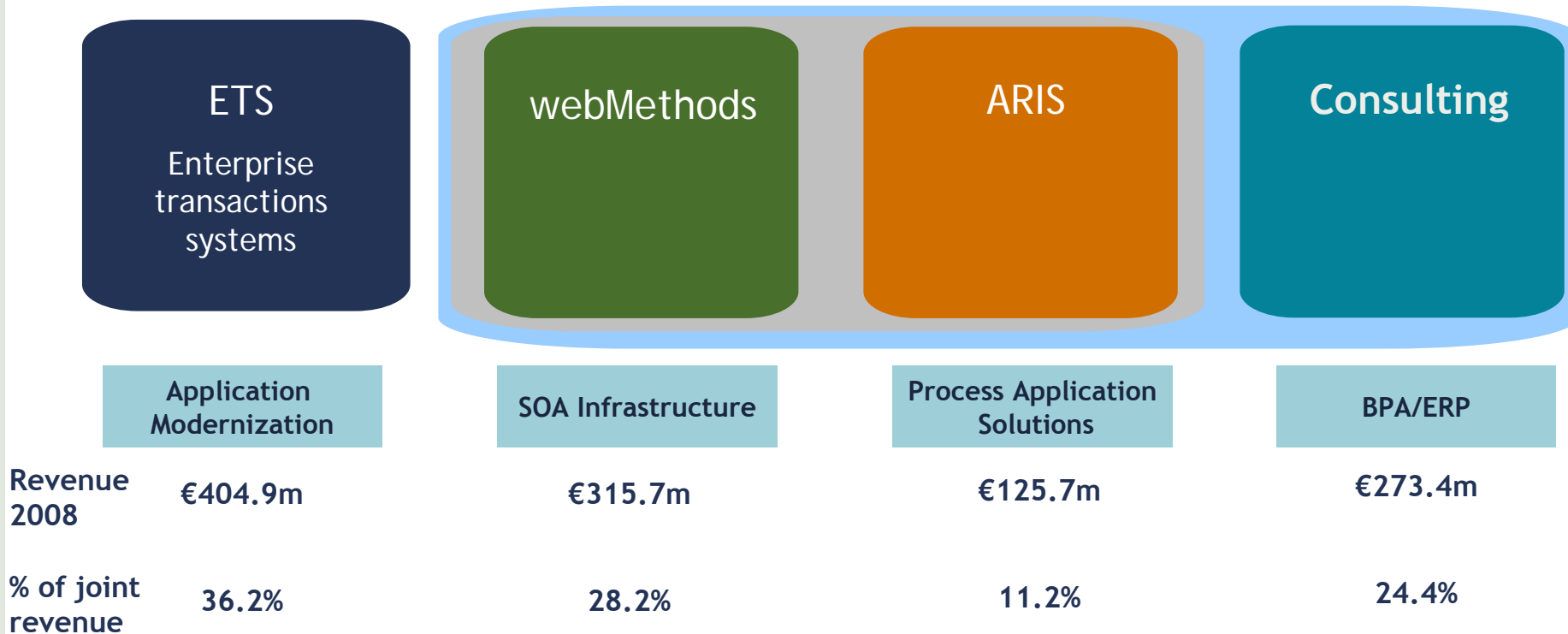
The leader in Business Process Analysis and Enterprise Architecture, Leading Technology Offering and Strong Services Capability

- 7,500 customers in 70 countries
- Highly skilled technical supporting team
- Expertise in a number of verticals including the automotive, defense & security, healthcare, financial services, high tech and telecom & utility
- Considered a clear leader in the BPA space by Gartner, with a long standing history of market leadership and innovation
- € 399 million revenue in 2008
- Approx. 2,800 employees in Q1 2009

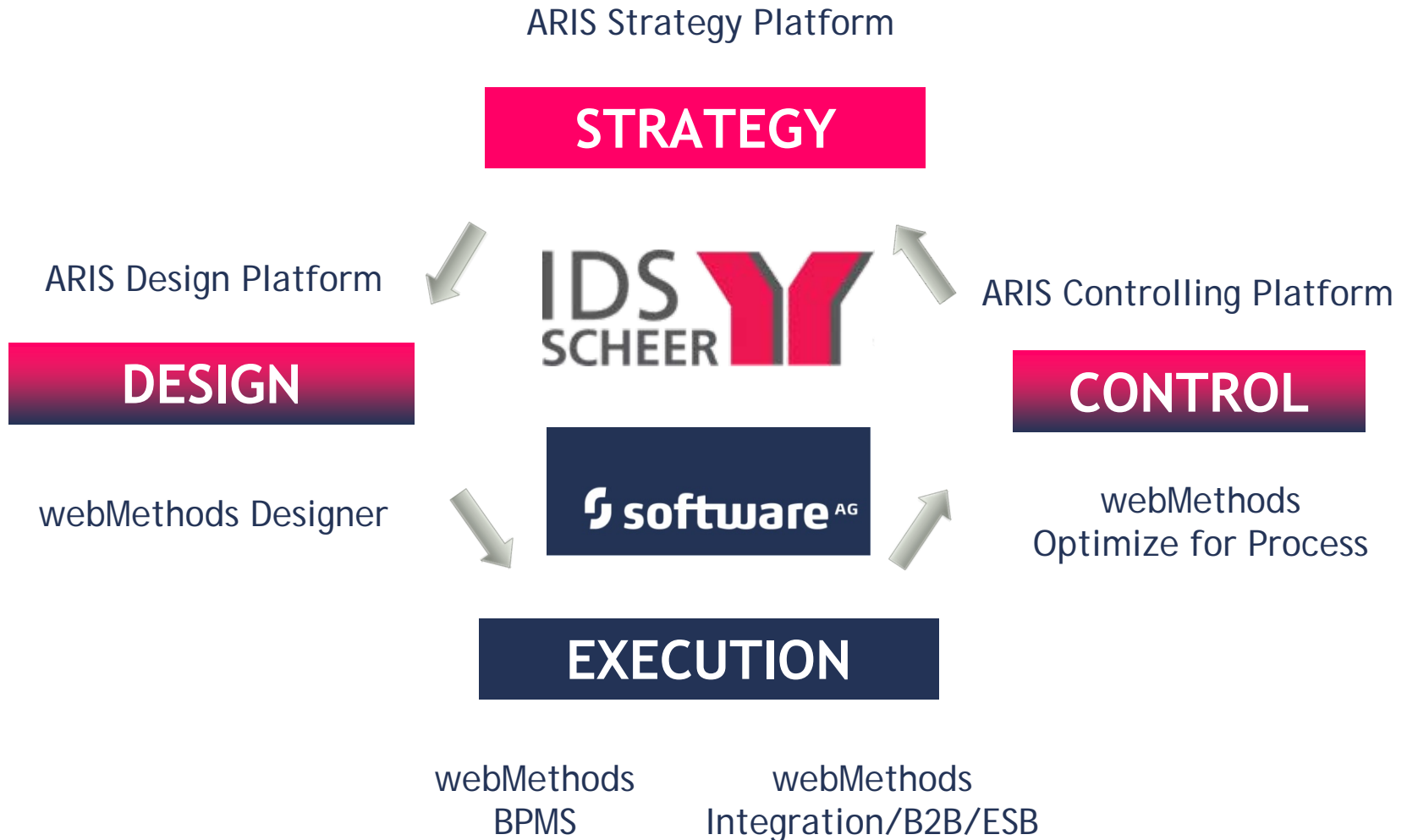


Software AG and IDS Scheer: Compelling Strategic Fit

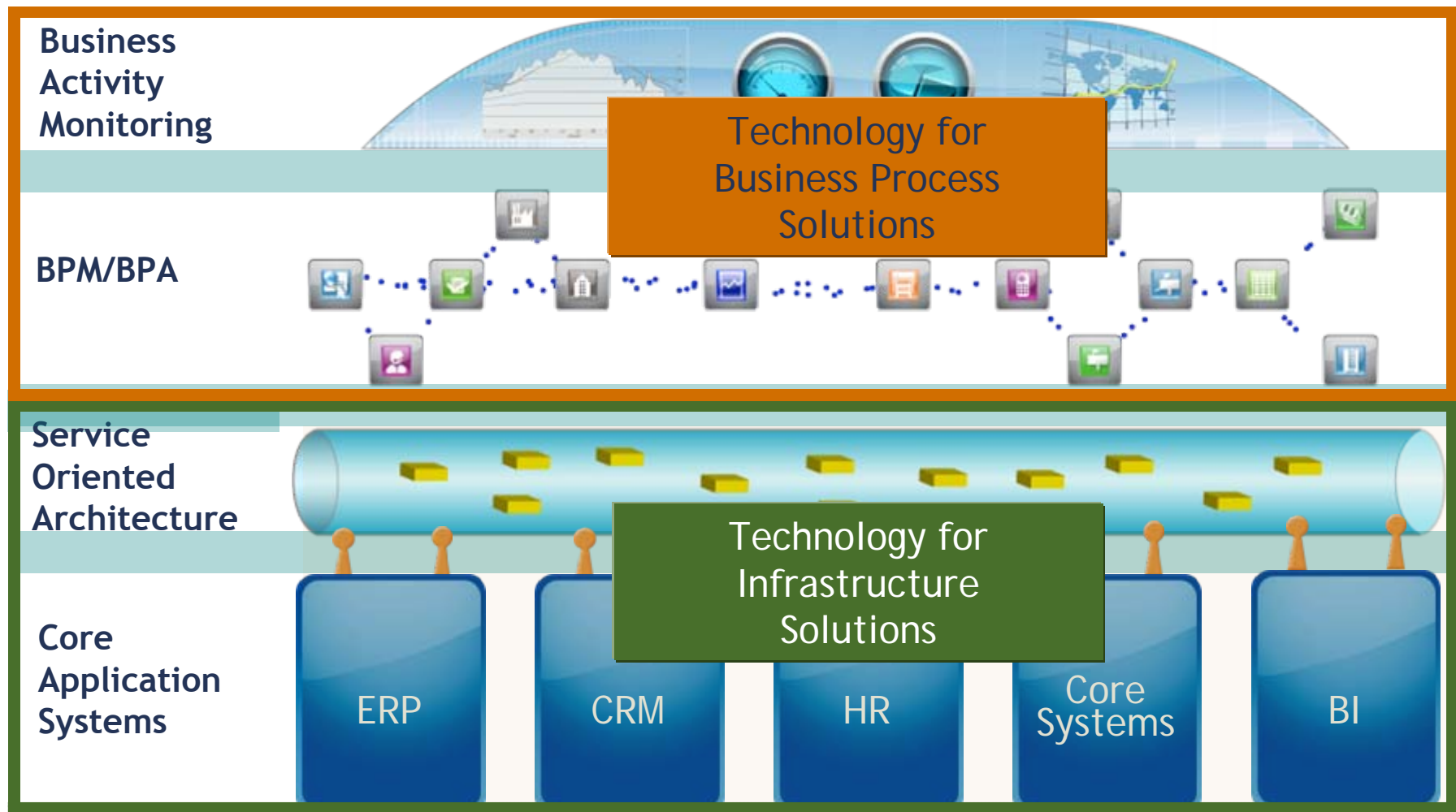
IDS Scheer Will Add Significant Business Value



Leader In Delivering Business Process Excellence



Business Infrastructure Software: The Enabler Of Synchronized And Automated Processes



Both Companies Favorably Viewed By Leading Industry Analysts...

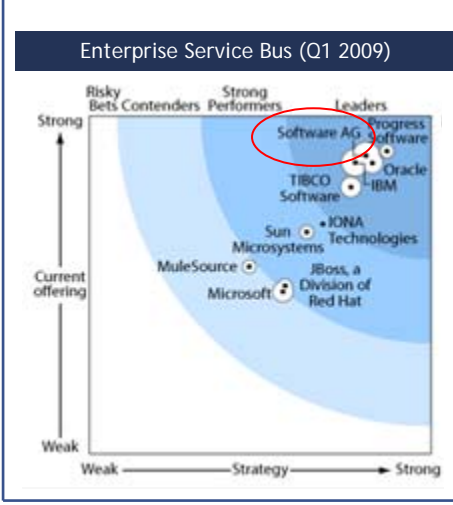








Leading positions in Gartner Magic Quadrants and Forrester Waves

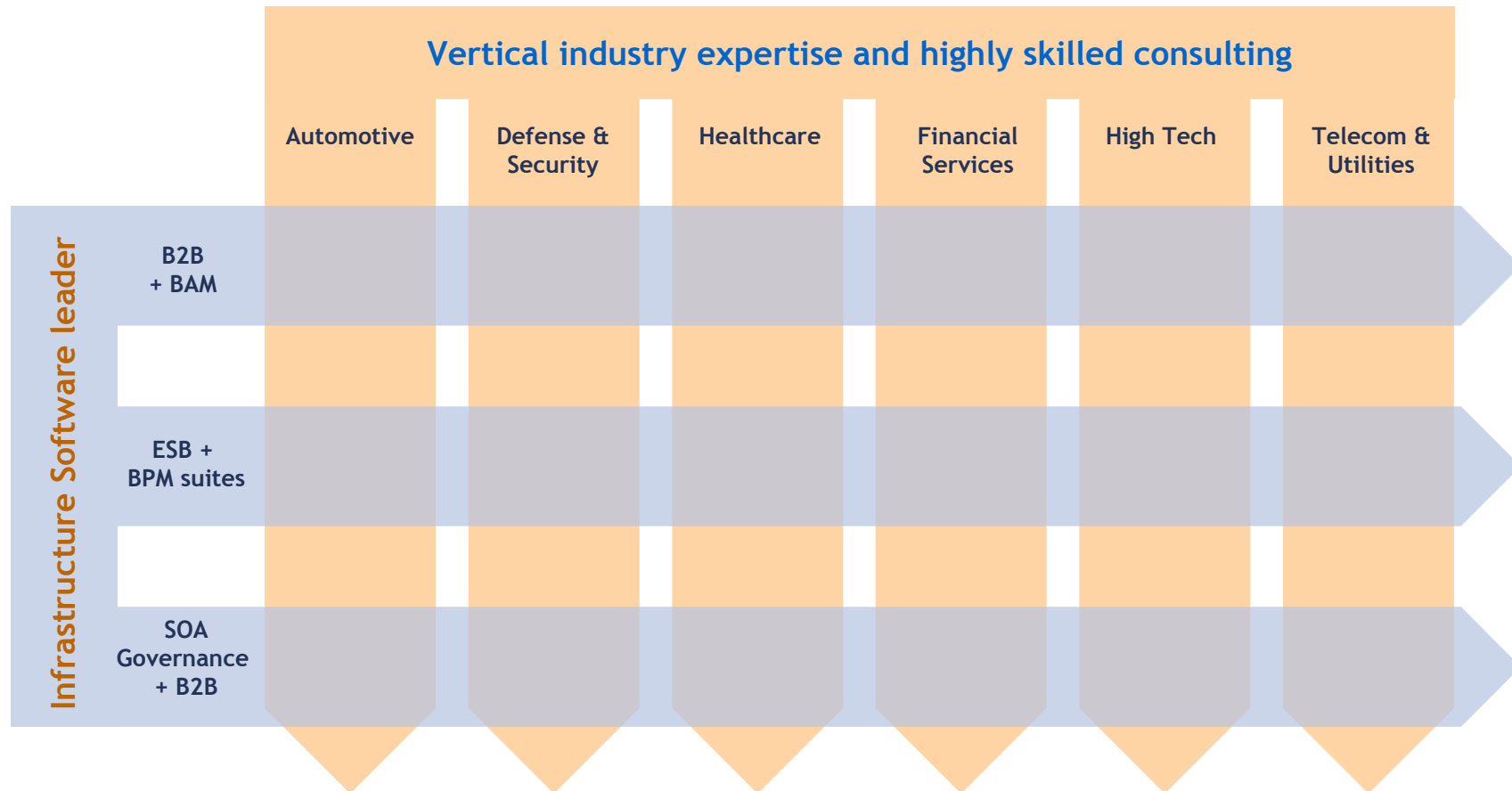


Software AG and IDS Scheer: Partnership for Growth

Horizontal Technology Platform Plus Direct Access To Verticals



Vertical industry expertise and highly skilled consulting



Impressive List Of Blue-Chip Customers

software AG



IDS SCHEER

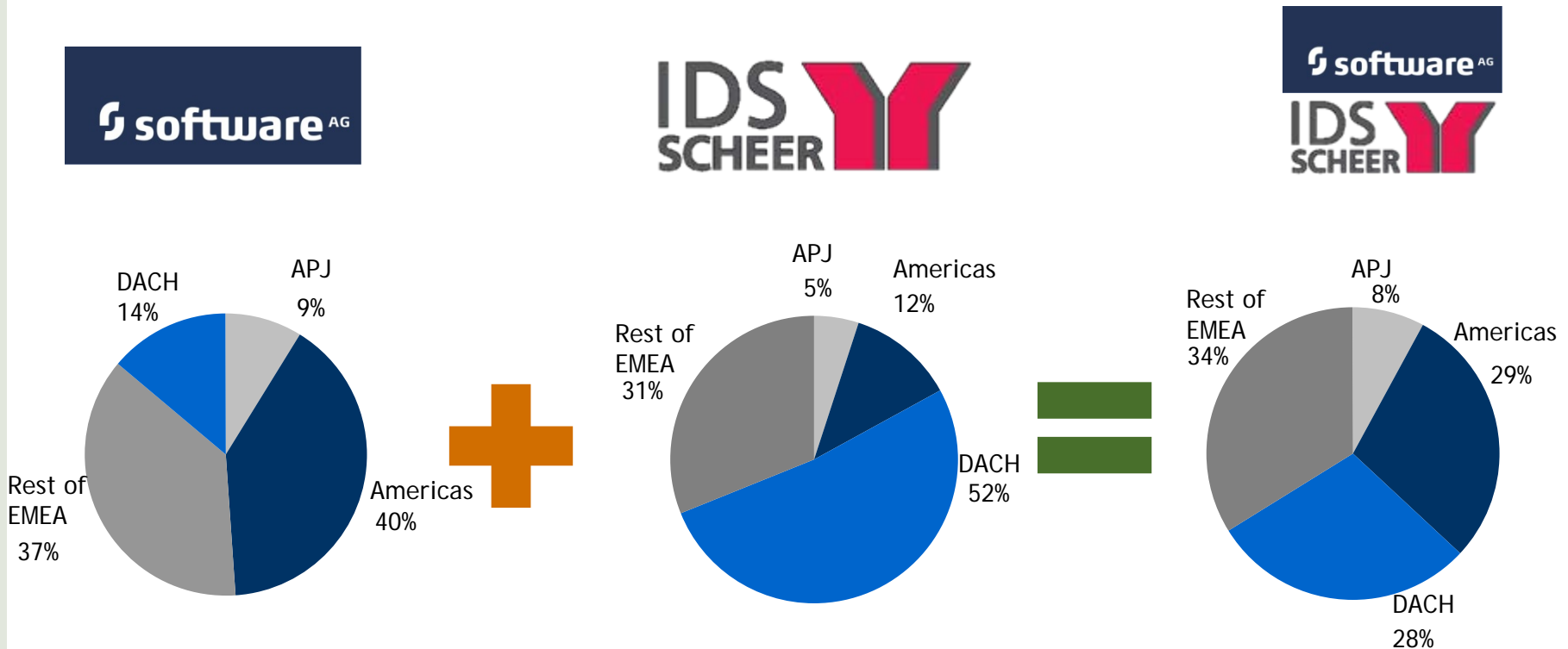
4,000 Customers 70 Countries

7,500 Customers 70 Countries



Significant cross-selling and up-selling potential across the combined customer base



Jointly Reaching Critical Mass In More European Countries



Based on 2008 results

Software AG and IDS Scheer: Financials

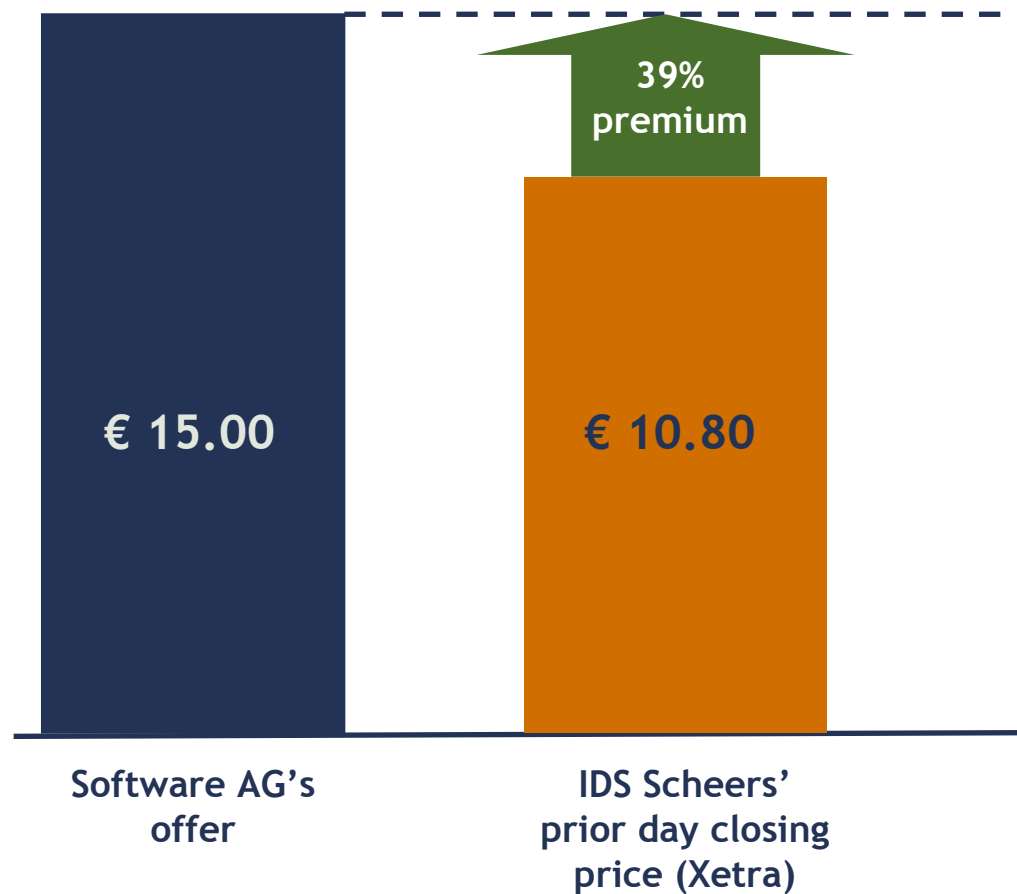
Combination Overview (no synergies assumed)

2008 results (€ millions)			Pro-Forma		
			Combined	Software AG % contribution	IDS Scheer % contribution
Revenue	720.6	399.1	1,119.7	64.4%	35.6%
Operating EBITDA Margin	206.1 28.6%	35.0 8.8%	241.1 21.5%	85.5%	14.5%
Operating Cash Flow	140.1	21.9	162.0	86.5%	13.5%

Source: Software AG FY 2008 results, IDS Scheer: Operating EBITDA margins includes restructuring costs

Software AG and IDS Scheer: Public Tender Offer

Software AG's Offer For IDS Scheer Is An All-Cash Transaction



IDS Scheer shares outstanding: 32,159,040 million
Source closing price: onvista

Transaction Overview

- Tender offer for all shares outstanding
- Aggregate consideration of c. € 477 million
- Valuation: $EV = 1 \times 2008 \text{ revenue}$
- Tender offer expected to start in August 2009
 - two main shareholders have committed to tender their shares (ca. 48%)
- Transaction expected to close in Q3 2009
- Expected to be operating EPS accretive in 2010

Financing Structure

- Total transaction volume: € 487 million
- Financed by
 - € 107 million Software AG cash
 - € 45 million subordinated liabilities (Software AG Foundation)
 - € 335 million bank facilities
- Acquisition related costs: around € 10-12 million
- Repayment schedule until 2012/2013
- Initial interest rate: Euribor + 275 bp
- Expected Net Debt/EBITDA-Ratio by end of 2009: 1.7

Software AG: Results on Q2/H1 2009

Preliminary Results Q2 2009

<i>(in € million)</i>	Q2 2009	Q2 2008	Δ%
Product	133-134	123.2	ca. + 8%
License	~ 60	61.4	ca. - 2%
Maintenance	~ 74	61.8	ca. +19%
Services & other	42-43	45.6	ca. - 6%
Total Revenues	175-177	168.8	ca. 4-5%
EBIT Margin	ca. 25%	24.3%	
Free Cash Flow	ca. 29	23.0	> 25%

Guidance Update With Q3 Reporting

- First possible consolidation depends on approval from regulators
- Positive revenue impact by ca. one quarter of IDS Scheer revenues
- Detailed analysis of PPA in Q3
- Currently too early to forecast any detailed synergy impacts
- Management-focus on combined business model

Consequences:

- Due to acquisition, Software AG Group revenue will substantially exceed previous guidance
- Updated 2009 forecast will be published in conjunction with release of Q3 2009 results

Software AG and IDS Scheer: Summary

World-Class Software Powerhouse

- Perfect portfolio for SOA/BPM & analysis
- Critical mass to implement large projects in more countries
- Unique position to integrate SAP systems in heterogenous IT architectures
- Preserves and further enhances the great ARIS brand and market presence
- Captures cross-selling and up-selling opportunities within the combined customer base
- Complements horizontal technology platform with direct access to verticals
- Excellent cultural fit of two successful companies offers employees enhanced professional opportunities

Thank you

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