

Software AG acquires



Data Foundations

18 October 2010

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About Data Foundations Inc.

- Data Foundations is an innovative, top ranked **Master Data Management (MDM)** vendor
- Strong Governance focus, deep integration capabilities and high transaction volumes
- Founded in 1998
- Headquartered in Teaneck, NJ, USA
- Total headcount: 35 people, thereof 80% R&D (based in India)
- Highly profitable business
- Large and mid-size customers in the US and Western Europe
- Average deal size similar to webMethods



An example

Data in application 1

Customer	Software AG
Contact	M. Mustermann (Vice President XY)
Tel	+49-6151-92-0
Location	Darmstadt, Germany
Industry	IT, Software

Data in application 2

Customer	SAG
Contact	Max Mustermann
Tel	06151-92-9999
Street	Uhlandstr. 12
City	Darmstadt 64297
Country	Germany

- ➔ Integrated processes have to deal with distributed data from various sources, different data formats and inconsistent data (doublets, different versions)
- ➔ Avoid errors, disruptions and inefficient processes by single view of data

MDM business drivers

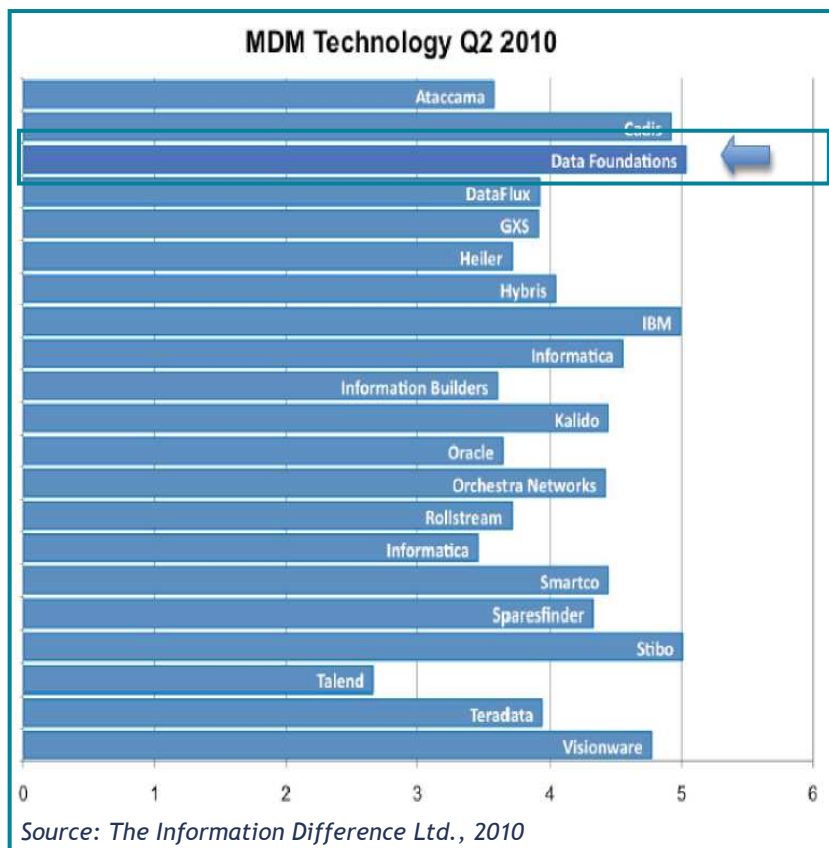
Corporate master data is a critical asset that enables to solve some of today's most pressing business topics

- Redundancy and inconsistent data
- Disconnected business processes
- Operational inefficiency
- No 360 degree customer view
- Compliance and regulatory requirements

- Data integration
- Efficient data handling
- Real time process to secure data quality
- Product "OneData" will be part of webMethods portfolio

Market & Industry Analysts

- ➔ MDM is a \$ 1billion market with double digit growth potential
- ➔ Industry analysts such as The Information Difference and The MDM Institute rate *OneData* as leading product



- **MDM Institute - Aaron Zornes:** “Leader in next-generation MDM (...) One of the more powerful facets of the Data Foundations’ OneData product is its support for business users to directly manage complex data and process models beyond simple master customer data synchronization.”
- **The Information Difference - Andy Hayler:** Top rated MDM software for functionality and technology from a field of 21 MDM vendors: “It is genuinely multi-domain in nature, unlike many MDM vendors who started dealing with either product or customer data and then expanded. There are very sophisticated data governance capabilities... Hierarchy management is another strong suit.” (2009)

Transaction rationale



Data Foundations extends the webMethods product portfolio & strengthens the competitive advantage in the BPE business



Highly-profitable R&D driven company with well accepted high-margin product (*OneData*); marginally EPS accretive in 2010; no impact on Software AG EBIT-margin



Integration in Software AG's sales structure will leverage market attractiveness

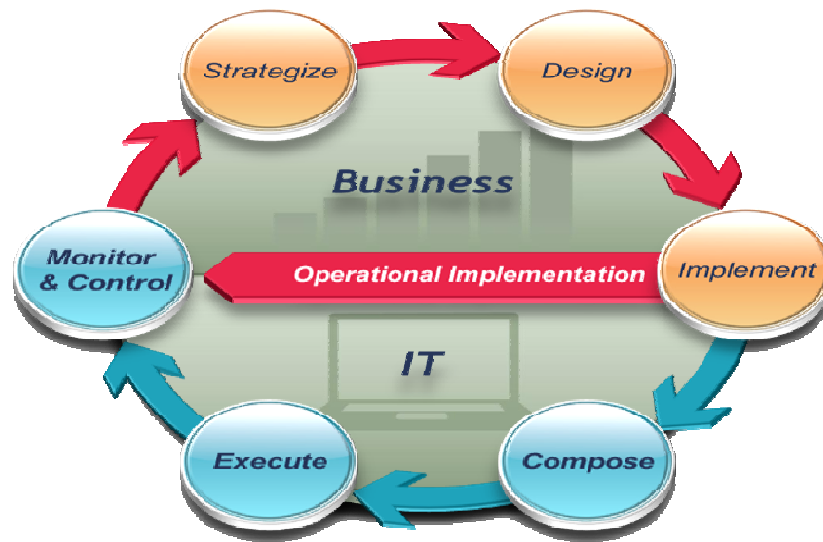
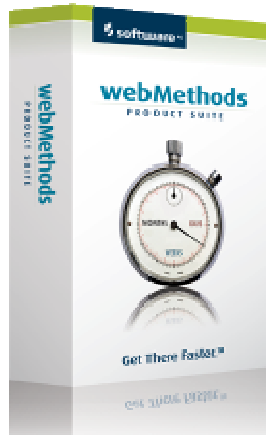


Master Data Management market offers future growth rates of exp. 20%



The acquisition will be financed by operating cash flow; financial details of the deal are not disclosed

Software AG Well Positioned



Thank you!

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