

PRESS RELEASE

Software AG: IT to play a major role in redesigning global finance

- Over 60% of German banking & insurance companies see IT as strategic to future business success
- Over 40% now have responsibility for modernization projects at Executive Board level
- Survey of the industry reveals that over 90% see more IT transparency and flexibility as important goals
- Over 60% are implementing Business Process Management solutions to provide this flexibility
- Software AG sees further success for its webMethods product suite in this expanding market

Darmstadt, Germany, 09-12-2008. Software AG, a provider of business infrastructure software, today stressed the importance of IT in enabling the financial services industry to adapt to the new economic order. While the dust is still settling on the turmoil in the industry, financial institutions have the opportunity to prepare for changes in Government regulation and market structure. As highlighted at the G20 meeting in Washington on November 15th, the primacy of national regulation will place diverse demands on one of the most globalized parts of the world economy. Financial institutions with a flexible and adaptable IT infrastructure will find it easier to implement and comply with differing new regulation at a time of economic recession. A survey of the banking and insurance sector in Germany in October backs this up with a majority of enterprises seeing IT as strategic to their future success primarily based on IT flexibility, transparency and automated business processes.

“We see three major challenges facing the Financial Services industry”, said Software AG CEO, Karl-Heinz Streibich. “Multiple national regulatory changes that will need to be implemented as easily and cost-effectively as possible, continued market consolidation that demands the fast integration of IT assets and improved risk management within a more restricted banking community.”

Further market uncertainty is compelling financial institutions to acquire or merge with others. The effort to integrate and consolidate monolithic or packaged applications with each other is enormous. There are major cost savings and new business opportunities available to financial institutions with an agile IT infrastructure, “these Enterprises will find M&A activities much easier and the benefits will be accrued much sooner”, said Streibich.

The individual risk management policies, and the implementation of these through IT, will become a very high priority. Unknown or un-managed risks will no longer be an acceptable consequence of operating a complex, global financial institution. Investors, customers and

employees will choose institutions with the most comprehensive and transparent risk management policies, enforced by IT.

Software AG completed a survey of banking and insurance companies in Germany in October, 2008 and the results show that IT is seen as a strategic resource by a majority of enterprises and increasingly at an Executive Board level. IT transparency, flexibility and modernization are seen as important goals and over 60% are implementing business process management projects as a result. The alternative course to providing that flexibility is unacceptable - replacing existing systems, and thereby the embedded intellectual capital - had just a 7% response rate.

“The new generation of business management software (BPM) optimizes the business decision process and gives enterprises the real-time view of business activities and developments that they need”, according to Dr. Peter Kuerpick, CPO at Software AG. “In addition, BPM allows merging companies to cherry-pick the best individual applications providing a more flexible and adaptable post-merger IT infrastructure.”

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Software AG is the world's largest independent provider of Business Infrastructure Software. Our 4,000 global enterprise customers achieve business results faster by modernizing, integrating and automating their IT systems and processes. As a result, they rapidly build measurable business value and meet changing business demands. Based on our solutions, organizations are able to liberate and govern their data, systems, applications, processes and services - achieving new levels of business flexibility.

Our leading product portfolio includes solutions for high performance data management, developing and modernizing applications, enabling service-oriented architecture, and improving business processes. By combining our technology with industry expertise and best practices experience, our customers improve and differentiate their businesses - faster.

Software AG has almost 40 years of global IT experience and over 3,600 employees serving customers in 70 countries. The company is headquartered in Germany and listed on the Frankfurt Stock Exchange (TecDAX, ISIN DE 0003304002 / SOW). Software AG posted total revenues of €621 million in 2007.

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