

PRESS RELEASE

Software AG completes the merger with IDS Scheer

- Merger agreement registered effective immediately
- Outstanding IDS shareholders become shareholders of Software AG
- The merger manifests the new global player in Business Process Excellence
- Merger enhances organizational agility and flexibility
- Software AG expects an overachievement of cost synergies compared to previous estimates

Darmstadt, Germany, December 22, 2010 - Software AG (TecDAX, ISIN DE 0003304002 / SOW) announced today that the legal integration with IDS Scheer has been completed with yesterday's registration of the merger with immediate effect. Under the terms of the merger agreement the remaining shareholders of IDS Scheer AG will receive four Software AG shares for every 33 IDS Scheer AG shares. The conversion is being performed by the custodian banks on December 22, 2010. Software AG acquired its own shares required for the exchange (ca. 130,000) in February 2010 on the open stock market.

The fusion of both companies into one legal entity has established a new global player offering software and services for Business Process Excellence. Software AG has already reported growth in both, IDS Scheer products and services, in the third quarter but the new merged company allows for increased speed, agility and flexibility in taking and implementing business decisions. As a result of the fast execution of the merger, Software AG expects total cost savings to be higher than the originally estimated amount of €25 to €30 million.

Software AG's CEO, Karl-Heinz Streibich, stated: "We have made great progress in integrating the two companies over the last year and have seen a very positive reaction from customers, employees and industry analysts. This last legal step will enable us to accelerate our joint business development, enhancing our customer offerings and delivering the opportunities of a truly global player to our employees and customers."

The merger has created a global provider of Business Process Excellence software with more than 10,000 customers, 6,000 employees and over €1 billion revenue forecast for 2010. Software AG's strengths: technology leadership in middleware software, financial strength and a global presence complement IDS Scheer's strengths: the modeling, implementation and controlling of business processes, a strong partner network and a large service presence. Through the merger, Software AG has also gained extensive industry expertise and direct access to vertical markets and a strong presence in the SAP consulting business.

The combination of both leading technologically and complementary product portfolios for the digitization and implementation of business processes of both companies is unique and gives the combined company a sustainable and strengthened competitive position in a rapidly consolidating software market. In particular, by reaching a critical size in more key European markets, the company market access has been significantly improved. In addition, the consulting expertise of IDS Scheer has allowed Software AG to increase market penetration of its own products in industry-specific and large projects.

“The completion of the merger will have a positive impact on our profitability as we expect direct cost savings in 2011 based on only having one listed legal entity”, stated Software AG’s CFO, Arnd Zinnhardt. “This is another important step in harmonizing the two companies from an internal operational and process driven perspective.”

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About Software AG

Software AG is the global leader in Business Process Excellence. Our 40 years of innovation include the invention of the first high-performance transactional database, Adabas; the first business process analysis platform, ARIS; and the first [B2B](#) server and [SOA](#)-based integration platform, webMethods.

We offer our customers end-to-end [business process management \(BPM\)](#) solutions delivering low Total-Cost-of-Ownership and high ease of use. Our industry-leading brands, ARIS, webMethods, Adabas, Natural, Centrasite and IDS Scheer Consulting, represent a unique portfolio encompassing: process strategy, design, integration and control; SOA-based integration and data management; process-driven SAP implementation; and strategic process consulting and services.

Software AG had revenues of € 847 million in 2009 and has more than 5,700 employees serving 10,000 enterprise and public institution customers across 70 countries. Our comprehensive software and services solutions allow companies to continuously achieve their business results faster. The company is headquartered in Germany and listed on the Frankfurt Stock Exchange (TecDAX, ISIN DE 0003304002 / SOW).

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