

PRESS RELEASE

## Software AG to Acquire the Application Modernization Business of Jacada for \$26 million cash

- This asset deal strengthens Software AG's leadership position in the Application Modernization market
- Jacada's Application Modernization products generate circa \$12 revenue million annually, predominantly in the US
- The acquisition will be earnings accretive in 2008
- Over 200 Jacada enterprise customers provide an opportunity for additional SOA projects

DARMSTADT, Germany, 20.12.2007, Software AG today announced the acquisition of the application modernization business of Jacada (Nasdaq: JCDA) for \$26 million in a cash transaction. The asset deal expands Software AG's application modernization portfolio with additional products for modernizing the user interface of mainframe and mid-range based applications. In addition, eight of Jacada's R&D and support staff will join Software AG insuring continuous product development and customer support. Software AG will gain over 200 enterprise customers, mostly in the United States, as a result of the acquisition. These customers will benefit from easier access to Software AG's comprehensive business infrastructure software portfolio. Currently Jacada's application modernization products generate around \$12 million revenue annually with profit margins above Software AG's group average. The asset deal, effective as of January 1<sup>st</sup>, 2008, will be earnings accretive in 2008. This is Software AG's third acquisition of 2007 following the acquisition of webMethods in June for \$546 million and 80% of SPL Israel in March for \$62 million. Software AG is committed to providing market leadership in the business infrastructure software area through technology innovation and acquisitions.

"With our unique heritage as well as our strength in SOA, Software AG is well-positioned to extend our leadership in the Application Modernization market," said Karl-Heinz Streibich, CEO, Software AG. "For current Jacada customers, the acquisition is excellent news. Existing products will benefit from an expanded research & development organization with far greater financial resources. These customers will also enjoy access to a host of complementary products. This is also good news for Software AG as the acquired technology will further strengthen our position within an important market."

Application Modernization extends the value of custom applications by making their existing functionality and data available via the Web, within a service-oriented architecture (SOA), or as part of an end-to-end business process.

"We expect the deal to enhance our earnings in 2008 while supporting our goal of a 23%-24% EBIT margin", said Arnd Zinnhardt, CFO, Software AG. "This is consistent with our policy of

acquisition being EBIT positive within a year or even sooner as in this case. It also underscores our willingness to acquire established businesses that will benefit appreciably from the infrastructure, global reach and efficient management offered by Software AG.”

**Software AG | Uhlandstraße 12 | 64297 Darmstadt | Germany**

Software AG's 4,000 global customers achieve measurable business results by modernizing and automating their IT systems and rapidly building new systems to meet growing business demands. The company's industry-leading product portfolio includes best-in-class solutions for managing data, enabling service oriented architecture, and improving business processes. By combining proven technology with industry expertise and best practices, our customers improve and differentiate their businesses - faster. Software AG has more than 37 years of global IT experience and approx. 3,800 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 €483 million in 2006.

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