

PRESSEMELDUNG

Progress Software veröffentlicht Ergebnisse des dritten Quartals 2008

Progress Apama CEP erweitert Kundenbasis; Übernahme von IONA und Mindreef

Dietikon, 18. September 2008 – Die Progress Software Corporation (Nasdaq: PRGS), ein weltweiter Anbieter von Applikations-Infrastruktur-Software für die Entwicklung, Implementierung, Integration und das Management von Geschäftsanwendungen, hat die Ergebnisse des dritten Quartals, das am 31. August 2008 endete, bekannt gegeben. Der Umsatz betrug 127 Millionen US-Dollar, das entspricht einer Steigerung von 4 Prozent gegenüber dem entsprechenden Vorjahresquartal (122 Millionen US-Dollar). Die Software-Lizeneinnahmen stiegen um 5 Prozent von 44 Millionen US-Dollar auf 46 Millionen US-Dollar. Der Gewinn auf GAAP-Basis kletterte um 2 Prozent auf 18,1 Millionen US-Dollar (17,8 Millionen US-Dollar im dritten Quartal 2007).

Die vollständige Pressemitteilung in englischer Sprache gibt es im Internet unter www.progress.com.

PROGRESS SOFTWARE REPORTS 2008 THIRD QUARTER RESULTS

Apama CEP Continues to Gain Traction; IONA and Mindreef Acquired

BEDFORD, Mass., September 18, 2008 — Progress Software Corporation (NASDAQ: PRGS), a provider of leading application infrastructure software to develop, deploy, integrate and manage business applications, today announced results for its third quarter ended August 31, 2008. Revenue for the quarter was \$127 million, up 4 percent (down 1 percent at constant currency) from \$122 million in the third quarter of fiscal 2007. Software license revenue increased 5 percent (up 1 percent at constant currency) to \$46.0 million from \$44.0 million in the same quarter last year.

On a generally accepted accounting principles (GAAP) basis, operating income increased 2 percent to \$18.1 million from \$17.8 million in the third quarter of fiscal 2007. Net income decreased 4 percent to \$12.5 million from \$13.0 million in the same quarter last year. Diluted earnings per share was the same as in the third quarter of fiscal 2007 at 30 cents.

On a non-GAAP basis, operating income was the same as in the third quarter of fiscal 2007 at \$27.2 million. Non-GAAP net income decreased 2 percent to \$19.0 million from \$19.4 million in the same quarter last year and non-GAAP diluted earnings per share increased 2 percent to 45 cents per share from 44 cents in the third quarter of fiscal 2007. The non-GAAP results in the third quarter of fiscal 2008 exclude after-tax charges of \$2.8 million for stock-based compensation, \$2.9 million for amortization of acquired intangibles and \$0.8 million for professional services fees associated with the investigation and shareholder derivative lawsuits related to the company's historical stock option grant practices. The non-GAAP results in the third quarter of fiscal 2007 exclude after-tax charges of \$2.9 million for stock-based compensation, \$2.9 million for amortization of acquired intangibles and \$0.6 million for professional services fees associated with the investigation and shareholder derivative lawsuits related to the company's historical stock option grant practices.

The non-GAAP results noted above and the non-GAAP financial outlook for 2008 and 2009 discussed below, represent non-GAAP financial measures. A reconciliation of these measures to the appropriate GAAP measures, for the three and nine months ended August 31, 2008 and 2007, and the 2008 and 2009 outlook, as well as further information regarding these measures, is included in the condensed financial information provided with this release.

The company's cash and short-term investments at the end of the third quarter totaled \$231 million. In addition, the company had approximately \$52 million in investments related to municipal and student loan auction rate securities that were classified as non-current on the balance sheet because these securities failed to clear at auction and the company is currently unable to sell these securities in the market. The failed auctions have resulted in higher interest rates being earned on these securities, but the investments currently lack short-term liquidity.

The company repurchased 1.7 million of its shares at a cost of \$45.4 million in the third quarter of fiscal 2008. On September 16, 2008, the board of directors authorized the repurchase of up to 10 million shares of the company's outstanding common stock, at such times and at such prices as the company deems such purchases to be an effective use of cash, during the period from October 1, 2008, through September 30, 2009. The company's existing repurchase authorization, under which approximately 5.7 million shares remain available for repurchase, expires on September 30, 2008.

Joseph Alsop, co-founder and chief executive officer of Progress Software, stated: "Our results for fiscal Q3 were solid, with strong profitability, despite the increasing turmoil in certain markets we serve. We are particularly pleased by the strong performance

delivered by our Apama, DataDirect, and DataXtend Semantic Integrator product lines and we are pleased to welcome many outstanding people from IONA to the Progress Software organization. However, based on the less certain outlook and recent strengthening of the U.S. dollar relative to international currencies in which we do business, we are adopting a more conservative stance with respect to our business outlook for the fourth quarter and fiscal 2009."

Quarterly Highlights

- Progress Software and IONA Technologies plc, an established supplier of software integration technology, jointly announced on June 25, 2008 that they signed a definitive agreement under which Progress Software agreed to acquire IONA for \$4.05 per share in cash. Upon completion of the transaction, which occurred on September 12, 2008, Progress acquired IONA for an aggregate purchase price of approximately \$162 million and approximately \$107 million net of cash and marketable securities reported on June 30, 2008. The acquisition of IONA strengthens Progress' position as the industry choice for truly independent, heterogeneous Service Oriented Architecture (SOA) infrastructure. IONA products complement the Progress SOA Portfolio with leading edge, best-in-class technology with the widest variety of heterogeneous deployment options and interoperability (www.progress.com/iona).
- Progress Software announced the acquisition of privately owned Mindreef, Inc., the SOA Quality Company on June 30, 2008. Mindreef develops and markets the award-winning Mindreef® SOAPscope® products, which enable different IT users such as business analysts, system architects, application developers, testers, operations, and support staff to build, deploy, and maintain better software at each phase of an SOA, Web service or composite application development lifecycle. With the combination of Actional™ and SOAPscope, Progress is the first and only company to address the entire SOA lifecycle with best-in-class SOA quality and validation capabilities and industry-leading runtime governance capabilities (www.progress.com/mindreef).
- Progress continues to lead CEP innovation with the launch of Progress® Apama® 4.0. Apama 4.0 reduces end-to-end latency of CEP applications five-fold with the introduction of an enhanced communications infrastructure. The Apama platform is the industry's leading CEP environment, supporting applications that monitor rapidly moving event streams, detecting patterns, and initiating action - now with sub-millisecond latency. The Apama CEP technology offers business users a new dimension of real-time analytics, pattern and opportunity recognition, and event management (www.progress.com/apamafour).

- Progress Software and NYSE Euronext Advanced Trading Solutions, a unit of NYSE Euronext, announced a partnership that enables NYSE Euronext Advanced Trading Solutions to offer its customers new complex event processing (CEP) capabilities for algorithmic trading, real-time risk management, and smart order routing, which will be provided by the Progress® Apama® CEP platform. NYSE Euronext Advanced Trading Solutions will provide traders with access to the Apama CEP services from its new, hosted trading platform -- the SFTI (Secure Financial Transaction Infrastructure) Community Platform (www.progress.com/nyse).
- McCamish Systems, a premier supplier of Business Processing Outsourcing (BPO) solutions to the insurance industry, selected and deployed the Progress® Sonic® ESB platform to create a service oriented architecture (SOA) that will help them provide integrated services to their BPO clients. (www.progress.com/mccamish).
- Frontier Communications implemented Progress DataXtend® Semantic Integrator (SI) to reconcile data definitions between systems to enable data integration based on a common model. Frontier chose DataXtend SI as a critical piece of a larger customer relationship management (CRM) project designed to minimize customer handoffs and increase their up-selling opportunities (www.progress.com/citizens).
- DataDirect Technologies announced the availability of the DataDirect® Data Integration Suite. The new offering combines DataDirect Technologies' existing XML-based technologies in one package with a single, simple installation. The DataDirect Data Integration Suite provides the technical features and bottom-line benefits that positively impact an IT organization. It also saves development time and resources, and speeds the delivery of needed information to enterprise applications and end-users (www.progress.com/integration_suite).
- Progress Software partnered with Radboud University of Nijmegen to conduct a health study at the world's largest walking event -- the '92nd Four Days Marches of Nijmegen', where more than 40,000 participants cover distances of 18 to 31 miles per day over four days. The study used Progress Apama complex event processing (CEP) technology to monitor and record the temperature of participants as they took part in the walk. Realtime data was monitored directly from the volunteers, who were equipped with a receiver (a pill that each participant swallowed) and a GPS-enabled mobile phone. Temperatures were recorded every ten seconds and automatically transmitted to an operations center. (www.progress.com/radboud).

Customer Highlights

The following organizations became new Progress customers or partners, adopted additional Progress technologies, or made major deployments of Progress technologies in the past quarter:

Ameri-Forge, Boiron Laboratories, Boston Scientific, Concordia College Coventry University, Fortress Investment Group, GexPro, Gymboree, Hubspan, HVB Information Services, Itella, Jan de Rijk Logistics, JD Power and Associates, Lacent, Lufthansa Systems Airline, Malla Industrial, Manutan International, Merkle, Metro Health Hospital, Microsens, Network Norway, Paragon Solutions, Pearson Education, Pellizari, Petro-Canada Oil, Presbyterian HealthCare Services, RR Donnelley Technology, Scepter Corporation, Suinoculture Cooperative, Standard Chartered Bank, State of Montana, TecBan, Tekmark Global Solutions, US Xpress Enterprises, Wireless Information Network, White Birch Paper and Zanotti.

Business Outlook

The company is providing the following guidance for the fiscal year ending November 30, 2008:

- GAAP revenue is expected to be in the range of \$519 million to \$523 million.
- Non-GAAP revenue is expected to be in the range of \$522 million to \$526 million.
- GAAP diluted earnings per share are expected to be in the range of \$1.02 to \$1.06.
- Non-GAAP diluted earnings per share are expected to be in the range of \$1.89 to \$1.91.

The company is providing the following guidance for the fourth fiscal quarter ending November 30, 2008:

- GAAP revenue is expected to be in the range of \$143 million to \$147 million.
- Non-GAAP revenue is expected to be in the range of \$146 million to \$150 million.
- GAAP diluted earnings per share are expected to be in the range of 10 cents to 14 cents.
- Non-GAAP diluted earnings per share are expected to be in the range of 55 cents to 57 cents.

The company is providing the following guidance for the fiscal year ending November 30, 2009:

- GAAP revenue is expected to be in the range of \$579 million to \$594 million.
- Non-GAAP revenue is expected to be in the range of \$585 million to \$600 million.
- GAAP diluted earnings per share are expected to be in the range of \$1.30 to \$1.40.
- Non-GAAP diluted earnings per share are expected to be in the range of \$2.05 to \$2.15.

The non-GAAP projections exclude stock-based compensation, amortization of acquired intangibles, restructuring and acquisition-related expenses, purchase accounting adjustments to deferred revenue and professional services fees associated with our ongoing stock option investigation and derivative lawsuits.

Legal Notice Regarding Non-GAAP Financial Information

The company provides non-GAAP revenue, operating income, net income and earnings per share as additional information for investors. These measures are not in accordance with, or an alternative to, generally accepted accounting principles in the United States (GAAP). Such measures are intended to supplement GAAP and may be different from non-GAAP measures used by other companies. The company believes that the non-GAAP results described in this release are useful for an understanding of its ongoing operations and provide additional detail and an alternative method of assessing its operating results. Management of the company uses these non-GAAP results to compare the company's performance to that of prior periods for analysis of trends and for budget and planning purposes. A reconciliation of non-GAAP adjustments to the company's GAAP financial results is included in the tables below.

Progress Software Corporation

Progress Software Corporation (NASDAQ: PRGS) provides application infrastructure software for the development, deployment, integration and management of business applications. Our goal is to maximize the benefits of information technology while minimizing its complexity and total cost of ownership. Progress can be reached at www.progress.com or +1-781-280-4000.

Safe Harbor Statement

Except for the historical information and discussions contained herein, statements contained in this release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which

include statements regarding the company's business outlook, involve a number of risks, uncertainties and other factors that could cause actual results to differ materially, including but not limited to the following: the receipt and shipment of new orders; the timely release of enhancements to the company's products; the growth rates of certain market segments; the positioning of the company's products in those market segments; variations in the demand for professional services and technical support; pricing pressures and the competitive environment in the software industry; business and consumer use of the Internet; the company's ability to complete and integrate acquisitions; the company's ability to realize the expected benefits and anticipated synergies from acquired businesses; the company's ability to penetrate international markets and manage its international operations; changes in exchange rates; unanticipated consequences of the restatement completed in December 2006; risks associated with the SEC's formal investigation of the company's option-grant practices and pending shareholder litigation relating to such practices; the risk that the company will face additional claims and proceedings in connection with those stock option grant practices, including additional shareholder litigation and additional proceedings by the other governmental agencies; and the financial impact of the foregoing, including potentially significant litigation defense costs and claims for indemnification and advancement of expenses by directors, officers and others. The company undertakes no obligation to update information contained in this release. For further information regarding risks and uncertainties associated with the company's business, please refer to the company's filings with the Securities and Exchange Commission.

Actional, Apama, DataDirect, DataXtend, IONA, OpenEdge, Sonic, and Progress are trademarks or registered trademarks of Progress Software Corporation or one of its subsidiaries or affiliates in the U.S. and other countries. Any other trademarks contained herein are the property of their respective owners.

END