

# Software AG published takeover offer for IDS Scheer AG

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## A Promising Partnership in Terms of Strategy

The partnership between IDS Scheer AG and Software AG offers considerable added value to the customers. The transaction will create a global vendor of business process management software with more than 6,000 employees and sales of more than EUR 1 billion. The strengths of Software AG in the areas of infrastructure software and SOA Governance, combined with IDS Scheer AG's leadership in the worldwide markets of Business Process Management (BPM), Enterprise Architecture (EA) and process performance management, give rise to a leading vendor for infrastructure software and business process management. Particularly the strong consulting expertise with focus on SAP implementation is of strategic importance. IDS Scheer AG contributes to the planned undertaking a customer basis of approx. 7,500 companies globally as well as a wide partner network.

The combination of the two technologically leading and complementing product portfolios for the management and digitalization of business processes will be unique in this composition on the global market and make possible a sustainably strengthened competitive position in the rapidly consolidating software and consulting market. In addition to the very strong position held in Europe, the American and Asian markets will be further developed.

The business combination will give the products and services of IDS Scheer AG the chance for additional growth, for the even more comprehensive worldwide establishment of the ARIS trademark and for the global expansion of market presence built up by its employees over the years. Both companies have strong trademarks, a worldwide excellent image and a high cultural fit.

The customers of IDS Scheer AG can rely on their critical software and advisory solutions supplied so far being supported and offered in the habitual quality.

For the IDS Scheer employees, IDS Scheer and Software AG together create an attractive opportunity to also in future work for a Germany based company and innovation centre which is acting globally and which offers manifold, interesting and long-term international career perspectives.

## Quotes

IDS Scheer founder Dr. August-Wilhelm Scheer stated: „After 25 years of success, it is now the right point in time for IDS Scheer AG to reach new horizons. Software AG and IDS Scheer AG will further strengthen Germany's international position as IT location. To this respect, both companies strategically match up outstandingly in the product and consulting area. The employees of IDS Scheer will have an even more global future perspective, ARIS methodology will internationally be even stronger positioned. I am optimistic for the joint development of both companies.“

Peter Gérard, chairman of the management board of IDS Scheer AG, stated: „IDS Scheer AG is interested in gaining long-term oriented strategic investors. In particular in the current phase, IDS Scheer AG is open for investors like Software AG which strengthen the value-added chain and the development of sustainably profitable business fields with their know-how. After the successful restructuring of the company in the last

year, the management board's next goal is to redefine the strategic options of IDS Scheer AG in a clearly more difficult market environment.“

### **The Basis is a Cooperation based on Partnership with the Support of the Management Board and Major Shareholders**

The management board of IDS Scheer AG holds the view, subject to their examination of the offer document, that the consideration per share offered by SAG Beteiligungs GmbH is adequate and the premium on the current share price is very attractive.

Dr. August-Wilhelm Scheer, the founder and chairman of the supervisory board of IDS Scheer AG and Dr. Alexander Pocsay, the co-founder and co-chairman of the supervisory board of IDS Scheer AG, have committed to accept the takeover offer for all shares in IDS Scheer AG held by them, i.e. a total of 15,332,622 shares (corresponding to approx. 47.68 % of the share capital and the votes).

### **The Offer in Brief**

- Software AG will pay a consideration – via its subsidiary SAG Beteiligungs GmbH – of EUR 15 per IDS Scheer share in cash.
- The offer includes an attractive premium of approx. 51 % on the weighted average stock price in the last three months prior to the announcement of the offer and of approx. 40 % on the closing stock price (XETRA) on 13 July 2009.
- The total value of the takeover offer amounts to approx. EUR 482 million.
- The start of the offer period is expected in the course of the current quarter.
- Software AG expects to close the transaction in the fourth quarter.

The management board and the supervisory board of IDS Scheer AG intend, subject to their examination of the offer document and their legal duties, to recommend the acceptance of the offer to the shareholders of IDS Scheer AG. The transaction is subject to customary conditions, in particular merger control clearance, if required.

The management board of IDS Scheer AG plans to review the adequacy of the offered consideration by a fairness opinion.

### **Important Information**

This is neither a purchase offer nor a request to issue an offer for the sale of shares in IDS Scheer AG. The conditions of the offer will be described in the offer document after its approval by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht). Investors and shareholders of IDS Scheer AG are strongly advised to read the documents in relation to the takeover offer as soon as these documents have been published since they contain important information. The information contained herein may include forward-looking statements, in particular statements with regard to the expected future business of IDS Scheer AG or other companies. These statements are based on the expectations of the management board of IDS Scheer AG and are by nature subject to uncertainty and changes of circumstances. IDS Scheer AG does not commit to update the forward-looking statements in order to adapt them to real results or changes in events, conditions, assumptions or other factors.