UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE TO/A

(Rule 14d-100)
Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934
(Amendment No. 3)

NEON Systems, Inc.
(*Name of Subject Company (Issuer)*)

Noble Acquisition Corp.
(*Offeror*)

a wholly owned subsidiary of
Progress Software Corporation
(*Parent of Offeror*)
(*Names of Filing Persons*)

Common Stock, Par Value $0.01 Per Share
(*Title of Class of Securities*)

640509105
(*CUSIP Number of Class of Securities*)

Joseph W. Alsop
Progress Software Corporation
14 Oak Park
Bedford, Massachusetts 01730
(781) 280-4000
(*Name, address, and telephone numbers of person authorized*
to receive notices and communications on behalf of filing persons)

with copies to:
William R. Kolb, Esquire
Foley Hoag LLP
155 Seaport Boulevard
Boston, Massachusetts 02210

Calculation of Filing Fee

Transaction valuation	Amount of filing fee**
$68,000,000*	$7,276***

* Estimated solely for purposes of calculating the amount of the filing fee. This calculation is based upon (i) the purchase of 9,569,041 shares of common stock, par value $0.01 per share, of NEON Systems, Inc., at a price per share of $6.20 in cash, (ii) the cash payable with respect to 2,473,206 options with a weighted average exercise price of $3.44 per share and (iii) the cash payable with respect to 1,125,000 warrants with a weighted average exercise price of $4.80 per share. The cash payments made with respect to each of the options and warrants represents the difference between the exercise price of the option or warrant and $6.20. The number of shares, options and warrants described in items (i), (ii) and (iii) represent all of the outstanding shares and all options and warrants with an exercise price of less than $6.20 per share of NEON Systems, Inc. as of December 19, 2005.

** The amount of the filing fee, calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934, as amended, equals $107.00 per $1,000,000 of the transaction value.

*** Previously paid in connection with the filing persons' Schedule TO filed with the Securities and Exchange Commission on December 29, 2005.

o Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: _____

Form or Registration No.: _____

Filing Party: _____

Date Filed: _____

o   Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:
- ☑   third-party tender offer subject to <u>Rule 14d-1</u>.
- o   issuer tender offer subject to <u>Rule 13e-4</u>.
- o   going-private transaction subject to <u>Rule 13e-3</u>.
- o   amendment to Schedule 13D under <u>Rule 13d-2</u>.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

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SCHEDULE TO

This Amendment No. 3 amends and supplements the Tender Offer Statement on Schedule TO filed with the Securities and Exchange Commission on December 29, 2005, as amended by Amendment No. 1 filed on January, 10, 2006 and Amendment No. 2 filed on January 19, 2006 (as amended, the "Schedule TO"), by Progress Software Corporation, a Massachusetts corporation ("Progress"), and Noble Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly owned subsidiary of Progress. The Schedule TO relates to the third-party tender offer by Purchaser to purchase all of the outstanding shares of common stock, par value $0.01 per share (the "Shares"), of NEON Systems, Inc., a Delaware corporation (the "Company"), at a purchase price of $6.20 per Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated December 29, 2005, as amended, filed as Exhibit (a)(1)(A) to the Schedule TO (the "Offer to Purchase"), and in the related Letter of Transmittal filed as Exhibit (a)(1)(B) to the Schedule TO. The item numbers and responses thereto below are in accordance with the requirements of Schedule TO. Unless otherwise defined herein, all capitalized terms used herein shall have the respective meanings given to such terms in the Offer to Purchase.

Items 1 through 9, and Item 11.

Items 1 through 9 and Item 11 of the Schedule TO are hereby amended and supplemented to add the following:

"The initial offering period for the Offer expired at 12:00 midnight, Eastern time, on Friday, January 27, 2006. The Depositary for the Offer has advised Progress and the Purchaser that, as of the expiration of the initial offering period, an aggregate of 8,684,979 Shares, or approximately 90.8% of the issued and outstanding Shares of the Company, were validly tendered to the Purchaser in the Offer (including 36,549 Shares tendered by Notice of Guaranteed Delivery). The Purchaser has accepted for payment all Shares validly tendered and not properly withdrawn prior to the expiration of the initial offering period for the Offer.

Pursuant to the terms of the Merger Agreement, Progress will acquire all remaining Shares not tendered in the Offer (other than Shares held by the Company, Progress or any of their respective subsidiaries and Shares held by stockholders who properly perfect appraisal rights under Delaware law) for $6.20 per Share in cash, without interest thereon, in a subsequent second-step merger transaction upon satisfaction or waiver of the conditions to the Merger set forth in the Merger Agreement, including the approval of the Merger by holders of Shares if required by Delaware law. As a result of the purchase by the Purchaser of Shares validly tendered in the Offer, the Purchaser has sufficient voting power to approve the Merger without a meeting of stockholders and without the vote of any other holder of Shares.

On January 30, 2006, Progress issued a press release, a copy of which is attached hereto as Exhibit (a)(5)(H) and incorporated herein by reference, announcing the expiration of the Offer and the purchase of Shares in the Offer."

Item 12.

     Item 12 of the Schedule TO is hereby amended and supplemented to add the following:

"(a) (5) (H)   Press Release issued by Progress on January 30, 2006 entitled, "Progress Announces Completion of Tender Offer for NEON Systems." "

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Progress Software Corporation

By: /s/ Norman R. Robertson

Norman R. Robertson
Senior Vice President, Finance and Administration
and Chief Financial Officer

Noble Acquisition Corp.

By: /s/ Norman R. Robertson

Norman R. Robertson
Treasurer

Date: January 30, 2006

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Exhibit Number	Description
(a) (1) (A)	Form of Offer to Purchase, dated December 29, 2005, as amended (filed as Exhibit (a)(1)(A) to the Schedule TO-T/A filed by Progress with the SEC on January 19, 2006 and incorporated herein by reference).
(a) (1) (B)	Form of Letter of Transmittal (filed as Exhibit (a)(1)(B) to the Schedule TO-T filed by Progress with the SEC on December 29, 2005 and incorporated herein by reference).
(a) (1) (C)	Form of Notice of Guaranteed Delivery (filed as Exhibit (a)(1)(C) to the Schedule TO-T filed by Progress with the SEC on December 29, 2005 and incorporated herein by reference).
(a) (1) (D)	Form of Letter to Brokers, Dealers, Banks, Trust Companies and other Nominees (filed as Exhibit (a)(1)(D) to the Schedule TO-T filed by Progress with the SEC on December 29, 2005 and incorporated herein by reference).
(a) (1) (E)	Form of Letter to Clients for use by Brokers, Dealers, Banks, Trust Companies and other Nominees (filed as Exhibit (a)(1)(E) to the Schedule TO-T filed by Progress with the SEC on December 29, 2005 and incorporated herein by reference).
(a) (1) (F)	Guidelines for Certification of Taxpayer Identification Number (TIN) on Substitute Form W-9 (filed as Exhibit (a)(1)(F) to the Schedule TO-T filed by Progress with the SEC on December 29, 2005 and incorporated herein by reference).
(a) (5) (A)	Press release issued by Progress and the Company on December 20, 2005 entitled, "Progress Software Corporation to Acquire NEON Systems Creating Unparalleled Data Connectivity Leader" (filed as Exhibit 99.1 to the Schedule TO-C filed by Progress with the SEC on December 20, 2005 and incorporated herein by reference).
(a) (5) (B)	Norman R. Robertson, Senior Vice President, Finance and Administration and Chief Financial Officer of Progress, script for conference call on December 20, 2005 (filed as Exhibit 99.2 to the Schedule TO-C filed by Progress with the SEC on December 20, 2005 and incorporated herein by reference).
(a) (5) (C)	Email to employees of Progress and the Company from Rick Reidy and Mark Cresswell dated December 20, 2005 (filed as Exhibit 99.3 to the Schedule TO-C filed by Progress with the SEC on December 20, 2005 and incorporated herein by reference).
(a) (5) (D)	Progress Frequently Asked Questions dated December 20, 2005 (filed as Exhibit 99.4 to the Schedule TO-C filed by Progress with the SEC on December 20, 2005 and incorporated herein by reference).

Exhibit Number	Description
(a) (5) (E)	Press Release issued by Progress and the Company on December 29, 2005 entitled, "Progress Software Corporation Commences Tender Offer to Acquire NEON Systems" (filed as Exhibit (a)(5)(E) to the Schedule TO-T filed by Progress with the SEC on December 29, 2005 and incorporated herein by reference).
(a) (5) (F)	Form of Summary Advertisement, published in the Wall Street Journal on December 29, 2005 (filed as Exhibit (a)(5)(F) to the Schedule TO-T filed by Progress with the SEC on December 29, 2005 and incorporated herein by reference).
(a) (5) (G)	Customer Announcement issued by DataDirect Technologies, an operating division of Progress, on January 10, 2006 entitled "Important Announcement for DataDirect Customers – Progress Software to Acquire NEON Systems" (filed as Exhibit (a)(5)(G) to the Schedule TO-T/A filed by Progress with the SEC on January 10, 2006 and incorporated herein by reference).
(a) (5) (H)	Press Release issued by Progress on January 30, 2006 entitled, "Progress Announces Completion of Tender Offer for NEON Systems."
(b)	Not applicable.
(d) (1)	Agreement and Plan of Merger, dated December 19, 2005, by and among Progress, the Purchaser and the Company (filed as Exhibit 99.1 to the current report on Form 8-K filed by Progress with the SEC on December 22, 2005 and incorporated herein by reference).
(d) (2)	Form of Voting and Tender Agreement, dated December 19, 2005, by and among Progress, the Purchaser and each of Mark J. Cresswell, Brian D. Helman, Chris Garner, Jerry Paladino, Shelby R. Fike, Robert Evelyn, Richard Holcomb, George H. Ellis, David F. Cary, Loretta Cross, William W. Wilson III, John J. Moores and 39 trusts and other entities affiliated with John J. Moores (filed as Exhibit 99.2 to the current report on Form 8-K filed by Progress with the SEC on December 22, 2005 and incorporated herein by reference).
(d) (3)	Mutual Non-Disclosure Agreement, dated May 4, 2005, by and between the Company and Progress (filed as Exhibit (d)(3) to the Schedule TO-T/A filed by Progress with the SEC on January 10, 2006 and incorporated herein by reference).
(g)	Not applicable.
(h)	Not applicable.

Press Contacts:
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DataDirect Technologies
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Charles.Gold@datadirect.com

PROGRESS ANNOUNCES COMPLETION OF TENDER OFFER FOR NEON SYSTEMS

Merger with DataDirect Operating Unit to Extend Data Connectivity Leadership and Enable Mainframe
Integration for Service-Oriented Architecture (SOA) and Real-Time Event Stream Processing

Bedford, Massachusetts — January 30th, 2006 — Progress Software Corporation (Nasdaq: PRGS), a global supplier of application infrastructure software used to develop, deploy, integrate and manage business applications, today announced the successful completion of its tender offer for all outstanding shares of common stock of NEON Systems, Inc. (Nasdaq: NEON), by a subsidiary of Progress, Noble Acquisition Corp. The tender offer expired at 12:00 midnight Eastern time on Friday, January 27, 2006.

Progress has been advised by American Stock Transfer & Trust Company, the depositary for the tender offer, that 8,684,979 shares, or approximately 90.8% of NEON's outstanding common stock, were validly tendered as of 12:00 midnight Eastern time on Friday, January 27, 2006 (including approximately 36,549 shares tendered by notice of guaranteed delivery). All shares of NEON common stock that were validly tendered and not properly withdrawn before the expiration of the offering period have been accepted for payment.

Pursuant to the previously announced definitive merger agreement between Progress and NEON dated December 19, 2005, Progress will acquire the balance of the shares of NEON common stock not tendered in the tender offer through a cash merger of Noble Acquisition Corp. with and into NEON. In the merger, holders of any remaining outstanding shares of NEON common stock will receive cash in the amount of $6.20 per share. The merger will be consummated without a vote or meeting of NEON stockholders, in accordance with Delaware law.

In connection with the acquisition, and subject to the approval of the Compensation Committee of the Board of Directors of Progress, Progress will grant inducement stock options to purchase an aggregate of up to 202,000 shares of Progress common stock. The grants will be made to approximately 30 NEON employees who are joining Progress as a result of the acquisition. The grants will be made under Progress's 2004 Inducement Stock Plan. Each option will have a term of

seven years and an exercise price equal to the closing price of the common stock on the date of grant. In general, the options will vest in equal monthly increments over 60 months beginning on the first day of the month following the date of grant, and are generally non-transferable without Progress's approval.

About NEON

NEON Systems, Inc. (Nasdaq: NEON) — the Mainframe Integration Experts — is a leading provider of enterprise-class mainframe integration solutions, delivering the industry's first Mainframe Services Bus (MSB) for seamless interoperability with distributed systems: Shadow RTE, which is the only unified mainframe integration platform to support the entire range of requirements for Service-Oriented Architectures (SOA) and Event-Driven Architectures (EDA) — key requirements to underpin the Real-time Enterprise. NEON's Shadow technology is designed to reduce the complexity of mainframe integration allowing large organizations with significant commitment to mainframe systems to streamline incumbent technologies and lower total cost of ownership. NEON's Shadow z/Services and Shadow z/Events offerings attack the emerging mainframe Web services and real-time mainframe event-driven markets and are unique in their depth and breadth of support for the requirements of such markets. With extensive mainframe integration expertise, NEON is uniquely qualified to solve the complexities of supporting new business initiatives that must integrate with critical mainframe systems. For more information on Powering the Real-time Enterprise, visit www.neonsys.com.

About Progress Software Corporation

Progress Software Corporation (Nasdaq: PRGS) is a global industry leader providing application infrastructure software for all aspects of the development, deployment, integration and management of business applications through its operating units: Progress OpenEdge Division, Sonic Software, DataDirect Technologies, and Progress Real Time Division. Headquartered in Bedford, Mass., Progress can be reached at www.progress.com or +1-781-280-4000.

DataDirect is a registered trademark of Progress Software Corporation, or one of its affiliates or subsidiaries, in the U.S. and other countries. Shadow RTE is a trademark of NEON Systems, Inc., in the U.S. and other countries. Any other trademarks or service marks contained herein are the property of their respective owners.