

# Progress Software

Investor Overview

BUSINESS  
MAKING  
PROGRESS™

*January 2012*



# Progress Software Corporation Forward Looking Statements



Various remarks that we may make about the Company's future expectations, plans and prospects constitute forward looking-statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995.

Actual results may differ materially from those indicated by these forward-looking statements as a result of various important risks and factors, including those discussed in the Company's filings with the Securities and Exchange Commission.

In addition, any forward-looking statements represent our estimates only as of today and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates change.

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

# Progress Software: At a Glance



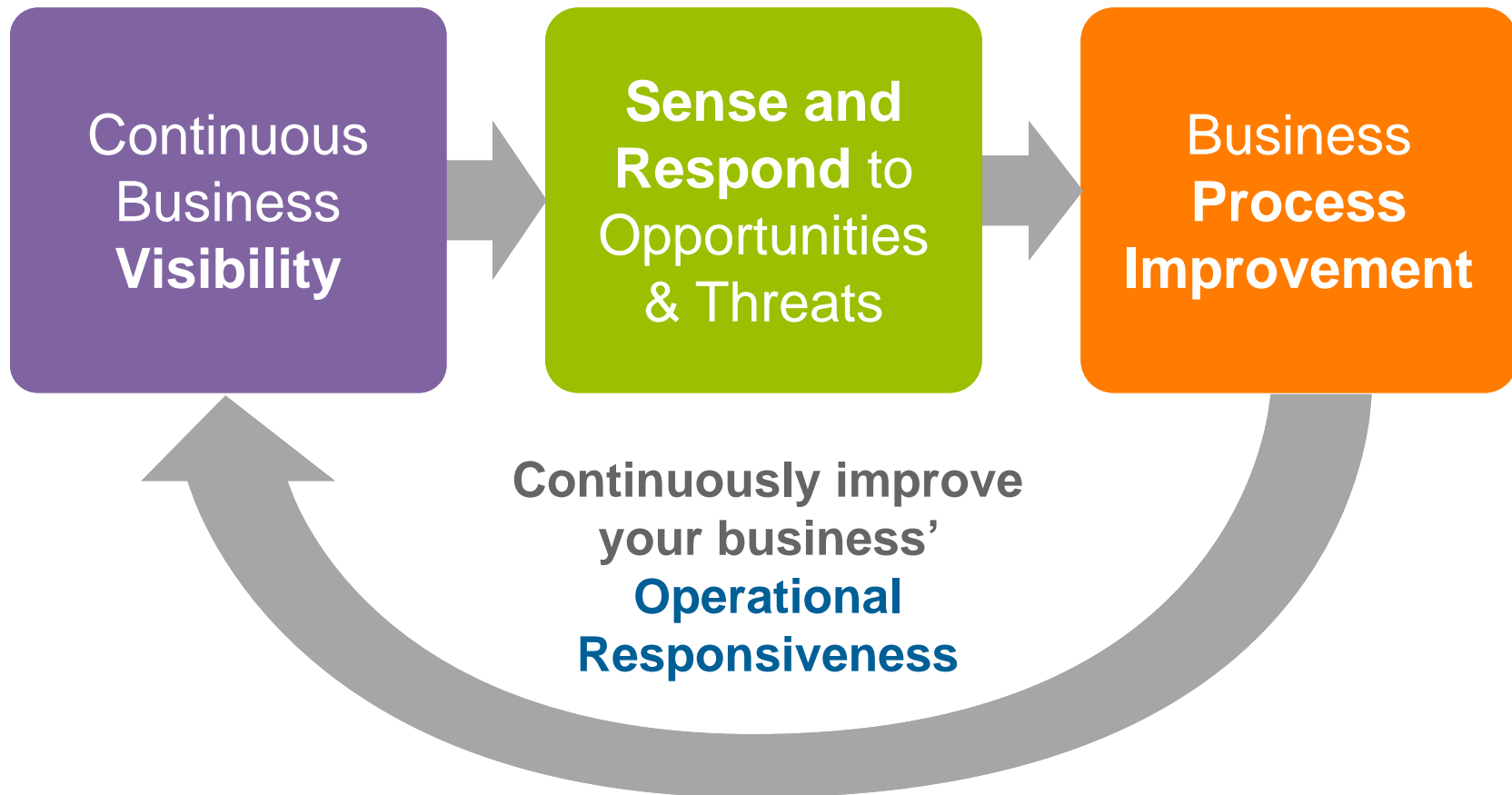
EMPLOYEES	~ 1,700
ANNUAL REVENUES	\$>530 million
STRONG CASH FLOWS	Over \$120M annually
OPERATING MARGINS *	~27%
GLOBAL REVENUE STREAMS	~ 53% international
CUSTOMER DIVERSIFICATION	140,000 Customers in over 175 countries



An enterprise software company that helps businesses become more operationally responsive

- 20 of the top 20 Banks
- 9 of the top 10 Telco Companies
- 8 of the top 10 Insurance Companies
- 7 of the top 10 Airlines
- 7 of the top 10 Hotels
- 4 of the top 5 Retailers
- 3 of the top 5 Transport & Logistics Companies
- 9 of the top 10 Enterprise Software Vendors

# The Responsive Process Management (RPM) Prescription



# Things can change in a flash...



# RPM: The Vision of the Integrated Suite



As simple to use as a single environment

Business Process Management Suites

**Responsive Process Management (RPM)**

Complex Event Processing

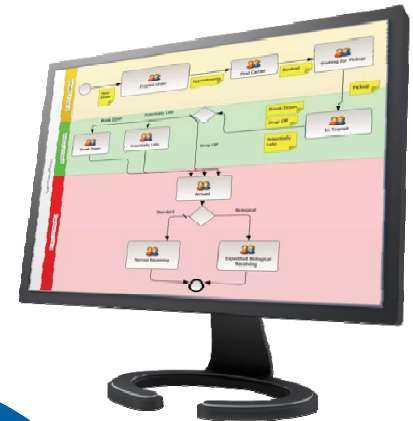
Business Analytics

Business Transaction Management

Business Rules Management

Seamless visibility & control

Seamless graphical modeling



# Converged RPM Market Opportunity



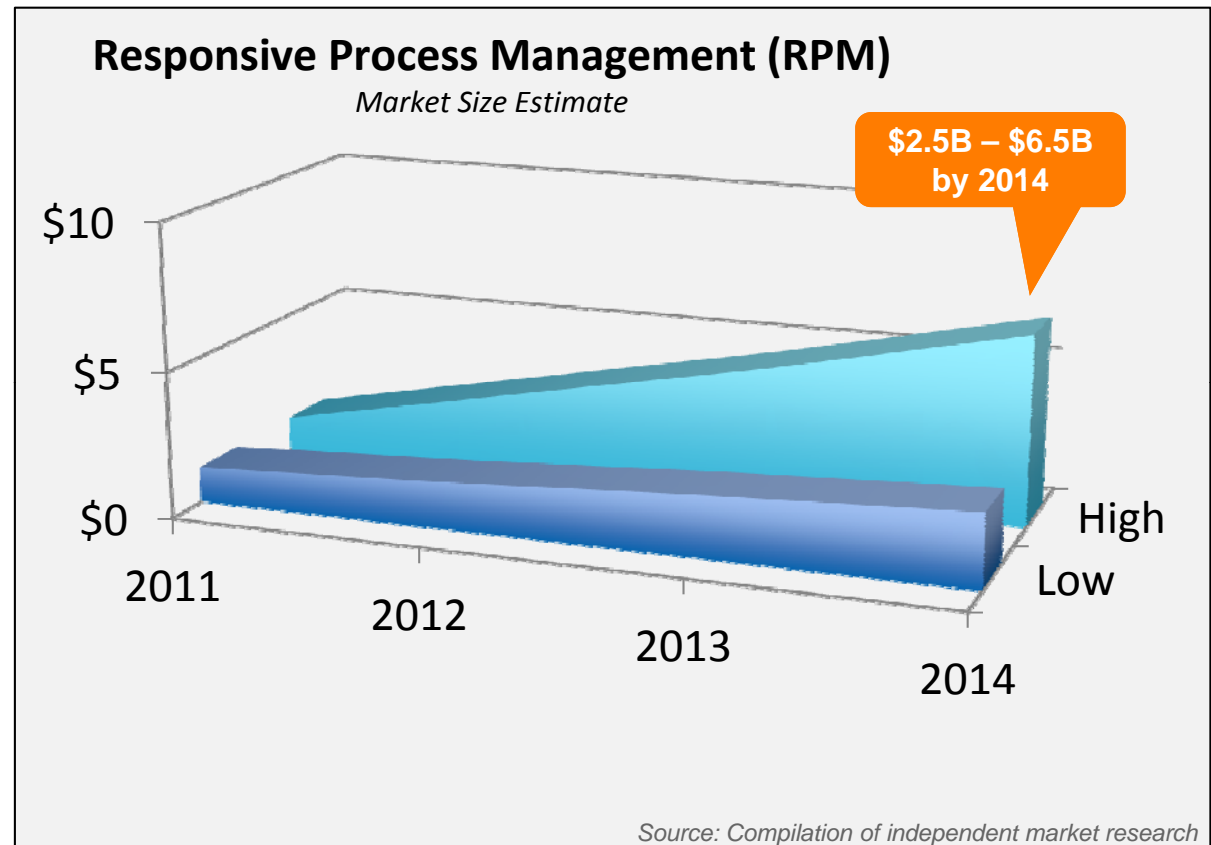
**IDC** – Maureen Fleming  
*“Business Navigation Systems”*



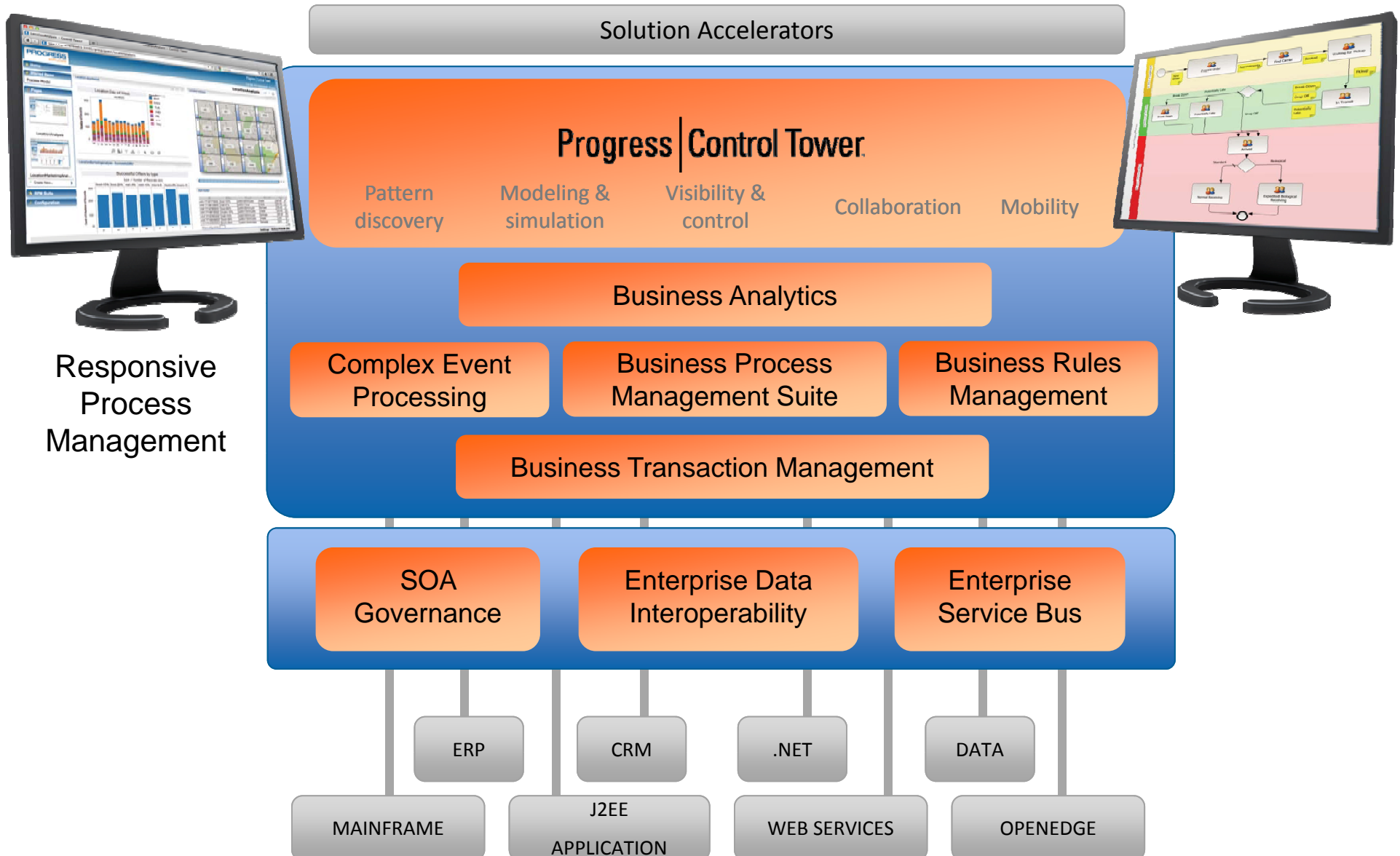
**Gartner** – Roy Schulte & Janelle Hill  
*“Intelligent Business Operations”*



**Forrester** – Mike Gualtieri, John Rymer, Mike Gilpin  
*“BEP envelope for BPM”*



# Our RPM Suite of Offerings



# How Tier 1 Trading Firms Make Progress: Increasing Revenue with High Frequency Trading



Pain: Increasing competition in fast-moving trading market

Solution: Rapid evolution of high frequency trading strategies that respond first

Value: \$100bn+ traded daily



Bank of Tokyo-Mitsubishi UFJ

CREDIT SUISSE



HSBC



JPMorganChase



Deutsche Bank



STATE STREET

citi

BMO



Bank of Montreal



Securities

# How Mobile Application Providers Make Progress: Increasing Revenue with Responsive Offers



Pain: Missing revenue opportunities to  
respond to customer  
location & context

Solution: Real-time Location and  
Context Aware Offers

Value: New multi-million \$  
revenue streams



at&t



vodafone



TURKCELL



# RPM also Driving OpenEdge11



## BPM Enabled

Progress | OpenEdge

Advanced Business  
Language

OpenEdge  
Application Server

OpenEdge  
RDBMS



OpenEdge  
DataServer



- **OpenEdge11** – The development platform for agile business applications
- Incredible application partner ecosystem
  - 1,400+ application partners
  - 5,000+ business apps
  - \$5B Progress community annual license revenue
- Contemporary advancements for relevance
  - RPM enablement
    - OpenEdge BPM
  - Cloud/SaaS Leadership

# Growth Strategy Driven Through Execution of Corporate Priorities



Tighten product integration



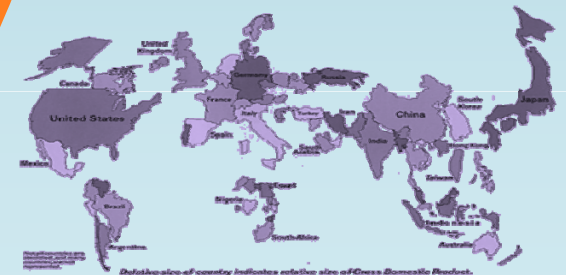
Strengthen field capabilities and capacity



Build marketplace momentum for the RPM value proposition

**Progress** | Responsive Process Management

Better penetrate select emerging markets



# We are in the middle of a transition



## REPOSITIONING



2010

2011

2012

2013

## FROM

### Best-in-Class Technology Provider

IT decision-maker  
IT-centric GTM strategy  
Product silo GTM strategy  
Small company mentality

## TO

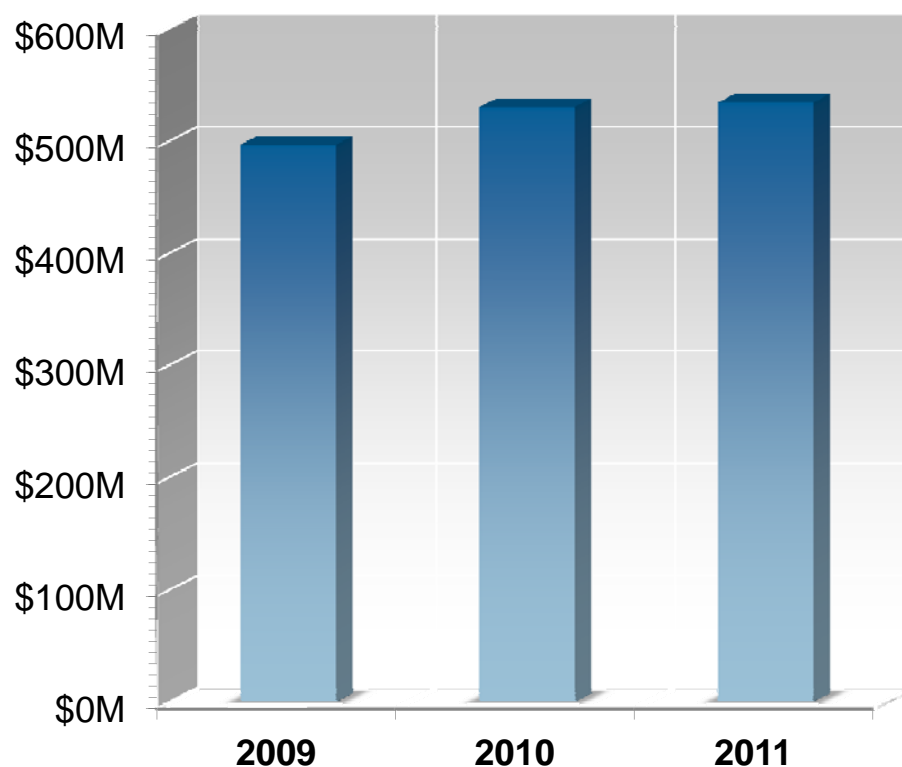
### Business Solution Provider

Business decision-maker  
IT-influenced  
Integrated global field organization  
Integrated product strategy  
“Scale” company mentality

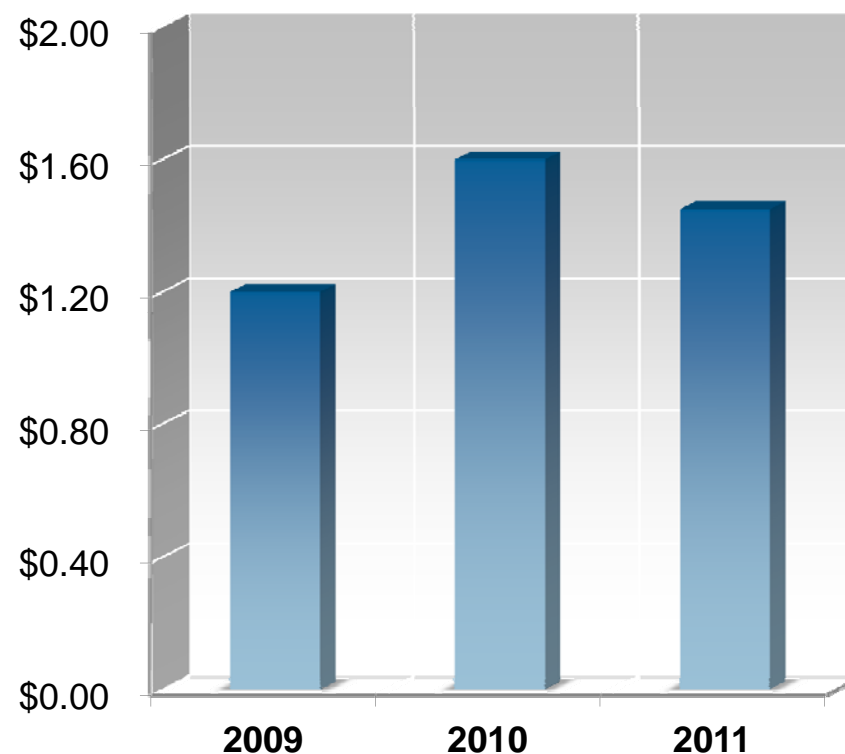
# Despite Changes, Progress Delivered Top Line Growth in 2011



## REVENUES



## NON-GAAP EPS



**Growth %:**

**+7%**

**+1%**

**Growth %:**

**Operating Margin 22%**

**33%**

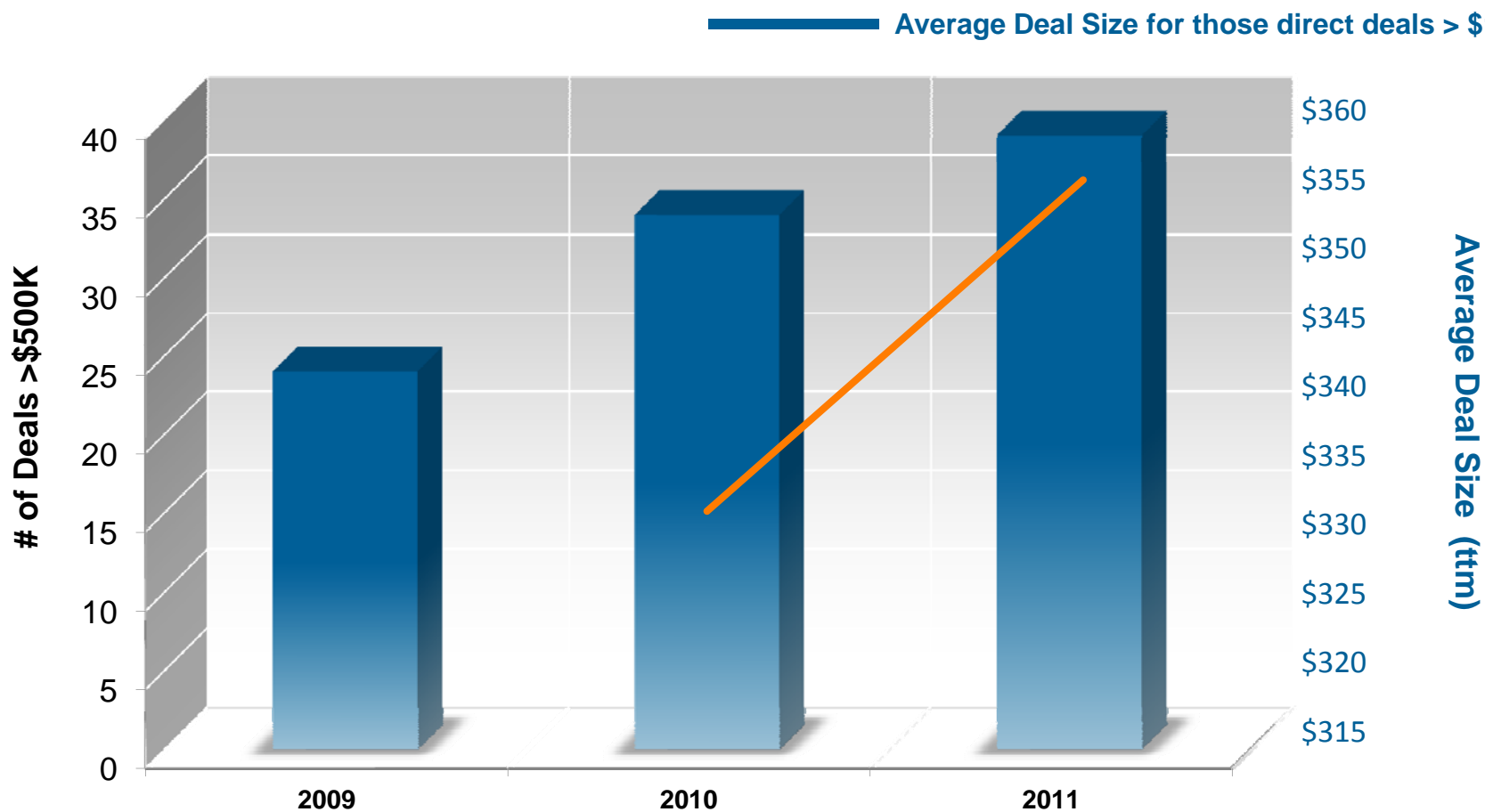
**30%**

**-9%**

**27%**

\* Non-GAAP earnings per share excludes amortization of acquired intangibles, other acquisition related expenses, stock-based compensation, option review costs, purchase accounting adjustments for deferred revenue and restructuring costs.

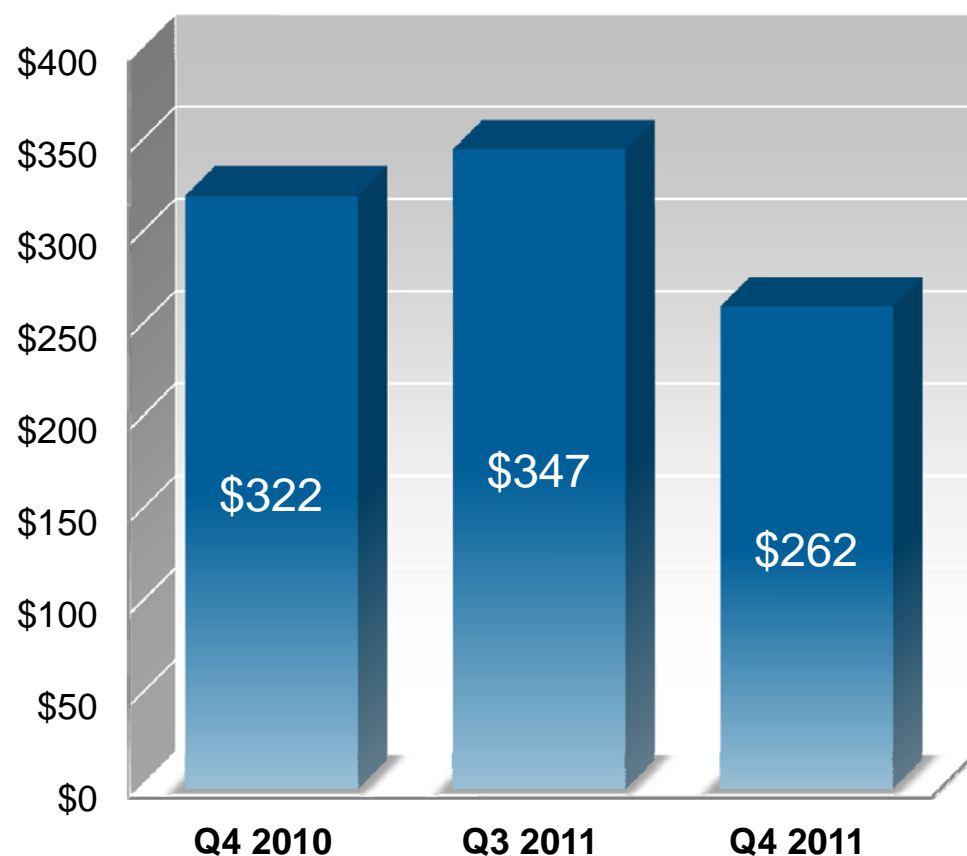
# Building Larger Volume and Average Deal Sizes



# Cash Flows Will Drive Future Investments



## Cash & Short-term Investments



- \$126M in Operating Cash Flow in 2011
- \$200M share repurchase in 2011
- \$150M Line of Credit
- Flexibility for M&A in support of growth strategy

# Why Invest in Progress



New management driving efficiency & growth

Integrated product suite has compelling business value for customers wanting operational responsiveness

Industry-focused direct field organization with solution delivery capabilities and new potential emerging markets

New products driving renewed engagement with OpenEdge application partner channel

Cash available for strategic M&A and share buy-backs



**PROGRESS**  
software



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