



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

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): June 25, 2008

**Progress Software Corporation**

(Exact name of registrant as specified in its charter)

Commission file number: 0-19417

Massachusetts  
(State or other jurisdiction of  
incorporation or organization)

04-2746201  
(I.R.S. employer  
identification no.)

14 Oak Park  
Bedford, Massachusetts 01730  
(Address of principal executive offices, including zip code)

(781) 280-4000  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- 
-

## **TABLE OF CONTENTS**

[Item 8.01. Other Events](#)

[Item 9.01. Financial Statements and Exhibits](#)

[SIGNATURES](#)

[EXHIBIT INDEX](#)

[EX-99.1 Script of Joint Webcast](#)

[EX-99.2 Extended Frequently Asked Questions](#)

[EX-99.3 Short Form Frequently Asked Questions](#)

[EX-99.4 Slide Presentation to Iona Employees](#)

[EX-99.5 Slide Presentation to Investors](#)

---

#### **Item 8.01. Other Events.**

On June 25, 2008, at 9:00 am, Progress Software Corporation, a Massachusetts corporation (“Progress Software”), and IONA Technologies PLC, a public limited company incorporated under Irish law (“IONA”) conducted a joint webcast conference call with investors and analysts regarding the contemplated acquisition pursuant to a scheme of arrangement under Section 201 of the Irish Companies Act of 1963 (the “Act”) whereby SPK Acquisition Limited (“SPK”), a private limited company incorporated under Irish law and a wholly-owned subsidiary of Progress Software, will acquire all of the issued and to be issued ordinary share capital of IONA for cash (the “Scheme”). The script of the webcast conference call is attached to this Current Report on Form 8-K as Exhibit 99.1 and incorporated herein by reference.

On June 25, 2008, Progress Software will post a list of frequently asked questions regarding the contemplated acquisition to its internal website. This list of frequently asked questions is attached to this Current Report on Form 8-K as Exhibit 99.2 and is incorporated herein by reference.

On June 25, 2008, Progress Software posted a list of frequently asked questions regarding the acquisition to its external website. This list of frequently asked questions is attached to this Current Report on Form 8-K as Exhibit 99.3, and is incorporated herein by reference.

On June 25, 2008, the members of management of Progress Software and IONA conducted a joint presentation regarding the acquisition to IONA employees. The slides that were used during the joint presentation to IONA employees are attached to this Current Report on Form 8-K as Exhibit 99.4, and are incorporated herein by reference.

On June 25, 2008, Progress Software and IONA conducted presentations for investors, analysts and media representatives regarding the acquisition. The slides that were used during these presentations are attached to this Current Report on Form 8-K as Exhibit 99.5, and are incorporated herein by reference.

#### **Forward-Looking Statements**

Certain items in this Form 8-K may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. Forward-looking statements are statements that contain predictions or projections of future events or performance, and often contain words such as “anticipates”, “can”, “estimates”, “believe”, “expects”, “projects”, “will”, “might”, or other words indicating a statement about the future. These statements are based on our current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual events to differ materially from those described in the forward-looking statements. Reliance should not be placed on any such statements because of their very nature, they are subject to known and unknown risks and uncertainties and can be affected by factors that could cause them to differ materially from those expressed or implied in the forward-looking statements. We can give no assurance that expectations will be attained. Risks, uncertainties and other important factors that could cause actual results to differ from those expressed or implied in the forward looking statements include: uncertainties as to the timing of the closing of Progress Software’s acquisition of IONA; uncertainties as to whether the shareholders of IONA will vote in favor of IONA’s acquisition by Progress Software; the risk that competing offers to acquire IONA will be made; the possibility that various closing conditions for the transaction may not be satisfied or waived, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the transaction; the effects of disruption from the transaction making it more difficult to maintain relationships with employees, licensees, other business partners or governmental entities; other business effects, including the effects of industry, economic or political conditions outside of Progress Software’s or IONA’s control; transaction costs; actual or contingent liabilities; uncertainties as to whether anticipated synergies will be realized; uncertainties as to whether IONA’s business will be successfully integrated with Progress Software’s business; and other risks and uncertainties discussed in documents filed with the U.S. Securities and Exchange Commission by Progress Software and IONA, including the Annual Report on Form 10-K filed by Progress Software on January 29, 2008, as well as the Quarterly Report on Form 10-Q filed by Progress Software on April 9, 2008, and the Annual Report on Form 10-K filed by IONA on March 14, 2008, as well as the Quarterly Report on Form 10-Q filed by IONA on May 12, 2008. Such forward-looking statements speak only as of the date of this announcement. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or change in events, conditions, or circumstances on which any such statement is based.

#### **Statement Required by the Takeover Rules**

The directors of SPK and the directors of Progress Software accept responsibility for the information contained in this Form 8-K. To the best of the knowledge and belief of the directors of SPK and the directors of Progress Software (who have taken all reasonable care to ensure that such is the case), the information contained in this Form 8-K for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### **Important Additional Information and Where to Find It**

In connection with the acquisition, IONA intends to file with the Securities and Exchange Commission and mail to its shareholders a proxy statement (comprising the scheme of arrangement document). Investors and shareholders of IONA are urged to read the proxy statement (comprising the scheme of arrangement document) and the other relevant materials when they become available because they will contain important information about Progress Software, SPK, IONA and the proposed acquisition and related matters.

---

## Table of Contents

The proxy statement (comprising the scheme of arrangement document) and other relevant materials (when they become available), and any and all documents filed by Progress Software and IONA with the Securities and Exchange Commission, may be obtained free of charge at the Securities and Exchange Commission's web site at [www.sec.gov](http://www.sec.gov). In addition, investors and shareholders may obtain free copies of the documents filed with the Securities and Exchange Commission by Progress Software by directing a written request to Progress Software, 14 Oak Park Drive, Bedford, Massachusetts 01730, United States of America, Attention: Investor Relations, and by IONA by directing a written request to IONA, c/o IONA Technologies, Inc., 200 West Street, Waltham, Massachusetts 02451, United States of America, Attention: Investor Relations.

INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT (COMPRISING THE SCHEME OF ARRANGEMENT DOCUMENT) AND THE OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE PROPOSED ACQUISITION.

As of the date of this Form 8-K, Progress Software and its affiliates own 362,000 IONA shares in total, representing approximately 0.99 per cent of the issued share capital of IONA and have an economic interest, through contracts for difference, in 1,442,873 IONA shares in total, representing approximately 3.95 per cent of the issued share capital of IONA.

Progress Software, SPK Acquisitions Limited and IONA Technologies plc and their respective executive officers and directors may be deemed to be participants in the solicitation of proxies from the shareholders of IONA in connection with the acquisition. Information about those executive officers and directors of Progress is set forth in Progress Software's Annual Report on Form 10-K for the year ended 30 November 2007, which was filed with the Securities and Exchange Commission on 29 January 2008, the proxy statement for Progress Software's 2008 Annual Meeting, which was filed with the Securities and Exchange Commission on 24 March 2008, and is supplemented by other public filings made, and to be made, with the Securities and Exchange Commission. Information about those executive officers and directors of IONA and their ownership of IONA Shares is set forth in IONA's Annual Report on Form 10-K for the year ended 31 December 2007, which was filed with the Securities and Exchange Commission on 14 March 2008, and the proxy statement for IONA's 2008 Annual General Meeting, which was filed with the Securities and Exchange Commission on 29 April 2008, and is supplemented by other public filings made, and to be made, with the Securities and Exchange Commission. Investors and shareholders may obtain additional information regarding the direct and indirect interests of Progress Software, SPK Acquisitions Limited, IONA and their respective executive officers and directors in the acquisition by reading the proxy statement (comprising the scheme of arrangement document) and other filings referred to above.

### **Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

See Exhibit Index attached hereto.

### **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 25, 2008

Progress Software Corporation

By: /s/ Norman R. Robertson

Senior Vice President, Finance and Administration  
and Chief Financial Officer

---

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Script of Joint Webcast Conference Call held on June 25, 2008.
99.2	Extended Frequently Asked Questions.
99.3	Short Form Frequently Asked Questions.
99.4	Slide Presentation to IONA Employees held on June 25, 2008.
99.5	Slide Presentation to Investors, Analysts and Media Representatives held on June 25, 2008.

**Legal Information**

The directors of IONA accept responsibility for the information contained in this document relating to IONA, the IONA Group, the directors of IONA and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the directors of IONA (who have taken all reasonable care to ensure such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of Progress Software and the directors of Progress Software's subsidiary, SPK Acquisitions Limited ("SPK"), accept responsibility for the information contained in this document. To the best of the knowledge and belief of the directors of SPK and the directors of Progress (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Lehman Brothers, which is regulated under the laws of the United States of America, is acting exclusively for the Board of IONA and no one else in connection with the Acquisition and will not be responsible to anyone other than the Board of IONA for providing the protections afforded to clients of Lehman Brothers or for providing advice in relation to the Acquisition, the contents of this document or any transaction or arrangement referred to herein.

Davy Corporate Finance, which is regulated by the Financial Regulator in Ireland, is acting exclusively for IONA and no one else in connection with the Acquisition and will not be responsible to anyone other than IONA for providing the protections afforded to clients of Davy Corporate Finance or for providing advice in relation to the Acquisition, the contents of this filing or any transaction or arrangement referred to herein.

Merrion Stockbrokers Limited, which is regulated by the Financial Regulator in Ireland, is acting exclusively for IONA and no one else in connection with the Acquisition and will not be responsible to anyone other than IONA for providing the protections afforded to clients of Merrion Stockbrokers Limited or for providing advice in relation to the Acquisition, the contents of this filing or any transaction or arrangement referred to herein.

Goodbody Corporate Finance, which is regulated by the Financial Regulator in Ireland, is acting exclusively for SPK and Progress and no one else in connection with the Acquisition and will not be responsible to anyone other than SPK and Progress for providing the protections afforded to customers of Goodbody Corporate Finance or for providing advice in relation to the Acquisition, the contents of this document or any transaction or arrangement referred to herein.

Any person who is a holder of 1% or more of the share capital of IONA may have disclosure obligations under Rule 8.3 of the Irish Takeover Rules, effective from the date of the commencement of the offer period in respect of the acquisition.

---

The distribution of this document in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of this document and all other documents relating to the acquisition are not being, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where it would be unlawful to do so. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute an offer or invitation to purchase, sell, subscribe or exchange or the solicitation of an offer to purchase, sell, subscribe or exchange any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the acquisition, the scheme of arrangement or otherwise.

Certain items in this document may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. Forward-looking statements are statements that contain predictions or projections of future events or performance, and often contain words such as “anticipates”, “can”, “estimates”, “believe”, “expects”, “projects”, “will”, “might”, or other words indicating a statement about the future. These statements are based on our current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual events to differ materially from those described in the forward-looking statements. Reliance should not be placed on any such statements because of their very nature, they are subject to known and unknown risks and uncertainties and can be affected by factors that could cause them to differ materially from those expressed or implied in the forward-looking statements. We can give no assurance that expectations will be attained. Risks, uncertainties and other important factors that could cause actual results to differ from those expressed or implied in the forward looking statements include: uncertainties as to the timing of the closing of Progress Software’s acquisition of IONA; uncertainties as to whether the shareholders of IONA will vote in favor of IONA’s acquisition by Progress Software; the risk that competing offers to acquire IONA will be made; the possibility that various closing conditions for the transaction may not be satisfied or waived, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the transaction; the effects of disruption from the transaction making it more difficult to maintain relationships with employees, licensees, other business partners or governmental entities; other business effects, including the effects of industry, economic or political conditions outside of Progress Software’s or IONA’s control; transaction costs; actual or contingent liabilities; uncertainties as to whether anticipated synergies will be realized; uncertainties as to

---



whether IONA's business will be successfully integrated with Progress Software's business; and other risks and uncertainties discussed in documents filed with the U.S. Securities and Exchange Commission by Progress Software and IONA, including the Annual Report on Form 10-K filed by Progress Software on January 29, 2008, as well as the Quarterly Report on Form 10-Q filed by Progress Software on April 9, 2008, and the Annual Report on Form 10-K filed by IONA on March 14, 2008, as well as the Quarterly Report on Form 10-Q filed by IONA on May 12, 2008. Such forward-looking statements speak only as of the date of this document. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or change in events, conditions, or circumstances on which any such statement is based.

#### **Important Additional Information and Where to Find It**

In connection with the acquisition, IONA intends to file with the Securities and Exchange Commission and mail to its shareholders a proxy statement (comprising the scheme of arrangement document). Investors and shareholders of IONA are urged to read the proxy statement (comprising the scheme of arrangement document) and the other relevant materials when they become available because they will contain important information about Progress, IONA and the proposed acquisition and related matters.

The proxy statement (comprising the scheme of arrangement document) and other relevant materials (when they become available), and any and all documents filed by Progress Software and IONA with the Securities and Exchange Commission, may be obtained free of charge at the Securities and Exchange Commission's web site at [www.sec.gov](http://www.sec.gov). In addition, investors and shareholders may obtain free copies of the documents filed with the Securities and Exchange Commission by Progress Software by directing a written request to Progress Software, 14 Oak Park Drive, Bedford, Massachusetts 01730, United States of America, Attention: Investor Relations, and by IONA by directing a written request to IONA, c/o IONA Technologies, Inc., 200 West Street, Waltham, Massachusetts 02451, United States of America, Attention: Investor Relations.

**INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT (COMPRISING THE SCHEME OF ARRANGEMENT DOCUMENT) AND THE OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE PROPOSED ACQUISITION.**

As of the date of this document, Progress Software and its subsidiaries own 362,000 IONA shares in total, representing approximately 0.99 per cent of the issued share capital of IONA and have

---

an economic interest, through contracts for difference, in 1,442,873 IONA shares in total, representing approximately 3.95 per cent of the issued share capital of IONA.

Progress Software, SPK Acquisitions Limited and IONA Technologies plc and their respective executive officers and directors may be deemed to be participants in the solicitation of proxies from the shareholders of IONA in connection with the acquisition. Information about those executive officers and directors of Progress is set forth in Progress Software's Annual Report on Form 10-K for the year ended 30 November 2007, which was filed with the Securities and Exchange Commission on 29 January 2008, the proxy statement for Progress Software's 2008 Annual Meeting, which was filed with the Securities and Exchange Commission on 24 March 2008, and is supplemented by other public filings made, and to be made, with the Securities and Exchange Commission, Information about those executive officers and directors of IONA and their ownership of IONA Shares is set forth in IONA's Annual Report on Form 10-K for the year ended 31 December 2007, which was filed with the Securities and Exchange Commission on 14 March 2008, and the proxy statement for IONA's 2008 Annual General Meeting, which was filed with the Securities and Exchange Commission on 29 April 2008, and is supplemented by other public filings made, and to be made, with the Securities and Exchange Commission. Investors and shareholders may obtain additional information regarding the direct and indirect interests of Progress Software, SPK Acquisitions Limited, IONA and their respective executive officers and directors in the acquisition by reading the proxy statement (comprising the scheme of arrangement document) and other filings referred to above.

*Progress is a registered trademark of Progress Software Corporation or one of its affiliates or subsidiaries in the U.S. and other countries. Any other trademark contained herein are the property of their respective owners. IONA, IONA Technologies, the IONA logo, Orbix, High Performance Integration, Artix, FUSE and Making Software Work Together are trademarks or registered trademarks of IONA Technologies PLC and/or its subsidiaries. CORBA is a trademark or registered trademark of the Object Management Group, Inc. in the United States and other countries. All other trademarks that may appear herein are the property of their respective owners.*

---

# FINAL TRANSCRIPT

**Thomson StreetEvents<sup>SM</sup>**

**PRGS - Progress Software Corporation to Acquire IONA Technologies**

Event Date/Time: Jun. 25. 2008 / 9:00AM ET

---

Jun. 25. 2008 / 9:00AM, PRGS — Progress Software Corporation to Acquire IONA Technologies

---

## CORPORATE PARTICIPANTS

### **Bud Robertson**

*Progress Software Corporation — SVP, Finance/Admin. & CFO*

### **Joe Alsop**

*Progress Software Corporation — Co-founder & CEO*

### **Peter Zotto**

*IONA Technologies — CEO*

### **Chris Mirabile**

*IONA Technologies — CFO*

### **Pat Walsh**

*IONA Technologies — VP, Marketing*

### **Jeff Stamen**

*Progress Software Corporation — SVP, Corporate Development & Strategy*

## CONFERENCE CALL PARTICIPANTS

### **Brent Williams**

*The Benchmark Company — Analyst*

### **Richard Davis**

*Needham & Co. — Analyst*

### **Jean Orr**

*Nutmeg Securities — Analyst*

### **Robert Kirkpatrick**

*Cardinal Capital — Analyst*

## PRESENTATION

### **Operator**

Good day, everyone and welcome to the Progress Software Corporation conference call. Today's conference is being recorded. At this time, I would like to turn the conference over to Mr. Bud Robertson, Chief Financial Officer.

### **Bud Robertson - Progress Software Corporation — SVP, Finance/Admin. & CFO**

Good morning. This is Bud Robertson, Senior Vice President of Finance and Administration and Chief Financial Officer of Progress Software Corporation. Joining me today are Joe Alsop, Co-founder and CEO and members of the senior management team of Progress Software. Also joining us today from IONA Technologies are Peter Zotto, Chief Executive Officer; Christopher Mirabile, Chief Financial Officer, and members of their senior management team.

The matters we will be discussing today other than historical financial information consists of forward-looking statements that involve certain risks and uncertainties. Statements indicating that we expect, estimate, believe, are planning or plan to are forward-looking as are other statements concerning future financial results, product offerings or other events that have not yet occurred.

There are several important risk factors which could cause actual results or events to materially — differ materially from those anticipated by the forward-looking statements contained in our discussion today. Information on this respect is included in our Securities and Exchange Commission reports. We reserve the right to change our budget, product focus, product release dates,

---

**Jun. 25, 2008 / 9:00AM, PRGS — Progress Software Corporation to Acquire IONA Technologies**

---

plans and financial projections from time to time as circumstances warrant. We shall have no obligation to update or modify the information contained in our discussion in the future when such changes occur.

This conference call will be recorded in its entirety and be available on our website at [www.progress.com](http://www.progress.com) under the Investor Relations section.

We announced this morning that we have signed a definitive agreement under which Progress Software has agreed to acquire IONA for \$4.05 per share in cash. This represents a total equity value of approximately \$162 million and approximately \$106 million net of cash and marketable securities recorded on March 31, 2008. The price represents a 16% increase over the average price for IONA shares over the six months prior to the offer period announced by IONA on February 8, 2008.

The IONA Technologies' Board of Directors has unanimously approved the transaction and each IONA Technologies Director has entered into an agreement to vote in favor of the transaction. The acquisition is expected to close in September.

The acquisition will be effected by means of a scheme of arrangement under Irish law. The acquisition will be subject to the terms and conditions to be set forth in the scheme of arrangement documents to be delivered to IONA shareholders. To become effective, the scheme of arrangement requires, among other things, the approval of a majority in the number of IONA shareholders present in vote in person or by proxy representing 75% or more in value of the IONA shares held by such holders.

We anticipate the effect of the acquisition on non-GAAP earnings per share, which excludes acquisition-related expenses, amortization of acquired intangibles and any potential in-process research and development to be neutral or dilutive in the remainder of fiscal 2008 depending on the timing of the close and accretive in fiscal 2009. We will be giving more detailed guidance at our Q3 earnings conference call, which will be held on Thursday, September 18 at 9 a.m. I would now like to turn the call over to Joe Alsop, Co-founder and CEO of Progress Software, for a few comments.

**Joe Alsop - Progress Software Corporation — Co-founder & CEO**

Good morning, everyone. This is Joe Alsop. We feel that the combination of Progress Software and IONA creates the industry choice for a truly independent, heterogeneous, SOA infrastructure. IONA products complement the Progress SOA portfolio with leading edge, best-in-class technology and now with the widest variety of heterogeneous deployment options and interoperability.

And IONA brings an experienced and talented team to Progress that has built a reputation with Global 2000 enterprises for addressing the most complex integration challenges through innovative and cost-effective solutions.

Through its Artix productline, IONA provides some of the industry's most advanced Web standard-based integration technologies in support of an SOA. In addition, IONA offers Open Source SOA integration components through its FUSE productline and for 15 years, IONA has been the industry leader in CORBA integration technology, a well-established integration standard currently relied on in mission-critical IT systems by some of the world's largest companies.

The IONA products complement the Progress SOA portfolio, which consists of best-in-class products that can be used standalone or together to form an entire SOA infrastructure. With the addition of IONA technology, existing, high-performance applications written in C++, or those built to the CORBA standard, [can] now exposed to reusable services that fully participate in a Web standards SOA implementation.

In addition, IONA also has smart endpoint integration technology with Microsoft's .NET Windows Communication Framework and the popular Open Source Spring Java application framework. These smart endpoints, service-enabling almost all existing applications, can work within any IT environment through a wide variety of network protocols and are fully compatible with the Sonic ESB in order to form a complete SOA backbone for heterogeneous integration and interoperability.

---

**Jun. 25. 2008 / 9:00AM, PRGS — Progress Software Corporation to Acquire IONA Technologies**

---

Numerous large enterprises use innovative and robust IONA technology for their most high-performance and mission-critical systems, primarily in the telecommunications, financial services, manufacturing and government markets. These customers will have access to all the complementary products from the Progress SOA portfolio as they implement an SOA framework for integration of existing applications and for new development.

It is now my pleasure — well, no. Before we open up the call to questions, I would like to say that it is my pleasure to introduce Peter Zotto, CEO of IONA. Peter?

**Peter Zotto - IONA Technologies — CEO**

Thank you, Joe. I am delighted to be able to announce this joining together of two great companies. Combining IONA's innovative technology, unique hybrid business model and expertise in large-scale integration with the Progress' complementary set of SOA products and resources creates a unique opportunity to form a market-leading company with the breadth, the resources and innovation to deliver significant value to IONA customers.

This comes at the tail end of a very thorough public evaluation of IONA's strategic alternatives undertaken with the support of external advisers. We spoke to many companies throughout the process and I am delighted that following a competitive bid process, we reached this conclusion with Progress Software and I feel it represents an excellent value for IONA shareholders and a great home for IONA's customers, IONA's people and technology assets. With that, let me turn it back to Bud.

**Bud Robertson - Progress Software Corporation — SVP, Finance/Admin. & CFO**

Thanks, Peter. I would now like to open the call up to your questions. We will first take questions from the analysts that publish research on Progress Software and then questions from anyone on the call.

## QUESTIONS AND ANSWERS

**Operator**

(OPERATOR INSTRUCTIONS). Brent Williams, Benchmark Company.

**Brent Williams - The Benchmark Company — Analyst**

So a couple of housekeeping questions. First off, would we look for — IONA at about 15% of revenue on G&A — would we look for you guys with Progress to be able to eliminate most of those costs fairly quickly after closing the deal or do you think there is going to be a timeframe to really consolidate G&A?

**Bud Robertson - Progress Software Corporation — SVP, Finance/Admin. & CFO**

Brent, this is Bud. Under Irish takeover codes, we cannot comment further on the earnings that we have just given the guidance on that. So we are working with the Irish — the takeover code people to see when we can give some guidance, but right now the rules are until the acquisition is completed, we can't give any guidance.



THOMSON

[www.streetevents.com](http://www.streetevents.com)

[Contact Us](#)

3

© 2008 Thomson Financial. Republished with permission. No part of this publication may be reproduced or transmitted in any form or by any means without the prior written consent of Thomson Financial.

---

---

Jun. 25. 2008 / 9:00AM, PRGS — Progress Software Corporation to Acquire IONA Technologies

---

**Brent Williams** - *The Benchmark Company* — Analyst

Okay. Okay, so maybe for Chris, just a quick sort of data point question. Chris, do you happen to know offhand what the annual lease payment is on the Waltham offices and what the lease payments are for sales offices throughout the US?

**Chris Mirabile** - *IONA Technologies* — CFO

No, I don't know that offhand. It is in our 10-K though.

**Brent Williams** - *The Benchmark Company* — Analyst

Okay. Can you tell us exactly when — or approximately when you guys started having serious discussions that ultimately led to an agreement?

**Chris Mirabile** - *IONA Technologies* — CFO

As we mentioned, we put our first announcement out on February 8 and then we announced that we were bringing a bank into the mix on February 20 and I think we discussed on our call that our process began immediately prior to the February 8 announcement and went continuously from February 8 until today.

**Brent Williams** - *The Benchmark Company* — Analyst

Okay. I was asking was that with — was the discussions that led you to make the announcement on February 8 because of an approach from Progress Software or did the discussions specifically with Progress Software begin later?

**Chris Mirabile** - *IONA Technologies* — CFO

We are under NDA with regard to all the parties in the process, so we can't comment on that, but it was, as we said, the whole process was kicked off by an approach.

**Brent Williams** - *The Benchmark Company* — Analyst

Okay. Now bouncing over to product-related stuff, in thinking about FUSE, obviously there continues to be just interest in Open Source as a way to do integration and ESBs and so forth. Will FUSE continue to be a standalone project of the sort of what I guess becomes the IONA division or do you have any thoughts of how to get FUSE integrated with say Sonic in some synergetic way either as a technology integration or as a marketing message and might there even be a way to do that with the DataDirect side as well?

**Joe Alsop** - *Progress Software Corporation* — Co-founder & CEO

Brent, this is Joe. We are definitely committed to continuing and enhancing the FUSE initiative. The exact details of how we will set up FUSE haven't yet been worked out. I would say that they would probably have little to do with DataDirect, which you mentioned kind of at the tail end of your questions, but we think it will be a very important part of the SOA portfolio or the SOA infrastructure productline going forward.

---

Jun. 25, 2008 / 9:00AM, PRGS — Progress Software Corporation to Acquire IONA Technologies

---

**Brent Williams** - *The Benchmark Company* — Analyst

Okay. Let's see. In terms of the accounts either where CORBA is sold or where Artix is sold in particular, how much overlap in customer base have you seen with say the Sonic piece or maybe even with other pieces of the EID like ObjectStore?

**Joe Alsop** - *Progress Software Corporation* — Co-founder & CEO

Okay so the question is how many — are you talking about sales engagements or are you talking about existing customers?

**Brent Williams** - *The Benchmark Company* — Analyst

I'm talking about existing customers and maybe sales engagements as well, but I was really looking at the customer base overlap.

**Joe Alsop** - *Progress Software Corporation* — Co-founder & CEO

Okay, so let me start with the customer base. I would say probably it applies in both cases. There is occasional overlap and occasional situations where we have competed, i.e., occasional overlap in our customer bases, customers that have product from both IONA and Progress Software installed and occasionally we compete, but it has been very, very minor.

What has been a very positive thing is that the actual productline for SOA management [divisibility] has been taken on by IONA as their technology to address those needs. That has led to a number of joint engagements where IONA is selling Artix and along with Actional, that has been very positive.

In general, the Artix technology is more focused on implementing smart endpoints like say the Sonic technology in particular where the most obvious overlap could occur. It is much more focused on supplying a superior technology in a distributed network environment and I think that is one of the reasons why we see a maximum amount of synergy and a minimum amount of overlap and conflict going forward.

**Brent Williams** - *The Benchmark Company* — Analyst

Okay, that's it for now. Thanks.

**Operator**

(OPERATOR INSTRUCTIONS). Richard Davis, Needham & Co.

**Richard Davis** - *Needham & Co.* — Analyst

Thanks. So with regard to the kind of CORBA/Orbix business, what is kind of notionally the expected kind of glide path on this because CORBA is not a bad business, but it is obviously — at least most people wouldn't call it a dynamic growth segment. At least notionally how should investors think about this side of the equation?

**Peter Zotto** - *IONA Technologies* — CEO

Richard, this is Peter Zotto. How are you? I think you should think of the CORBA business as a very predictable, highly profitable, stable business. There will be some decline over time. On a quarter-to-quarter basis, it might be a little lumpy. Sometimes it



---

**Jun. 25. 2008 / 9:00AM, PRGS — Progress Software Corporation to Acquire IONA Technologies**

---

actually might go up as we have seen over the last three or four years. It's a fairly predictable business and for the last three or four years, we have been pretty confident of [supplying].

**Richard Davis - Needham & Co. — Analyst**

Now does it eventually get — is the challenge to CORBA, is it more kind of a Web browser, http, EJB and stuff like that or what is the alternatives that I am thinking about if I am a developer and I am considering various toolkits and things? What am I — what are the competitive things that I need to think about there?

**Peter Zotto - IONA Technologies — CEO**

Probably a variety of things, but I think clearly the initial competitive environment, as well as the Java technology (inaudible). I think going forward, the [photo] business is really — and CORBA technology is embedded in some pretty mission-critical systems. It is unlikely that they will probably be written out significantly over the next few years. Pat, you might want to add on to that.

**Pat Walsh - IONA Technologies — VP, Marketing**

Yes, hi. This is Pat Walsh from IONA. In addition to that what we find is that due to the mission-critical nature of the CORBA applications is that they tend to be extended by some of the technologies that you are discussing, particularly ESBs like Sonic and like the Artix ESB. So rather than replacing, what we see is an extension of the CORBA implementation and that really lends itself to the predictability of the business that Peter mentioned.

**Richard Davis - Needham & Co. — Analyst**

That makes sense.

**Jeff Stamen - Progress Software Corporation — SVP, Corporate Development & Strategy**

Jeff Stamen here from Progress. Just want to add that there is a lot of CORBA technology out there and one of the things that IONA brings is not only the CORBA technology base, but all of the interface to CORBA technology to enable it to fit into the ESB. So right out of the box, Artix technology will take people who have a CORBA service and create it into a service that can be used on a Sonic [Plus] for example.

**Richard Davis - Needham & Co. — Analyst**

Got it. Okay, that's helpful.

**Joe Alsop - Progress Software Corporation — Co-founder & CEO**

Richard, not to totally beat this dead horse totally to death —

**Richard Davis - Needham & Co. — Analyst**

I figured I would hit a nerve on this anyway. Go ahead.

THOMSON

[www.streetevents.com](http://www.streetevents.com)

[Contact Us](#)

6

© 2008 Thomson Financial. Republished with permission. No part of this publication may be reproduced or transmitted in any form or by any means without the prior written consent of Thomson Financial.

---

---

Jun. 25. 2008 / 9:00AM, PRGS — Progress Software Corporation to Acquire IONA Technologies

---

**Joe Alsop** - Progress Software Corporation — Co-founder & CEO

(Multiple speakers). But it is a good horse, and as part of the investigation and due diligence work, we spoke to a number of IONA customers and partners and what we discovered is a pattern that perhaps is fairly common in the industry, which is something may have fallen out of favor with the fashion gods, but in fact, it is doing incredibly useful stuff.

And to echo what Peter said, it is deeply embedded in mission-critical systems, high-performance, incredible transaction rates. I think I remember speaking to one customer who said well, you know, we would like to go with something “more modern”, but whenever they really dug into it and looked into what they were up against, they rapidly discovered that the CORBA technology from IONA was really the only thing that would scale to the kinds of transaction rates that they needed. And so we came away — we went into it with perhaps a bit of a skeptical view, but we came away fully convinced that there are lots of opportunities and they are extremely satisfied customers.

**Richard Davis** - Needham & Co. — Analyst

Got it. Okay, that makes sense. I appreciate it. Thanks.

**Operator**

Brent Williams, Benchmark Company.

**Brent Williams** - The Benchmark Company — Analyst

I am not sure if this is for Peter or if this is for somebody on the Progress side. But maybe start with Peter, in looking at the challenges that you have faced over the last year or two, are there opportunities that, now that you are part of Progress and that you are able to take advantage of shared infrastructure and so forth to free up some resources and maybe focus on developing new customer programs, is there any opportunity to upsell service or support offerings, maybe increase premium support programs, more on-site support or something, particularly to the CORBA customer base?

In other words, does doing this deal allow you to do something to even grow the CORBA revenue stream on sort of a per capita basis, just apples-to-apples because I mean we are seeing people I think take a renewed focus in a number of companies on increasing support revenue per capita via increasing value?

**Peter Zotto** - IONA Technologies — CEO

In general, we think, from a combination of the two companies, there is a lot of attention and a lot of synergies across the productline. From a CORBA point of view, I think it is a little early to speculate what we might want to do going forward, but I think what we have said about the long tail of the CORBA business is pretty much the same answer. It's a predictable business, very profitable. It is extensible through existing technologies, but beyond that, I wouldn't speculate what the potential is outside that.

**Brent Williams** - The Benchmark Company — Analyst

Okay, I was focusing on service rather than necessarily new license revenue-type products.



---

Jun. 25. 2008 / 9:00AM, PRGS — Progress Software Corporation to Acquire IONA Technologies

---

**Peter Zotto** - IONA Technologies — CEO

If you are talking about raising prices, I think that probably it's a little early to tell. We, over the last four years, decided not to raise prices and support prices on services. We felt that was not good for customer satisfaction.

**Joe Alsop** - Progress Software Corporation — Co-founder & CEO

Brent, this is Joe. I think the big benefit here is the removal of uncertainty so that to the extent that customers and prospects may have been holding back on making a final decision to move ahead with any IONA technology — you seem to have focused on Orbix, but I am really thinking more generally — that I think that will free up some opportunities. I don't think there is any other impact certainly on the services side or on pricing or anything like that. I mean that is just not something that we see as even appropriate to talk about.

But the thing that has me optimistic about the opportunities out of the gate is that IONA will now become part of a \$[500,000] plus, well-established software company, application infrastructure software company and that will make it a lot easier for customers who perhaps saw the superiority of the technology, but because of the very open and visible nature of the process that IONA went through and the size of the company, maybe it held back making that final purchase commitment.

**Brent Williams** - The Benchmark Company — Analyst

Got it. Okay. Thank you.

**Operator**

Nutmeg Securities.

**Jean Orr** - Nutmeg Securities — Analyst

Thank you. Can you talk about what level of integration you plan for the two companies?

**Joe Alsop** - Progress Software Corporation — Co-founder & CEO

No, as I mentioned, Jean, we can't talk about that right at this moment.

**Jean Orr** - Nutmeg Securities — Analyst

I was thinking from an operational standpoint, not from a financial standpoint.

**Joe Alsop** - Progress Software Corporation — Co-founder & CEO

Okay. Well, most of the IONA products will be aligned with the Progress SOA portfolio and beyond that, I don't think there is a tremendous amount to say. There may be some exceptions to that. We will continue to run the FUSE business pretty much as it has been run now. We are certainly intrigued by the Artix data services, formally C24 business, which is also sold into the financial services market where we have had tremendous success with Apama and there may be some synergies with our DataXtend SI products that is focused on the telco space.

---

**Jun. 25. 2008 / 9:00AM, PRGS — Progress Software Corporation to Acquire IONA Technologies**

---

So there is a number of things to be worked out. I think there is a number of exciting vertical markets, potential synergies that we will certainly be investigating. The regulatory requirements indicate that we will close in September as best we can estimate and I would stress that it is an estimate at this point because it is not entirely within our hands, but that gives us some time to do the appropriate planning for making the integration of the two organizations effective. And so I guess I will leave it at that.

**Jean Orr** - *Nutmeg Securities — Analyst*

Thank you.

**Operator**

Robert Kirkpatrick, Cardinal Capital.

**Robert Kirkpatrick** - *Cardinal Capital — Analyst*

Could you expand upon your comments about the Irish takeover codes and kind of refresh us on what those are? And then could you comment on Progress' stock buyback program and whether that had been suspended? And then finally maybe expand upon your comments you just made about the timing not being entirely in your control and what regulatory approvals are necessary?

**Bud Robertson** - *Progress Software Corporation — SVP, Finance/Admin. & CFO*

Yes, this is Bud. On the stock buyback, as you know, we buy back shares — we have bought back shares every quarter and we have stated in our last conference call that we intend to continue to buy back shares.

With regard to the Irish takeover code and maybe Christopher can follow along with me since he is more expert than I am. My brush with the Irish takeover code is that in fact due to the rules over there that comments cannot be made as Chris would make on calls such as this and until the acquisition is completed, we have to basically continue to use words such as neutral, accretive and dilutive.

**Chris Mirabile** - *IONA Technologies — CFO*

We are in an Irish-regulated offer period and the focus of the code is protecting the integrity of the market and making sure that shareholders have equal information. So we are really limited to try to keep it on a level playing field in terms of published form and not go beyond the published documents in calls like this. I think we are hopeful that we will be able to get into more detail as this process progresses.

**Robert Kirkpatrick** - *Cardinal Capital — Analyst*

And would there be a proxy that comes out that might be able to spell out some of that?

**Chris Mirabile** - *IONA Technologies — CFO*

There will be a proxy that comes out. It is being drafted now and it will head into the SEC for their review before too long.

---

**Jun. 25. 2008 / 9:00AM, PRGS — Progress Software Corporation to Acquire IONA Technologies**

---

**Robert Kirkpatrick** - *Cardinal Capital — Analyst*

Great. And in terms of regulatory approval, is it necessary, is it more just a shareholder vote or are there actual government approvals —?

**Chris Mirabile** - *IONA Technologies — CFO*

There is a scheme of arrangement in Ireland, which is essentially just a type of swap to retire the IONA common stock if you will. It is — it boils down to a shareholder vote and you should think of it as a 75% approval rate. There are some additional requirements in terms of heads at the meeting, but essentially it is a 75% shareholder vote.

**Robert Kirkpatrick** - *Cardinal Capital — Analyst*

Great. Thank you so much.

**Operator**

(OPERATOR INSTRUCTIONS). Mr. Robertson, there are no further questions. I will turn things back over to you for any additional or closing remarks.

**Joe Alsop** - *Progress Software Corporation — Co-founder & CEO*

Yes, this is Joe Alsop. Before we close this, I would like to reiterate that I think the opportunities that are created by this combination are pretty significant. Since there were a lot of questions raised about the IONA Orbix CORBA business, one thing I would like to make clear is that we believe that business has an extremely long lifetime for the reasons I mentioned before and we want to make it clear that customers will feel safe and continue to invest and keep CORBA an important part of their infrastructure as a safe choice. I think that decision will be strengthened by the completion of this merger.

**Bud Robertson** - *Progress Software Corporation — SVP, Finance/Admin. & CFO*

This concludes today's conference call. Thank you for participating.

**Operator**

Thank you, ladies and gentlemen. Once again, that does conclude today's teleconference. Thank you all for joining. Have a wonderful day.



THOMSON

[www.streetevents.com](http://www.streetevents.com)

[Contact Us](#)

10

© 2008 Thomson Financial. Republished with permission. No part of this publication may be reproduced or transmitted in any form or by any means without the prior written consent of Thomson Financial.

---

Jun. 25. 2008 / 9:00AM, PRGS — Progress Software Corporation to Acquire IONA Technologies

**DISCLAIMER**

Thomson Financial reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes. In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON FINANCIAL OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2008, Thomson Financial. All Rights Reserved.



[www.streetevents.com](http://www.streetevents.com)

[Contact Us](#)

11

© 2008 Thomson Financial. Republished with permission. No part of this publication may be reproduced or transmitted in any form or by any means without the prior written consent of Thomson Financial.

**1) What business is IONA in?**

IONA is in the enterprise integration software business. The company sells high performance, robust technologies for a broad range of industries that tie together mission-critical applications to a broad range of industries.

**2) Why is Progress acquiring IONA?**

Progress believes that the Acquisition of IONA will help Progress to achieve its vision to be the industry choice for truly independent, heterogeneous integration software in a "Service Oriented Architecture" (or SOA) environment. In particular, Progress expects the acquisition of IONA to help achieve that vision in the following ways:

- IONA's products complement Progress' SOA portfolio with leading edge, best-in-class technology and enable a wider variety of interoperability and deployment options;
- IONA products extend the reach of the SOA portfolio to users of high-performance, mission-critical systems based on C++ and CORBA;
- IONA has a leadership role in standards bodies and open source initiatives, both critical to maintaining truly independent market leadership. Progress intends to leverage open source software development and distribution innovations for market expansion;
- IONA and Progress will have strong bases in multiple industry segments with expanded vertical industry solutions;
- The impressive and longstanding IONA customer base can benefit from using Progress SOA portfolio products as they migrate toward SOA. Progress is committed to supporting IONA's customers and all IONA product lines will be supported and evolved based on customer needs;
- The Acquisition of IONA offers increased global distribution and sales capacity; and
- IONA has an experienced and talented team that has built a reputation with Global 2000 enterprises for addressing the most complex integration challenges through innovative and cost-effective solutions.

On a GAAP basis, Progress expects that the Acquisition will be accretive in fiscal year 2009, but not in fiscal year 2008. On a non-GAAP basis, excluding amortization of intangibles, stock-based compensation, and expenses associated with the transaction, the Acquisition is expected to be accretive in fiscal year 2009, but not in fiscal year 2008.

**3) What products will the IONA acquisition add to the Progress portfolio?**

IONA has three product lines: The Artix product line for SOA infrastructure, the open-source FUSE SOA products and Orbix middleware for integration based on the CORBA standard.

The **Artix** product line includes Artix ESB, Artix Data Services, Artix Registry/Repository, Artix Orchestration, and Artix Mainframe.

## PROGRESS SOFTWARE CORPORATION TO ACQUIRE IONA TECHNOLOGIES

### Frequently Asked Questions

- Artix ESB provides integration through the service enablement of “smart endpoints” which can communicate using a wide variety of formats and protocols. Artix ESB includes a C++ based as well as a pure Java based runtime.
- Artix Mainframe helps organizations extend the life and accessibility of their mainframe applications via Web services and C++/CORBA enablement.
- Artix Data Services is notable for its standards-based data transformation, validation and enrichment and its support for the financial industry including SWIFT, ISO20022, and SEPA messages.
- Artix Orchestration is a BPEL-based technical orchestration product that takes advantage of the underlying Artix support for services, transports and qualities of services.
- Artix Registry/Repository provides for dynamic provisioning of endpoints in a distributed SOA network or “services grid”

**FUSE** is an open source product line based on several Apache projects for which IONA provides leadership and has been a significant contributor (ServiceMix, ActiveMQ, CXF, and Camel). IONA provides subscription-based support, consulting and training for the FUSE release. FUSE provides companies with the best of both worlds, Apache community developed software together with enterprise level of productization, support, and professional services for cost effectively implementing and deploying SOA. FUSE components are also embedded in several of the Artix products.

**The CORBA product line consists of Orbix 3, Orbix 6 and Orbacus.** IONA has the largest deployed CORBA customer base of any vendor, built up over a 15 years of providing standards-based integration for mission critical systems. IONA's customer oriented policies on support and product upgrades as well as their CORBA expertise continue to keep Orbix and Orbacus deployed in long lived mission critical systems for enterprises and governments worldwide. We expect that the combined product offers of Progress and IONA will be of interest to customers looking to modernize and extend their CORBA implementations.

#### 4) How does the IONA SOA strategy align with the Progress SOA strategy?

The SOA strategies of both companies are complementary and reinforce each other. Both focus on best-in-class products usable alone or together in heterogeneous customer environments. The products from both companies are known for their success in the most demanding IT environments.

IONA's multi-platform, multi-protocol enablement and mediation technologies complement Sonic ESB's messaging-based infrastructure. Artix has already been integrated with Progress' Actional products. Many other products including Progress® products such as Apama®, SonicMQ®, and DataXtend® Semantic Integrator can interoperate with Artix products through standards-based communications.

IONA's Open Source Strategy and FUSE product line also dovetail with Progress' SOA/ESB strategy by broadening the reach of Progress sponsored technologies and seeding the market for value added capabilities such as SOA management, Complex Event Processing (CEP) and data interoperability services.



**PROGRESS SOFTWARE CORPORATION TO ACQUIRE IONA TECHNOLOGIES**  
**Frequently Asked Questions**

**5) How will the SOA product lines be combined?**

The Artix products will become part of the Progress SOA portfolio, making it easier to service-enable a wide range of systems. The Progress SOA portfolio consists of best-in-class products that bring customer value individually or in combination.

Artix already interoperates with the Sonic ESB. In addition, product integration between Artix and Actional for run-time visibility and governance is already underway as part of an existing partnership between IONA and Progress.

Other products include Progress Apama and Progress SonicMQ. The Progress Apama Complex Event Processing platform can use Artix JMS-based integration to provide the operational intelligence to monitor, act, and respond to the business events in the IONA customer environment. Progress SonicMQ can provide standards-based high-reliability and high-performance messaging for IONA customers.

**6) What will happen to the CORBA products and the current customers?**

CORBA is a major product family that continues to deliver tremendous value to a large customer base with mission-critical systems. Orbix Version 3 and Version 6, the two Orbix versions currently supported by IONA, as well as Orbacus, will be maintained and evolved based on customer needs, as IONA has done for 15 years.

In addition, Artix has enabled many of IONA's CORBA customers cost effectively to integrate their CORBA-based systems with .Net, J2EE and Web Services-based systems. With the increased range of SOA products from the combined organizations, Progress will be able to offer even more options to customers get the most from and extend their CORBA systems.

**7) What will happen to current customers of IONA Artix?**

The Artix offering is complementary to the Progress SOA portfolio. We will continue to invest in the Artix product roadmap and Artix will become an integral and on-going part of the Progress SOA portfolio.

**8) What is Progress' plan for IONA's open source FUSE customers?**

Progress will be continuing the FUSE business. The FUSE product line will continue to evolve and Progress will continue to offer support, consulting and training services for the FUSE open source product line. More importantly FUSE customers will benefit from Progress' global reach and organizational expertise in messaging, ESB, and SOA expertise.

**9) Will Progress keep the IONA company name or product names?**

IONA will be fully integrated into Progress Software, and therefore will adopt the Progress Software company name. Progress expects to retain most IONA product names, however, this will be reviewed over the months following the acquisition.

**PROGRESS SOFTWARE CORPORATION TO ACQUIRE IONA TECHNOLOGIES**  
**Frequently Asked Questions**

**10) Where is IONA headquarters? What R&D facilities does IONA have?**

IONA corporate headquarters are in Dublin, Ireland with U.S. headquarters in Waltham, MA and Asia-Pac headquarters in Tokyo. R&D facilities are in Dublin, Waltham, London and St. John's, Newfoundland, Canada.

**11) Will Progress keep the IONA company name or product names?**

IONA will be fully integrated into Progress Software, and therefore will adopt the Progress Software company name. Progress expects to retain most IONA product names, however, this will be reviewed over the months following the acquisition.

**12) What are the financial details/terms of this acquisition?**

Progress Software has agreed to acquire IONA for \$4.05 per share in cash. This represents a total equity value of approximately \$162 million and approximately \$106 million net of cash and marketable securities reported on March 31, 2008. The offer price per share is approximately 16% over the average price for IONA shares over the six months prior to the offer period announced by IONA on February 8, 2008. The IONA Technologies Board of Directors has unanimously approved the transaction and each IONA Technologies director has entered into an agreement to vote in favor of the transaction. Upon completion of the transaction, which is expected to occur in September pending regulatory approval in the US, IONA shareholder approval and issuance of an order by the Irish High Court, IONA would become an indirect wholly owned subsidiary of Progress Software.

**13) When will the acquisition complete?**

The acquisition is expected to be completed in September 2008.

**14) What are the most recent financial results from IONA?**

For first quarter (January-March) 2008, IONA announced revenue of \$16.4 million, six percent growth compared to the same period last year. On a U.S. generally accepted accounting principles (GAAP) basis, they reported a first quarter 2008 net loss of \$5.1 million, or a loss of \$0.14 per share. Net loss for the first quarter of 2008 includes SFAS 123R share-based compensation expense of \$0.6 million, amortization of purchased intangible assets of \$0.2 million and a restructuring charge of \$1.5 million. Excluding SFAS 123R share-based compensation expense, amortization, and the restructuring charge, net loss and loss per share for the 2008 first quarter was \$2.8 million and \$0.08 per share.

For the full year 2007, IONA reported total worldwide revenue of \$77.7 million. IONA generates revenue from software license sales and, with license revenue contributing approximately 50% of total revenue.

IONA is a global company with approximately 55% of its revenue coming from the Americas, approximately 32% from EMEA and 13% from Asia Pacific. IONA sells through both direct and indirect channels, with approximately one-third of revenue generated or influenced by channel partners consisting primarily of Independent Software Vendors (ISVs) and systems integrators (SIs). IONA's strong balance sheet, including \$55 million of cash and

no debt, enables the company's sustained innovation in areas of high performance enterprise integration.

**15) What competition does IONA face in the market?**

IONA competes with a variety of software vendors integration space, including large established providers of broad infrastructure platforms (such as IBM and Oracle), smaller, more narrowly focused software companies (TIBCO), and other open source providers. While each vendors' offering may overlap in part with IONA's products, only IONA provides a focused integration offering that combines popular open source products with innovative company developed software backed by proven enterprise services and support.

**16) Do IONA and Progress directly compete?**

While IONA and Progress have products for SOA infrastructure and integration, they are principally complementary in nature and in practice; the companies rarely if ever compete on specific customer purchases. This is due to most of the products being designed to solve different problems, as well as each company's focus on different industry segments. The two companies do have some common competitors, most of which are significantly larger than the combined entity will be.

**17) How will the SOA product lines be combined?**

The Artix products will become part of the Progress SOA portfolio, making it easier to service-enable a wide range of systems. The Progress SOA portfolio consists of best-in-class products that bring customer value individually or in combination. Artix already interoperates with the Sonic ESB. In addition, product integration between Artix and Actional for run-time visibility and governance is already underway as part of an existing partnership between IONA and Progress.

**18) Will Progress continue the open source activities of IONA?**

Yes. IONA's open source investments and strategy are important elements of IONA's assets and Progress intends to make these assets part of their going forward strategy as well. IONA contributes development work and leadership to a number of Apache Software Foundation open source projects as well as to the Eclipse development tools framework — which is used by both IONA and Progress. Progress plans to continue to fully participate in each of these projects and provide professional open source product offerings of these projects in the form of the FUSE product line.

The FUSE a professional open source software product distribution based on a number of open source projects sponsored by the Apache Software Foundation. FUSE customers subscribe for software support and training and will continue to receive these services. Both IONA and Progress believe FUSE is an important way of providing a low cost, open way for experienced developers to begin using SOA. Progress will be continuing the FUSE business.

**19) Will Progress continue the OSGi Alliance activities of IONA?**

The OSGi Alliance (<http://www.osgi.org>) sets standards for a technology providing dynamic deployment composition of Java components. IONA is on the OSGi Alliance Board of

**PROGRESS SOFTWARE CORPORATION TO ACQUIRE IONA TECHNOLOGIES**  
**Frequently Asked Questions**

Directors and provides leadership to the OSGi Enterprise Experts Group. Progress plans to continue these activities.

**20) What does Progress expect from the Orbix business?**

The performance and reliability of IONA's CORBA products maintain their position as a critical infrastructure component in many hundreds of mission-critical systems. Progress will continue with the customer focus and investments needed and we expect it to remain an important contribution to our revenues for a long time. We see additional opportunities to modernize and extend IONA's CORBA deployments with the increased range of SOA offers from the combined organizations.

**21) How does IONA's Artix ESB complement Progress' Sonic ESB product?**

While the Progress Sonic ESB and IONA Artix ESB products have "ESB" in their names, they are quite different and are actually complementary.

The Sonic ESB provides a distributed end-to-end integration network that includes highly reliable and scalable messaging with a distributed management framework. The Artix ESB/Integration product provides standards-based services enablement for heterogeneous endpoints including CORBA-based applications. The Sonic ESB integrates standards-based services — including those enabled with Artix ESB.

Artix and Sonic products can work independently and together through SOA standards (Artix ESB offers a plug-in that supports SonicMQ as a JMS provider). Progress will recommend Sonic ESB, Artix, or combined solutions according to the specific needs of customers.

The expanded services enablement options of Artix (C++/CORBA, Java application servers, .NET WCF) will be recommended when those environments need to be integrated. These same environments can use the Sonic ESB when a highly available high-performance communication backbone is also needed. If the customer already has a competitive messaging system or an ESB, which they wish to use as their integration backbone, then the Artix endpoint enablement products will be recommended.

**22) How does IONA's Artix Data Services complement Progress' DataXtend Semantic Integrator?**

Artix Data Services provides data interoperability with a focus on the financial services market with a built in industry-specific data model support for SWIFT and other Financial Services standards. The Progress DataXtend Semantic Integrator (SI) has built in product support for the telecommunications industry standard data model.

Progress CONFIDENTIAL

DO NOT COPY or DISTRIBUTE

**23) How does SonicMQ differ from FUSE Message Broker (ActiveMQ)?**

SonicMQ provides a number of capabilities not found in ActiveMQ to support mission-critical, large-scale deployments. These capabilities include:

- A mature and proven approach to high availability and fault tolerance (Continuous Availability Architecture) that is relied upon daily in many of the world's most demanding production environments (such as the New York Mercantile Exchange, Oppenheimer Funds, and Heathrow Airport).
- Support for the creation of federated network topologies, suitable for usage in business-to-business and large enterprises with distributed IT operations, that enable global communication while maintaining the local autonomy required in these multi-owner environments.
- Deployment and management tools that simplify the configuration and provisioning of large-scale messaging networks, streamline the integration testing and deployment phases of project lifecycles, and ensure end-to-end comprehensive monitoring of mission-critical production environments.
- An Eclipse-based development environment that simplifies and accelerates the development of messaging-centric applications.

FUSE Message Broker (ActiveMQ) is most often used by advanced users of open source projects, who are comfortable developing their solutions with limited tooling and management capabilities.

**24) What type of companies purchase IONA products?**

Since IONA's inception, the company has sold its products to large enterprise IT organizations within the Global 2000. These customers operate in a wide variety of industries including telecommunications, financial services, and government. The following is a small sample of customers across some of IONA's targeted industries:

- a. **Financial Services:** Credit Suisse Group, GAD, JPMorgan Chase, Lehman Brothers, Raymond James & Associates, Reuters, Sentient, Winterthur Insurance
- b. **Telecommunications:** Aepona, AT&T, Beijing Mobile, Ericsson, Fujitsu Telecommunications Europe, Marconi, Motorola, Nokia, Nortel Networks, NTT DoCoMo, O2, Sprint, Verizon, Vodafone and Wind Spa
- c. **Government:** N.A.S.A, National Geospatial-Intelligence Agency, U.S. Department of Transportation, U.S. Environmental Protection Agency

Additionally, the FUSE product line has expanded IONA's customer base outside of its traditional vertical markets and into a broader set of small to medium size business as well.

**25) What will happen to the CORBA products and the current customers?**

CORBA is a major product family that continues to deliver tremendous value to a large customer base with mission-critical systems. Orbix Version 3 and Version 6, the two Orbix

## PROGRESS SOFTWARE CORPORATION TO ACQUIRE IONA TECHNOLOGIES

### Frequently Asked Questions

versions currently supported by IONA, as well as Orbacus, will be maintained and evolved based on customer needs, as IONA has done for 15 years. In addition, Artix has enabled many of IONA's CORBA customers cost effectively to integrate their CORBA-based systems with .Net, J2EE and Web Services-based systems. With the increased range of SOA products from the combined organizations, Progress will be able to offer even more options to customers get the most from and extend their CORBA systems.

There will be no impact on the high standard of technical support needed to ensure the smooth running of mission critical systems where IONA's CORBA products are deployed. There are no changes planned to SLA terms, the commitment to long term support or the way that IONA delivers technical support and other services.

#### 26) What will happen to current customers of IONA Artix?

The Artix offering is complementary to the Progress SOA portfolio. We will continue to invest in the Artix product roadmap and Artix will become an integral and on-going part of the Progress SOA portfolio.

#### 27) What is Progress' plan for IONA's open source FUSE customers?

Progress will be continuing the FUSE business. Current FUSE customers can rest assured that the FUSE product line will continue to evolve and Progress will continue to offer support, consulting and training services for the FUSE open source product line. More importantly FUSE customers will benefit from Progress' global reach and organizational expertise in messaging, ESB, and SOA expertise.

#### 28) What is the impact on IONA's customers, distributors, and partners?

IONA has a loyal and long-standing customer base and it is our highest priority to continue to invest and grow such relationships. We will also be reaching out to prospects currently in the sales pipeline to explain the acquisition and its underlying strategy.

We are confident that IONA customers and prospects will benefit significantly from the creation of a new industry leader that will be able to offer a far broader array of products than either Progress or IONA can today. Offering excellent technology, services and support all backed by a financially strong combined entity is something our enterprise customers have come to expect. IONA customers will have the benefit of a single source for all their SOA requirements — regardless of platform.

#### 29) How do current IONA customers continue to purchase IONA products?

The ability to purchase IONA products will not be affected. Current and/or future customers can continue to purchase IONA's products from existing sales channels, including its partners.

#### 30) Where do IONA customers go for product support?

There will be no impact on the high standard of technical support needed to ensure the smooth running of mission critical systems where IONA's products are deployed. There are no changes planned to SLA terms, the commitment to long term support or the way that IONA delivers technical support and other services.

## PROGRESS SOFTWARE CORPORATION TO ACQUIRE IONA TECHNOLOGIES

### Frequently Asked Questions

There are no changes to the channels for contacting IONA's technical support. Customers can continue to contact IONA technical support through the existing email, telephone and web portal channels. Additionally IONA will continue to provide evaluation support to FUSE customers through the open.iona.com community and will continue its active participation in the corresponding Apache communities.

#### 33. How many employees does IONA have?

As of May 31, 2008 IONA had approximately 310 employees globally.

#### 34. Where are the IONA employees located?

In the Americas there are approximately 140 employees with the US headquarters in Waltham, MA. In Europe there are approximately 155 employees with the corporate headquarters in Dublin, Ireland. In Asia there are approximately 15 employees based in Tokyo.

#### 35. What is the breakdown by function?

Functionally, the headcount of IONA is broken down approximately as 120 in Product Development & Management, 81 in Sales & Marketing, 57 in Professional Services & Customer Support, and 53 in G&A.

#### 36. How many employees does Progress currently have?

As of May 31, 2008 there are 1,681 full time equivalent employees worldwide including 660 in sales and marketing, 302 in customer support and services, 472 in product development and 247 in administration.

#### 37. Where are the Progress employees located?

Progress has employees in over 25 countries. Corporate headquarters is in Bedford, MA., European headquarters is in Rotterdam, Netherlands, Asia Pacific headquarters is in Melbourne, Australia, and Latin America headquarters is based in Miami, FL. Development centers are located globally and the locations include: (1) US; Bedford MA, Nashua NH, Morrisville NC, Sugarland TX, Mt. View CA, San Diego CA, Miami FL (2) Hyderabad India (3) Montreal & Mississauga (Toronto Area) Canada (3) Europe; United Kingdom, Belgium & France.

#### 38. Who are the senior management of Progress?

Progress Software is led by Joe Alsop, Chief Executive Officer and Co-founder. Joe has led Progress since its founding in 1981. More information about the Progress leadership can be found at [www.progress.com](http://www.progress.com).

#### 39. How long has Progress been in business?

Progress has been in business for more than 25 years, founded in 1981, it became a public company in 1991, and is financially stable with minimal debt and significant cash reserves. The Company has been profitable since 1985 and shown year over year revenue growth over the last 28 quarters. Most importantly, Progress is committed to growing and thriving in our marketplace.

#### 40. What is the Progress corporate culture? (e.g. dress code, flex time, formality)

Progress has an open and entrepreneurial culture where they value employee contributions and successes. Their values focus on leadership in the market, strong financial performance, partner and customer focus, employee professional growth and honesty and integrity. They have no formal dress code and casual attire is fully accepted where and when appropriate.

**PROGRESS SOFTWARE CORPORATION TO ACQUIRE IONA TECHNOLOGIES**  
**Frequently Asked Questions**

**41. What is the organizational model for the IONA acquisition?**

The exact organizational model has not been determined and this will be one of the critical activities worked on between the time of the deal announcement and the actual close.

**42. Where are the main Progress office locations in the America, Europe & Asia?**

The main Progress office in North America is located at its corporate headquarters in Bedford MA. Its European headquarters is located in Rotterdam, Netherlands, its Asia headquarters is located in Melbourne, Australia, and its Latin American headquarters is located in Miami, FL.

**43. Where is Progress Software's main product & customer engineering sites based?**

Progress has 472 development staff across 13 development centers. Progress main development centers include Bedford MA, Nashua, NH, Morrisville NC, Hyderabad India, Belgium, Cambridge UK, Montreal Canada, Sugarland TX, Miami FL, Mountain View CA, San Diego CA, Toronto Canada & Paris France.

**44. Where is Progress Software's main G&A functions based?**

Progress main G&A functions are located at its corporate headquarters in Bedford MA.

**45. What can IONA employees expect over the next couple of weeks? How will IONA employees learn the details of Progress as the acquisition unfolds?**

We must all make sure we stay focused on continuing to provide outstanding service to our customers. IONA will continue to operate "as is" until the transaction is closed and the operational details of Progress and IONA are finalized.

- a. There will be no operational changes until we have secured regulatory approval and the transaction is officially closed.
- b. Integration teams made up of both Progress and IONA leaders will be meeting regularly to develop business and action plans. We will continue to ask IONA employees for information, which is critical to ensuring that we build a solid future and we encourage IONA employees to ask the same type of questions of Progress management.
- c. As the teams start to build concrete plans, the Progress and IONA leadership teams will provide you with updated information.



**46. What should IONA employees do if they have any questions?**

You should address questions to your direct manager and, in the event that he / she does not have the answers, questions can be directed to the Progress / IONA integration managers.

It is important to communicate your questions and concerns during this time of transition. The Progress / IONA integration team is committed to being as responsive as possible in dealing with your information needs.

Important contact Information:

- John Schipelliti — IONA Integration Team Leader: +1 781 902 8252 john.schipelliti@iona.com
- Peter Sliwkowski — Progress Integration Team Leader: +1 781-280-4216 pgs@progress.com
- Phillip Pender — IONA VP Human Resources: +353 (1) 6372512 philip.pender@iona.com
- Joe Andrews — Progress VP Human Resources: +1 781-280-4216 jandrews@progress.com
- Cindy Swech — Progress Director Compensation & Benefits: +1 781 280-4716 cswech@progress.com

**About the Transaction**

The acquisition will be effected by means of a “scheme of arrangement” under Irish law pursuant to which a wholly owned subsidiary of Progress Software, SPK Acquisitions Limited, will acquire all of the outstanding securities of IONA not already owned by Progress Software or its wholly-owned subsidiaries from IONA shareholders for cash. The acquisition will be subject to the terms and conditions to be set forth in the scheme of arrangement document to be delivered to IONA shareholders. To become effective, the scheme of arrangement requires, among other things, the approval of a majority in number of IONA shareholders, present and voting either in person or by proxy, representing 75% or more in value of the IONA shares held by such holders. The acquisition is also subject to regulatory approval in the U.S. and the approval of the Irish High Court. Assuming the necessary approvals are obtained and all conditions have been satisfied, the acquisition will become effective upon delivery to the Registrar of Companies in Ireland of the court order of the Irish High Court sanctioning the scheme. Upon the acquisition becoming effective, it will be binding on all IONA shareholders.

**Sources and Bases of Information**

Unless otherwise stated, the financial information relating to IONA is extracted from audited consolidated financial statements of the IONA Group for the relevant financial year. Financial information is reported under U.S. GAAP basis unless otherwise stated. The financial information in the reply to question 15 (most recent financial results from IONA) is sourced from [www.iona.com](http://www.iona.com).

The information in the reply to Question 13 (financial details / terms of the acquisition) is sourced from the terms of the Implementation Agreement dated 25 June 2008. The IONA Share / ADR Share prices are sourced from the Nasdaq list / Daily Official List of the Irish Stock Exchange. References to a percentage of IONA Shares are based on the number of Infinity Shares as at 25 June 2008, being 36,543,930 IONA Shares, but do not include any shares issuable to IONA Optionholders under the IONA Share Option Schemes.

Reference to arrangements in place between Progress and IONA regarding the Acquisition are sourced from the terms of the implementation agreement dated 25 June 2008 or the announcement issued pursuant to Rule 2.5 of the Irish Takeover Rules on 25 June 2008.

[Except as otherwise stated, IONA’s product, customer and corporate information is sourced from material available on IONA’s website [www.iona.com](http://www.iona.com) or included in IONA’s public filings with the Securities and Exchange Commission.]

Except as otherwise stated, Progress product, customer and corporate information is sourced from material available on Progress’ website [www.progress.com](http://www.progress.com) or included in Progress’ public filings with the Securities and Exchange Commission.

**PROGRESS SOFTWARE CORPORATION TO ACQUIRE IONA TECHNOLOGIES**  
**Frequently Asked Questions**

**Legal Information**

The directors of IONA accept responsibility for the information contained in this document relating to IONA, the IONA Group, the directors of IONA and members of their immediate families, related trusts and persons connected with them and the recommendation and related opinions of the Board of IONA contained herein. To the best of the knowledge and belief of the directors of IONA (who have taken all reasonable care to ensure such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of Progress Software and the directors of Progress Software's subsidiary, SPK Acquisitions Limited ("SPK"), accept responsibility for the information contained in this document, other than that relating to IONA, the IONA Group, the directors of IONA and members of their immediate families, related trusts and persons connected with them and the recommendation and related opinions of the Board of IONA contained herein. To the best of the knowledge and belief of the directors of SPK and the directors of Progress (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Lehman Brothers, which is regulated under the laws of the United States of America, is acting exclusively for the Board of IONA and no one else in connection with the Acquisition and will not be responsible to anyone other than the Board of IONA for providing the protections afforded to clients of Lehman Brothers or for providing advice in relation to the Acquisition, the contents of this announcement or any transaction or arrangement referred to herein.

Davy Corporate Finance, which is regulated by the Financial Regulator in Ireland, is acting exclusively for IONA and no one else in connection with the Acquisition and will not be responsible to anyone other than IONA for providing the protections afforded to clients of Davy Corporate Finance or for providing advice in relation to the Acquisition, the contents of this filing or any transaction or arrangement referred to herein.

Merrion Stockbrokers Limited, which is regulated by the Financial Regulator in Ireland, is acting exclusively for IONA and no one else in connection with the Acquisition and will not be responsible to anyone other than IONA for providing the protections afforded to clients of Merrion Stockbrokers Limited or for providing advice in relation to the Acquisition, the contents of this filing or any transaction or arrangement referred to herein.

Goodbody Corporate Finance, which is regulated by the Financial Regulator in Ireland, is acting exclusively for SPK and Progress and no one else in connection with the Acquisition and will not be responsible to anyone other than SPK and Progress for providing the protections afforded to customers of Goodbody Corporate Finance or for providing advice in relation to the Acquisition, the contents of this announcement or any transaction or arrangement referred to herein.

Any person who is a holder of 1% or more of the share capital of IONA may have disclosure obligations under Rule 8.3 of the Irish Takeover Rules, effective from the date of the commencement of the offer period in respect of the acquisition.

The distribution of this announcement in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of this announcement and all other documents relating to the acquisition are not being, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where it would be unlawful to do so. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction.

This press release does not constitute an offer or invitation to purchase, sell, subscribe or exchange or the solicitation of an offer to purchase, sell, subscribe or exchange any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the acquisition, the scheme of arrangement or otherwise.

Certain items in this announcement may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. Forward-looking statements are statements that contain predictions or projections of future events or performance, and often contain words such as "anticipates", "can", "estimates", "believe", "expects", "projects", "will", "might", or other words indicating a statement about the future. These statements are based on our current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual events to differ materially from those described in the forward-looking statements. Reliance should not be placed on any such statements because of their very nature, they are subject to known and unknown risks and uncertainties and can be affected by factors that could cause them to differ materially from those expressed or implied in the forward-looking statements. We can give no assurance that expectations will be attained. Risks, uncertainties and other important factors that could cause actual results to differ from those expressed or implied in the forward looking statements include: uncertainties as to the timing of the closing of Progress Software's acquisition of IONA; uncertainties as to whether the shareholders of IONA will vote in favor of IONA's acquisition by Progress Software; the risk that competing offers to acquire IONA will be made; the possibility that various closing conditions for the transaction may not be satisfied or waived, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the transaction; the effects of disruption from the transaction making it more difficult to maintain relationships with employees, licensees, other business partners or governmental entities; other business effects, including the effects of industry, economic or political conditions outside of Progress Software's or IONA's control; transaction costs; actual or contingent liabilities; uncertainties as to whether anticipated synergies will be realized; uncertainties as to whether IONA's business will be successfully integrated with Progress Software's business; and other risks and uncertainties discussed in documents filed with the U.S. Securities and Exchange Commission by Progress Software and IONA, including the Annual Report on Form 10-K filed by Progress Software on January 29, 2008, as well as the Quarterly Report on Form 10-Q filed by Progress Software on April 9, 2008,

## PROGRESS SOFTWARE CORPORATION TO ACQUIRE IONA TECHNOLOGIES

### Frequently Asked Questions

and the Annual Report on Form 10-K filed by IONA on March 14, 2008, as well as the Quarterly Report on Form 10-Q filed by IONA on May 12, 2008. Such forward-looking statements speak only as of the date of this announcement. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or change in events, conditions, or circumstances on which any such statement is based.

### Important Additional Information and Where to Find It

In connection with the acquisition, IONA intends to file with the Securities and Exchange Commission and mail to its shareholders a proxy statement (comprising the scheme of arrangement document). Investors and shareholders of IONA are urged to read the proxy statement (comprising the scheme of arrangement document) and the other relevant materials when they become available because they will contain important information about Progress, IONA and the proposed acquisition and related matters.

The proxy statement (comprising the scheme of arrangement document) and other relevant materials (when they become available), and any and all documents filed by Progress Software and IONA with the Securities and Exchange Commission, may be obtained free of charge at the Securities and Exchange Commission's web site at [www.sec.gov](http://www.sec.gov). In addition, investors and shareholders may obtain free copies of the documents filed with the Securities and Exchange Commission by Progress Software by directing a written request to Progress Software, 14 Oak Park Drive, Bedford, Massachusetts 01730, United States of America, Attention: Investor Relations, and by IONA by directing a written request to IONA, c/o IONA Technologies, Inc., 200 West Street, Waltham, Massachusetts 02451, United States of America, Attention: Investor Relations.

**INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT (COMPRISING THE SCHEME OF ARRANGEMENT DOCUMENT) AND THE OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE PROPOSED ACQUISITION.**

As of the date of this press release, Progress Software and its subsidiaries own 362,000 IONA shares in total, representing approximately 0.99 per cent of the issued share capital of IONA and have an economic interest, through contracts for difference, in 1,442,873 IONA shares in total, representing approximately 3.95 per cent of the issued share capital of IONA.

Progress Software, SPK Acquisitions Limited and IONA Technologies plc and their respective executive officers and directors may be deemed to be participants in the solicitation of proxies from the shareholders of IONA in connection with the acquisition. Information about those executive officers and directors of Progress is set forth in Progress Software's Annual Report on Form 10-K for the year ended 30 November 2007, which was filed with the Securities and Exchange Commission on 29 January 2008, the proxy statement for Progress Software's 2008 Annual Meeting, which was filed with the Securities and Exchange Commission on 24 March 2008, and is supplemented by other public filings made, and to be made, with the Securities and Exchange Commission. Information about those executive officers and directors of IONA and their ownership of IONA Shares is set forth in IONA's Annual Report on Form 10-K for the year ended 31 December 2007, which was filed with the Securities and Exchange Commission on 14 March 2008, and the proxy statement for IONA's 2008 Annual General Meeting, which was filed with the Securities and Exchange Commission on 29 April 2008, and is supplemented by other public filings made, and to be made, with the Securities and Exchange Commission. Investors and shareholders may obtain additional information regarding the direct and indirect interests of Progress Software, SPK Acquisitions Limited, IONA and their respective executive officers and directors in the acquisition by reading the proxy statement (comprising the scheme of arrangement document) and other filings referred to above.

*Progress is a registered trademark of Progress Software Corporation or one of its affiliates or subsidiaries in the U.S. and other countries. Any other trademark contained herein are the property of their respective owners. IONA, IONA Technologies, the IONA logo, Orbix, High Performance Integration, Artix, FUSE and Making Software Work Together are trademarks or registered trademarks of IONA Technologies PLC and/or its subsidiaries. CORBA is a trademark or registered trademark of the Object Management Group, Inc. in the United States and other countries. All other trademarks that may appear herein are the property of their respective owners.*

END

Progress CONFIDENTIAL

DO NOT COPY or DISTRIBUTE

**1) What business is IONA in?**

IONA is in the enterprise integration software business. The company sells high performance, robust technologies for a broad range of industries that tie together mission-critical applications to a broad range of industries.

**2) Why is Progress acquiring IONA?**

Progress believes that the Acquisition of IONA will help Progress to achieve its vision to be the industry choice for truly independent, heterogeneous integration software in a "Service Oriented Architecture" (or SOA) environment. In particular, Progress expects the acquisition of IONA to help achieve that vision in the following ways:

- § IONA's products complement Progress' SOA portfolio with leading edge, best-in-class technology and enable a wider variety of interoperability and deployment options;
- § IONA products extend the reach of the SOA portfolio to users of high-performance, mission-critical systems based on C++ and CORBA;
- § IONA has a leadership role in standards bodies and open source initiatives, both critical to maintaining truly independent market leadership. Progress intends to leverage open source software development and distribution innovations for market expansion;
- § IONA and Progress will have strong bases in multiple industry segments with expanded vertical industry solutions;
- § The impressive and longstanding IONA customer base can benefit from using Progress SOA portfolio products as they migrate toward SOA. Progress is committed to supporting IONA's customers and all IONA product lines will be supported and evolved based on customer needs;
- § The Acquisition of IONA offers increased global distribution and sales capacity; and
- § IONA has an experienced and talented team that has built a reputation with Global 2000 enterprises for addressing the most complex integration challenges through innovative and cost-effective solutions.

On a GAAP basis, Progress expects that the Acquisition will be accretive in fiscal year 2009, but not in fiscal year 2008. On a non-GAAP basis, excluding amortization of intangibles, stock-based compensation, and expenses associated with the transaction, the Acquisition is expected to be accretive in fiscal year 2009, but not in fiscal year 2008.

**3) What products will the IONA acquisition add to the Progress portfolio?**

IONA has three product lines: The Artix product line for SOA infrastructure, the open-source FUSE SOA products and Orbix middleware for integration based on the CORBA standard.

The **Artix** product line includes Artix ESB, Artix Data Services, Artix Registry/Repository, Artix Orchestration, and Artix Mainframe.

**PROGRESS SOFTWARE CORPORATION TO ACQUIRE IONA TECHNOLOGIES**  
**Frequently Asked Questions**

- Artix ESB provides integration through the service enablement of “smart endpoints” which can communicate using a wide variety of formats and protocols. Artix ESB includes a C++ based as well as a pure Java based runtime.
- Artix Mainframe helps organizations extend the life and accessibility of their mainframe applications via Web services and C++/CORBA enablement.
- Artix Data Services is notable for its standards-based data transformation, validation and enrichment and its support for the financial industry including SWIFT, ISO20022, and SEPA messages.
- Artix Orchestration is a BPEL-based technical orchestration product that takes advantage of the underlying Artix support for services, transports and qualities of services.
- Artix Registry/Repository provides for dynamic provisioning of endpoints in a distributed SOA network or “services grid”

**FUSE** is an open source product line based on several Apache projects for which IONA provides leadership and has been a significant contributor (ServiceMix, ActiveMQ, CXF, and Camel). IONA provides subscription-based support, consulting and training for the FUSE release. FUSE provides companies with the best of both worlds, Apache community developed software together with enterprise level of productization, support, and professional services for cost effectively implementing and deploying SOA. FUSE components are also embedded in several of the Artix products.

**The CORBA product line consists of Orbix 3, Orbix 6 and Orbacus.** IONA has the largest deployed CORBA customer base of any vendor, built up over a 15 years of providing standards-based integration for mission critical systems. IONA’s customer oriented policies on support and product upgrades as well as their CORBA expertise continue to keep Orbix and Orbacus deployed in long lived mission critical systems for enterprises and governments worldwide. We expect that the combined product offers of Progress and IONA will be of interest to customers looking to modernize and extend their CORBA implementations.

**4) How does the IONA SOA strategy align with the Progress SOA strategy?**

The SOA strategies of both companies are complementary and reinforce each other. Both focus on best-in-class products usable alone or together in heterogeneous customer environments. The products from both companies are known for their success in the most demanding IT environments.

IONA’s multi-platform, multi-protocol enablement and mediation technologies complement Sonic ESB’s messaging-based infrastructure. Artix has already been integrated with Progress’ Actional products. Many other products including Progress® products such as Apama®, SonicMQ®, and DataXtend® Semantic Integrator can interoperate with Artix products through standards-based communications.

IONA’s Open Source Strategy and FUSE product line also dovetail with Progress’ SOA/ESB strategy by broadening the reach of Progress sponsored technologies and seeding the market for value added capabilities such as SOA management, Complex Event Processing (CEP) and data interoperability services.

**PROGRESS SOFTWARE CORPORATION TO ACQUIRE IONA TECHNOLOGIES**  
**Frequently Asked Questions**

**5) How will the SOA product lines be combined?**

The Artix products will become part of the Progress SOA portfolio, making it easier to service-enable a wide range of systems. The Progress SOA portfolio consists of best-in-class products that bring customer value individually or in combination.

Artix already interoperates with the Sonic ESB. In addition, product integration between Artix and Actional for run-time visibility and governance is already underway as part of an existing partnership between IONA and Progress.

Other products include Progress Apama and Progress SonicMQ. The Progress Apama CEP platform can use Artix JMS-based integration to provide the operational intelligence to monitor, act, and respond to the business events in the IONA customer environment. Progress SonicMQ can provide standards-based high-reliability and high-performance messaging for IONA customers.

**6) What will happen to the CORBA products and the current customers?**

CORBA is a major product family that continues to deliver tremendous value to a large customer base with mission-critical systems. Orbix Version 3 and Version 6, the two Orbix versions currently supported by IONA, as well as Orbacus, will be maintained and evolved based on customer needs, as IONA has done for 15 years.

In addition, Artix has enabled many of IONA's CORBA customers cost effectively to integrate their CORBA-based systems with .Net, J2EE and Web Services-based systems. With the increased range of SOA products from the combined organizations, Progress will be able to offer even more options to customers get the most from and extend their CORBA systems.

**7) What will happen to current customers of IONA Artix?**

The Artix offering is complementary to the Progress SOA portfolio. We will continue to invest in the Artix product roadmap and Artix will become an integral and on-going part of the Progress SOA portfolio.

**8) What is Progress' plan for IONA's open source FUSE customers?**

Progress will be continuing the FUSE business. The FUSE product line will continue to evolve and Progress will continue to offer support, consulting and training services for the FUSE open source product line. More importantly FUSE customers will benefit from Progress' global reach and organizational expertise in messaging, ESB, and SOA expertise.

**9) Will Progress keep the IONA company name or product names?**

IONA will be fully integrated into Progress Software, and therefore will adopt the Progress Software company name. Progress expects to retain most IONA product names, however, this will be reviewed over the months following the acquisition.

**10) Will this acquisition be accretive?**

We anticipate the effect of the acquisition on Non-GAAP earnings per share, which excludes acquisition-related expenses, amortization of acquired intangibles and any potential in-process

**PROGRESS SOFTWARE CORPORATION TO ACQUIRE IONA TECHNOLOGIES**  
**Frequently Asked Questions**

research and development, to be neutral or dilutive in the remainder of fiscal 2008 depending on the timing of the close and accretive in fiscal 2009.

**About the Transaction**

The acquisition will be effected by means of a “scheme of arrangement” under Irish law pursuant to which a wholly owned subsidiary of Progress Software, SPK Acquisitions Limited, will acquire all of the outstanding securities of IONA not already owned by Progress Software or its wholly-owned subsidiaries from IONA shareholders for cash. The acquisition will be subject to the terms and conditions to be set forth in the scheme of arrangement document to be delivered to IONA shareholders. To become effective, the scheme of arrangement requires, among other things, the approval of a majority in number of IONA shareholders, present and voting either in person or by proxy, representing 75% or more in value of the IONA shares held by such holders. The acquisition is also subject to regulatory approval in the U.S. and the approval of the Irish High Court. Assuming the necessary approvals are obtained and all conditions have been satisfied, the acquisition will become effective upon delivery to the Registrar of Companies in Ireland of the court order of the Irish High Court sanctioning the scheme. Upon the acquisition becoming effective, it will be binding on all IONA shareholders.

**Sources and Bases of Information**

Unless otherwise stated, the financial information relating to IONA is extracted from audited consolidated financial statements of the IONA Group for the relevant financial year. Financial information is reported under U.S. GAAP basis unless otherwise stated. The financial information in the reply to question 15 (most recent financial results from IONA) is sourced from [www.iona.com](http://www.iona.com).

The information in the reply to Question 13 (financial details / terms of the acquisition) is sourced from the terms of the Implementation Agreement dated 25 June 2008. The IONA Share / ADR Share prices are sourced from the Nasdaq list / Daily Official List of the Irish Stock Exchange. References to a percentage of IONA Shares are based on the number of Infinity Shares as at 25 June 2008, being 36,543,930 IONA Shares, but do not include any shares issuable to IONA Optionholders under the IONA Share Option Schemes.

Reference to arrangements in place between Progress and IONA regarding the Acquisition are sourced from the terms of the implementation agreement dated 25 June 2008 or the announcement issued pursuant to Rule 2.5 of the Irish Takeover Rules on 25 June 2008.

[Except as otherwise stated, IONA’s product, customer and corporate information is sourced from material available on IONA’s website [www.iona.com](http://www.iona.com) or included in IONA’s public filings with the Securities and Exchange Commission.]

Except as otherwise stated, Progress product, customer and corporate information is sourced from material available on Progress’ website [www.progress.com](http://www.progress.com) or included in Progress’ public filings with the Securities and Exchange Commission.

**Legal Information**

The directors of IONA accept responsibility for the information contained in this document relating to IONA , the IONA Group, the directors of IONA and members of their immediate families, related trusts and persons connected with them and the recommendation and related opinions of the Board of IONA contained herein. To the best of the knowledge and belief of the directors of IONA (who have taken all reasonable care to ensure such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of Progress Software and the directors of Progress Software’s subsidiary, SPK Acquisitions Limited (“**SPK**”), accept responsibility for the information contained in this document, other than that relating to IONA , the IONA Group, the directors of IONA and members of their immediate families, related trusts and persons connected with them and the recommendation and related opinions of the Board of IONA contained herein To the best of the knowledge and belief of the directors of SPK and the directors of Progress (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Lehman Brothers, which is regulated under the laws of the United States of America, is acting exclusively for the Board of IONA and no one else in connection with the Acquisition and will not be responsible to anyone other than the Board of IONA for providing the protections afforded to clients of Lehman Brothers or for providing advice in relation to the Acquisition, the contents of this announcement or any transaction or arrangement referred to herein.

Progress CONFIDENTIAL

DO NOT COPY or DISTRIBUTE

**PROGRESS SOFTWARE CORPORATION TO ACQUIRE IONA TECHNOLOGIES**  
**Frequently Asked Questions**

Davy Corporate Finance, which is regulated by the Financial Regulator in Ireland, is acting exclusively for IONA and no one else in connection with the Acquisition and will not be responsible to anyone other than IONA for providing the protections afforded to clients of Davy Corporate Finance or for providing advice in relation to the Acquisition, the contents of this filing or any transaction or arrangement referred to herein.

Merrion Stockbrokers Limited, which is regulated by the Financial Regulator in Ireland, is acting exclusively for IONA and no one else in connection with the Acquisition and will not be responsible to anyone other than IONA for providing the protections afforded to clients of Merrion Stockbrokers Limited or for providing advice in relation to the Acquisition, the contents of this filing or any transaction or arrangement referred to herein.

Goodbody Corporate Finance, which is regulated by the Financial Regulator in Ireland, is acting exclusively for SPK and Progress and no one else in connection with the Acquisition and will not be responsible to anyone other than SPK and Progress for providing the protections afforded to customers of Goodbody Corporate Finance or for providing advice in relation to the Acquisition, the contents of this announcement or any transaction or arrangement referred to herein.

Any person who is a holder of 1% or more of the share capital of IONA may have disclosure obligations under Rule 8.3 of the Irish Takeover Rules, effective from the date of the commencement of the offer period in respect of the acquisition.

The distribution of this announcement in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of this announcement and all other documents relating to the acquisition are not being, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where it would be unlawful to do so. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction.

This press release does not constitute an offer or invitation to purchase, sell, subscribe or exchange or the solicitation of an offer to purchase, sell, subscribe or exchange any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the acquisition, the scheme of arrangement or otherwise.

Certain items in this announcement may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. Forward-looking statements are statements that contain predictions or projections of future events or performance, and often contain words such as "anticipates", "can", "estimates", "believe", "expects", "projects", "will", "might", or other words indicating a statement about the future. These statements are based on our current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual events to differ materially from those described in the forward-looking statements. Reliance should not be placed on any such statements because of their very nature, they are subject to known and unknown risks and uncertainties and can be affected by factors that could cause them to differ materially from those expressed or implied in the forward-looking statements. We can give no assurance that expectations will be attained. Risks, uncertainties and other important factors that could cause actual results to differ from those expressed or implied in the forward looking statements include: uncertainties as to the timing of the closing of Progress Software's acquisition of IONA; uncertainties as to whether the shareholders of IONA will vote in favor of IONA's acquisition by Progress Software; the risk that competing offers to acquire IONA will be made; the possibility that various closing conditions for the transaction may not be satisfied or waived, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the transaction; the effects of disruption from the transaction making it more difficult to maintain relationships with employees, licensees, other business partners or governmental entities; other business effects, including the effects of industry, economic or political conditions outside of Progress Software's or IONA's control; transaction costs; actual or contingent liabilities; uncertainties as to whether anticipated synergies will be realized; uncertainties as to whether IONA's business will be successfully integrated with Progress Software's business; and other risks and uncertainties discussed in documents filed with the U.S. Securities and Exchange Commission by Progress Software and IONA, including the Annual Report on Form 10-K filed by Progress Software on January 29, 2008, as well as the Quarterly Report on Form 10-Q filed by Progress Software on April 9, 2008, and the Annual Report on Form 10-K filed by IONA on March 14, 2008, as well as the Quarterly Report on Form 10-Q filed by IONA on May 12, 2008. Such forward-looking statements speak only as of the date of this announcement. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or change in events, conditions, or circumstances on which any such statement is based.

**Important Additional Information and Where to Find It**

In connection with the acquisition, IONA intends to file with the Securities and Exchange Commission and mail to its shareholders a proxy statement (comprising the scheme of arrangement document). Investors and shareholders of IONA are urged to read the proxy statement (comprising the scheme of arrangement document) and the other relevant materials when they become available because they will contain important information about Progress, IONA and the proposed acquisition and related matters.

The proxy statement (comprising the scheme of arrangement document) and other relevant materials (when they become available), and any and all documents filed by Progress Software and IONA with the Securities and Exchange Commission, may be obtained free of charge at the Securities and Exchange Commission's web site at [www.sec.gov](http://www.sec.gov). In addition, investors and shareholders may obtain free copies of the documents filed with the Securities and Exchange Commission by Progress Software by directing a written request to Progress Software, 14 Oak Park Drive, Bedford, Massachusetts 01730, United States of America, Attention: Investor Relations, and by IONA by directing a written



**PROGRESS SOFTWARE CORPORATION TO ACQUIRE IONA TECHNOLOGIES**  
**Frequently Asked Questions**

request to IONA, c/o IONA Technologies, Inc., 200 West Street, Waltham, Massachusetts 02451, United States of America, Attention: Investor Relations.

INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT (COMPRISING THE SCHEME OF ARRANGEMENT DOCUMENT) AND THE OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE PROPOSED ACQUISITION.

As of the date of this press release, Progress Software and its subsidiaries own 362,000 IONA shares in total, representing approximately 0.99 per cent of the issued share capital of IONA and have an economic interest, through contracts for difference, in 1,442,873 IONA shares in total, representing approximately 3.95 per cent of the issued share capital of IONA.

Progress Software, SPK Acquisitions Limited and IONA Technologies plc and their respective executive officers and directors may be deemed to be participants in the solicitation of proxies from the shareholders of IONA in connection with the acquisition. Information about those executive officers and directors of Progress is set forth in Progress Software's Annual Report on Form 10-K for the year ended 30 November 2007, which was filed with the Securities and Exchange Commission on 29 January 2008, the proxy statement for Progress Software's 2008 Annual Meeting, which was filed with the Securities and Exchange Commission on 24 March 2008, and is supplemented by other public filings made, and to be made, with the Securities and Exchange Commission, Information about those executive officers and directors of IONA and their ownership of IONA Shares is set forth in IONA's Annual Report on Form 10-K for the year ended 31 December 2007, which was filed with the Securities and Exchange Commission on 14 March 2008, and the proxy statement for IONA's 2008 Annual General Meeting, which was filed with the Securities and Exchange Commission on 29 April 2008, and is supplemented by other public filings made, and to be made, with the Securities and Exchange Commission. Investors and shareholders may obtain additional information regarding the direct and indirect interests of Progress Software, SPK Acquisitions Limited, IONA and their respective executive officers and directors in the acquisition by reading the proxy statement (comprising the scheme of arrangement document) and other filings referred to above.

*Progress is a registered trademark of Progress Software Corporation or one of its affiliates or subsidiaries in the U.S. and other countries. Any other trademark contained herein are the property of their respective owners. IONA, IONA Technologies, the IONA logo, Orbix, High Performance Integration, Artix, FUSE and Making Software Work Together are trademarks or registered trademarks of IONA Technologies PLC and/or its subsidiaries. CORBA is a trademark or registered trademark of the Object Management Group, Inc. in the United States and other countries. All other trademarks that may appear herein are the property of their respective owners.*

END

Progress CONFIDENTIAL

DO NOT COPY or DISTRIBUTE



# IONA Technologies Joins Forces with Progress Software

**June 25, 2008**

 PROGRESS SOFTWARE CONFIDENTIAL

# The News

Progress to acquire IONA Technologies

Target completion in September

All IONA product lines to be supported  
and advanced



# The Progress Mission



## ***The Progress Mission***

***To deliver superior software products and services that empower our partners and customers to dramatically improve their development, deployment, integration and management of quality applications worldwide.***

# Progress Software Leading the Evolution of IT

## Application Infrastructure Software

---

Develop, Deploy, Integrate and Manage Business Applications

*Through the evolution of IT Paradigms:*

**Host-centric → Client-Server → Web → SOA**

*One Constant:*

***Progress understands the infrastructure requirements for great business applications***

# Progress Software Market Presence

*Application Development, Deployment, Integration  
and Management Products...*

**... at over 60,000 organizations**

**... and over 5 million users**

**... in over 140 countries**

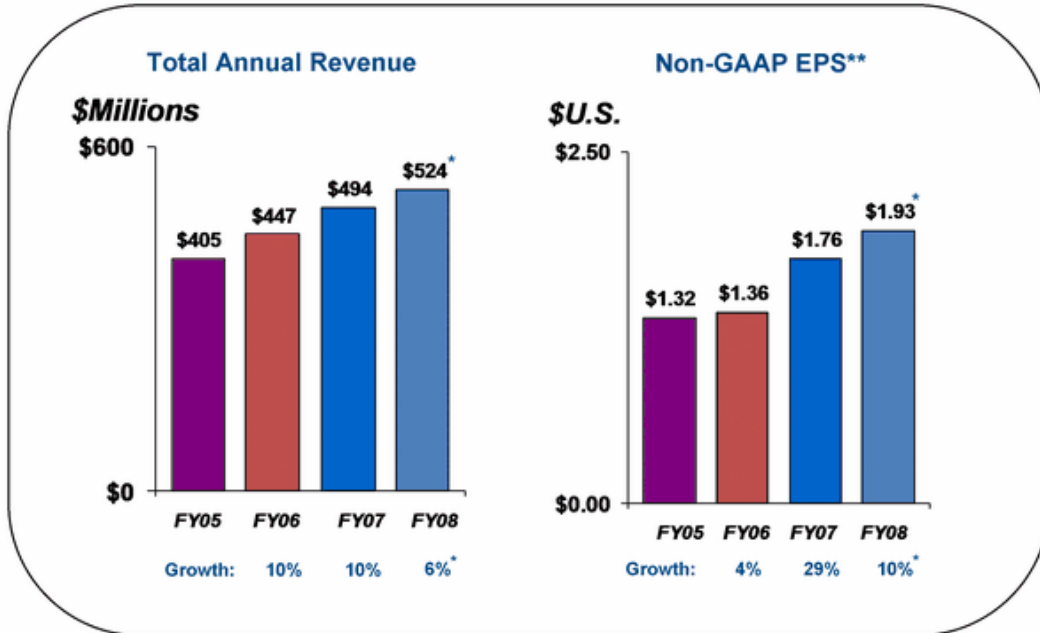
**...including over 90% of the Fortune 100**

**... offering over 5,000 applications**

**... deployed at over 100,000 sites**

# Progress Software Annual Revenue and Non-GAAP EPS

28 Consecutive Quarters of Year-on-Year Revenue Growth  
23 Consecutive Years of Operating Income

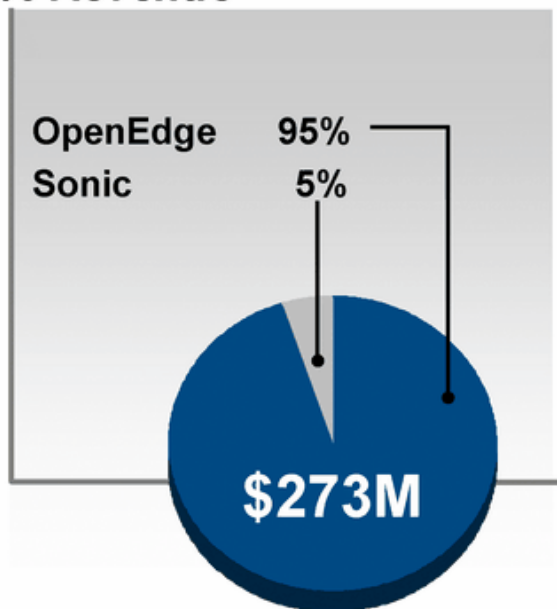


\*Per Analysts Estimates obtained from First Call

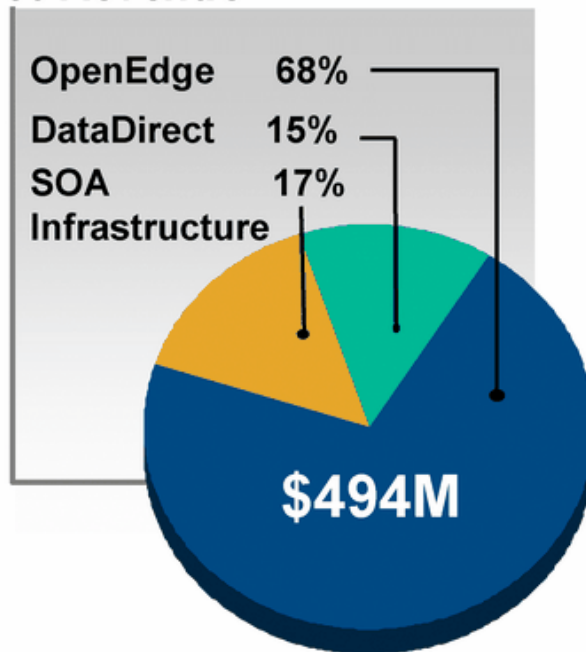
\*\*Non-GAAP operating income excludes amortization of acquired intangibles, in-process research and development, other acquisition related expenses, stock-based compensation and tax benefit. See reconciliation to GAAP results on our Web site.

# Progress Software Corporation Product Line Growth Strategy

**FY02**  
*% Revenue*



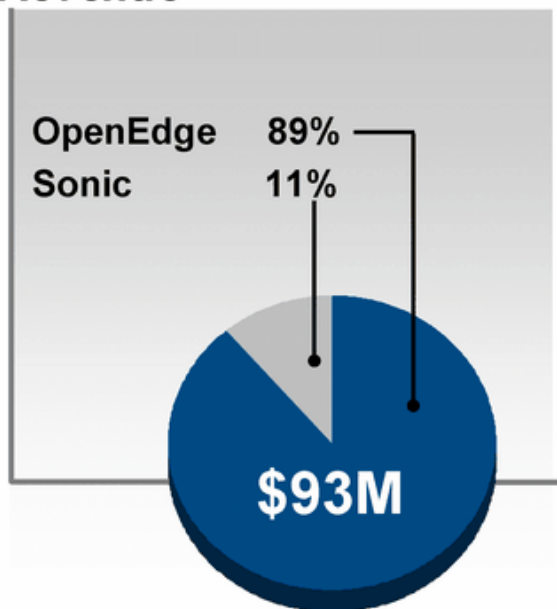
**FY07**  
*% Revenue*



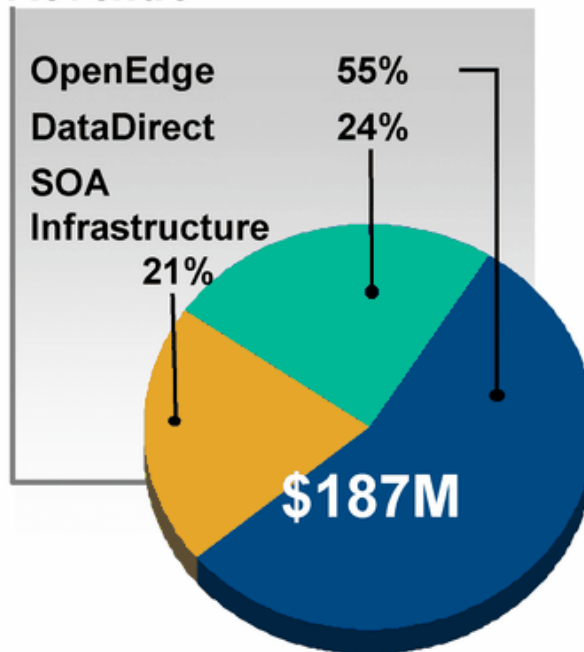


# Progress Software Corporation Product License Revenue

**FY02**  
*Revenue*



**FY07**  
*Revenue*



# Progress Software Superior Products Across All Product Lines

<b>OpenEdge</b>	Business Application Platform <i>Integrated platform optimized for business</i>
<b>Apama</b>	Complex Event Processing <i>Market leading CEP platform</i>
<b>Sonic</b>	Enterprise Service Bus <i>Market leading ESB</i>
<b>Actional</b>	SOA Management <i>Leading enterprise-class SOA management</i>
<b>Shadow</b>	Mainframe Integration <i>First unified mainframe integration platform</i>
<b>DataXtend</b>	Data Interoperability <i>First model-driven semantic data integration</i>
<b>DataDirect</b>	Data Connectivity <i>Market leader in data connectivity</i>
<b>EasyAsk</b>	Natural Language Search and Query <i>First and leading natural language query</i>
<b>ObjectStore</b>	Object Data Management <i>Market leading object database</i>

## Application Platforms



## SOA Infrastructure



## Data Infrastructure



# Progress Software Market Recognition for Our Innovations

## **Sonic ESB**

*"Progress Sonic...is a very good choice for large and highly distributed SOA initiatives..."*



## **DataDirect Technologies**

*Database Management Systems*



## **Progress DataXtend SI**

*Innovation Billing & Information Management*



## **Progress DataXtend SI**

*2007 Excellence Award for Best New Product*



## **Progress Apama CEP and Progress Sonic ESB**

*Leaders in Innovations Awards*



## **CERN & Progress SonicMQ**

*Top 100 IT Projects*



# Progress Software

## Our Innovations Drive Customer Success

*SaaS-enabled ERP opens new markets  
and leads to 20% growth*



*Integrated supply network streamlines  
throughput and improves harvest yield*



*Messaging platform supports 1.2 million  
contracts per day, 38% increase in volume*



*CEP technology monitors, analyzes, and  
enables real-time fraud detection*



*Real-time shop-floor visibility and analysis from  
Manuvis stops waste, increases profits*



*Data connectivity improves speed and  
reliability of critical applications for global  
media network*



# Progress Software Growing Global Customer Presence



# Executive Team (ETeam)



Joe Alsop  
Co-Founder and CEO



Dave Ireland  
Executive Vice President  
Progress Software Corporation



Jeff Stamen  
Senior Vice President  
Corp. Development & Strategy



Bud Robertson  
Senior Vice President  
F&A and CFO



Rick Reidy  
Executive Vice President  
Progress Software Corporation



Gordon Van Huizen  
Vice President  
Products



Peter Sliwkowski  
Vice President  
Product &  
Support Operations



Jim Freedman  
Senior Vice President  
General Counsel



Joe Andrews  
Vice President  
Human Resources



John Goodson  
Vice President  
General Manager  
DataDirect technologies



Larry Harris  
Vice President  
General Manager  
EasyAsk Products

- Continue strong investment in open and innovative SOA infrastructure products
  - Best-in-class capabilities in heterogeneous and distributed environments demanding high QoS
- Serve direct customers with an enterprise sales and services organization representing all SOA products
- Exploit major opportunities for Apama in Capital Markets and DataXtend SI in Telco
- Continue investment in OpenEdge technology and mutual success with OpenEdge Application Partners (APs)
- Extend DataDirect product capabilities and standards coverage in standards-based data connectivity

## Why Progress + IONA?

*Strengthen position as leader in independent, standards-based, heterogeneous, distributed SOA infrastructure*

- Add leading-edge IONA technology for the widest variety of interoperability and deployment options
- Support and deepen relationships with the impressive and long-standing IONA customer base
- Leverage innovation in open source
- Add a world-class team that has built a reputation for addressing the most complex integration challenges



## IONA Product Lines

- **Orbix** – The industry-leading middleware for CORBA standards-based integration
- **Artix** – Standards-based high-performance SOA infrastructure products
- **FUSE** – Professional open source for SOA integration

# The Progress SOA Portfolio



# The Expanded Progress SOA Portfolio



## Combined Strengths

- The most **comprehensive** product offering for standards-based, heterogeneous, distributed SOA infrastructure
- **Interoperability** across the combined SOA Portfolio
- Increased global **distribution** and sales capacity
- Strong bases in multiple industry segments with **expanded vertical** solutions
- The know-how to use the **open source** development & distribution model for market expansion
- A truly **independent** alternative to the stack vendors – from both business and technical perspectives



## Contact Information

John Schipelliti – IONA Integration Team Leader

+1 781 902 8252 [john.schipelliti@iona.com](mailto:john.schipelliti@iona.com)

Peter Sliwkowski – Progress Integration Team Leader

+1 781-280-4216 [pgs@progress.com](mailto:pgs@progress.com)

Phillip Pender - IONA VP Human Resources

+353 (1) 6372512 [philip.pender@iona.com](mailto:philip.pender@iona.com)

Joe Andrews – Progress VP Human Resources

+1 781-280-4216 [jandrews@progress.com](mailto:jandrews@progress.com)

Cindy Swech – Progress Director Compensation & Benefits

+1 781 280-4716 [cswech@progress.com](mailto:cswech@progress.com)

## About the Transaction

The acquisition will be effected by means of a “scheme of arrangement” under Irish law pursuant to which a wholly owned subsidiary of Progress Software, SPK Acquisitions Limited, will acquire all of the outstanding securities of IONA not already owned by Progress Software or its wholly-owned subsidiaries from IONA shareholders for cash. The acquisition will be subject to the terms and conditions to be set forth in the scheme of arrangement document to be delivered to IONA shareholders. To become effective, the scheme of arrangement requires, among other things, the approval of a majority in number of IONA shareholders, present and voting either in person or by proxy, representing 75% or more in value of the IONA shares held by such holders. The acquisition is also subject to regulatory approval in the U.S. and the approval of the Irish High Court. Assuming the necessary approvals are obtained and all conditions have been satisfied, the acquisition will become effective upon delivery to the Registrar of Companies in Ireland of the court order of the Irish High Court sanctioning the scheme. Upon the acquisition becoming effective, it will be binding on all IONA shareholders.

# Legal Information – Presentation of Information, Bases and Sources

- The sources and bases for the information contained in this document are as follows:
  - Reference to arrangements in place between Progress and IONA regarding the Acquisition are sourced from the terms of the implementation agreement dated 25 June 2008 or the announcement issued pursuant to Rule 2.5 of the Irish Takeover Rules on 25 June 2008.
  - [Except as otherwise stated, IONA's product, customer and corporate information is sourced from material available on IONA's website [www.iona.com](http://www.iona.com) or included in IONA's public filings with the Securities and Exchange Commission.]
  - Except as otherwise stated, Progress product, customer and corporate information is sourced from material available on Progress' website [www.progress.com](http://www.progress.com) or included in Progress' public filings with the Securities and Exchange Commission.
  - The annual revenue information on page 6 relating to Progress Software is extracted from the audited consolidated financial statements of Progress Software for the 2005, 2006 and 2007 financial years. The estimate of revenue for Progress Software for the 2008 financial year is sourced from analysts estimates obtained from First Call. The non-GAAP earnings per share information, including reconciliation to GAAP results, for the 2005, 2006 and 2007 financial years is sourced from Progress Software's Web site. The estimate of non-GAAP earnings per share for Progress Software for the 2008 financial year is sourced from analysts estimates obtained from First Call.



# Legal Information

The directors of IONA accept responsibility for the information contained in this document relating to IONA, the IONA Group, the directors of IONA and members of their immediate families, related trusts and persons connected with them and the recommendation and related opinions of the Board of IONA contained herein. To the best of the knowledge and belief of the directors of IONA (who have taken all reasonable care to ensure such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of Progress Software and the directors of Progress Software's subsidiary, SPK Acquisitions Limited ("SPK"), accept responsibility for the information contained in this document, other than that relating to IONA, the IONA Group, the directors of IONA and members of their immediate families, related trusts and persons connected with them and the recommendation and related opinions of the Board of IONA contained herein. To the best of the knowledge and belief of the directors of SPK and the directors of Progress (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Lehman Brothers, which is regulated under the laws of the United States of America, is acting exclusively for the Board of IONA and no one else in connection with the Acquisition and will not be responsible to anyone other than the Board of IONA for providing the protections afforded to clients of Lehman Brothers or for providing advice in relation to the Acquisition, the contents of this announcement or any transaction or arrangement referred to herein.

Goodbody Corporate Finance is acting exclusively for SPK and Progress and no one else in connection with the Acquisition and will not be responsible to anyone other than SPK and Progress for providing the protections afforded to customers of Goodbody Corporate Finance or for providing advice in relation to the Acquisition, the contents of this announcement or any transaction or arrangement referred to herein.

Any person who is a holder of 1% or more of the share capital of IONA may have disclosure obligations under Rule 8.3 of the Irish Takeover Rules, effective from the date of the commencement of the offer period in respect of the acquisition.

The distribution of this announcement in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of this announcement and all other documents relating to the acquisition are not being, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where it would be unlawful to do so. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction.

This press release does not constitute an offer or invitation to purchase, sell, subscribe or exchange or the solicitation of an offer to purchase, sell, subscribe or exchange any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the acquisition, the scheme of arrangement or otherwise.

Certain items in this announcement may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. Forward-looking statements are statements that contain predictions or projections of future events or performance, and often contain words such as "anticipates", "can", "estimates", "believe", "expects", "projects", "will", "might", or other words indicating a statement about the future. These statements are based on our current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual events to differ materially from those described in the forward-looking statements. Reliance should not be placed on any such statements because of their very nature, they are subject to known and unknown risks and uncertainties and can be affected by factors that could cause them to differ materially from those expressed or implied in the forward-looking statements. We can give no assurance that expectations will be attained. Risks, uncertainties and other important factors that could cause actual results to differ from those expressed or implied in the forward looking statements include: uncertainties as to the timing of the closing of Progress Software's acquisition of IONA; uncertainties as to whether the shareholders of IONA will vote in favor of IONA's acquisition by Progress Software; the risk that competing offers to acquire IONA will be made; the possibility that various closing conditions for the transaction may not be satisfied or waived, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the transaction; the effects of disruption from the transaction making it more difficult to maintain relationships with employees, licensees, other business partners or governmental entities; other business effects, including the effects of industry, economic or political conditions outside of Progress Software's or IONA's control; transaction costs; actual or contingent liabilities; uncertainties as to whether anticipated synergies will be realized; uncertainties as to whether IONA's business will be successfully integrated with Progress Software's business; and other risks and uncertainties discussed in documents filed with the U.S. Securities and Exchange Commission by Progress Software and IONA, including the Quarterly Report on Form 10-Q filed by Progress Software on April 9, 2008, and the Quarterly Report on Form 10-Q filed by IONA on May 12, 2008. Such forward-looking statements speak only as of the date of this announcement. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or change in events, conditions, or circumstances on which any such statement is based.

# Important Additional Information and Where to Find It

## Important Additional Information and Where to Find It

In connection with the acquisition, IONA intends to file with the Securities and Exchange Commission and mail to its shareholders a proxy statement (comprising the scheme of arrangement document). Investors and shareholders of IONA are urged to read the proxy statement (comprising the scheme of arrangement document) and the other relevant materials when they become available because they will contain important information about Progress, IONA and the proposed acquisition and related matters.

The proxy statement (comprising the scheme of arrangement document) and other relevant materials (when they become available), and any and all documents filed by Progress Software and IONA with the Securities and Exchange Commission, may be obtained free of charge at the Securities and Exchange Commission's web site at [www.sec.gov](http://www.sec.gov). In addition, investors and shareholders may obtain free copies of the documents filed with the Securities and Exchange Commission by Progress Software by directing a written request to Progress Software, 14 Oak Park Drive, Bedford, Massachusetts 01730, United States of America, Attention: Investor Relations, and by IONA by directing a written request to IONA, c/o IONA Technologies, Inc., 200 West Street, Waltham, Massachusetts 02451, United States of America, Attention: Investor Relations.

**INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT (COMPRISING THE SCHEME OF ARRANGEMENT DOCUMENT) AND THE OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE PROPOSED ACQUISITION.**

As of the date of this press release, Progress Software and its subsidiaries own 362,000 IONA shares in total, representing approximately 0.99 per cent of the issued share capital of IONA and have an economic interest, through contracts for difference, in 1,442,873 IONA shares in total, representing approximately 3.95 per cent of the issued share capital of IONA.

Progress Software, SPK Acquisitions Limited and IONA Technologies plc and their respective executive officers and directors may be deemed to be participants in the solicitation of proxies from the shareholders of IONA in connection with the acquisition. Information about those executive officers and directors of Progress is set forth in Progress Software's Annual Report on Form 10-K for the year ended 30 November 2007, which was filed with the Securities and Exchange Commission on 29 January 2008, the proxy statement for Progress Software's 2008 Annual Meeting, which was filed with the Securities and Exchange Commission on 24 March 2008, and is supplemented by other public filings made, and to be made, with the Securities and Exchange Commission. Information about those executive officers and directors of IONA and their ownership of IONA Shares is set forth in IONA's Annual Report on Form 10-K for the year ended 31 December 2007, which was filed with the Securities and Exchange Commission on 14 March 2008, and the proxy statement for IONA's 2008 Annual General Meeting, which was filed with the Securities and Exchange Commission on 29 April 2008, and is supplemented by other public filings made, and to be made, with the Securities and Exchange Commission. Investors and shareholders may obtain additional information regarding the direct and indirect interests of Progress Software, SPK Acquisitions Limited, IONA and their respective executive officers and directors in the acquisition by reading the proxy statement (comprising the scheme of arrangement document) and other filings referred to above.

*Progress is a registered trademark of Progress Software Corporation or one of its affiliates or subsidiaries in the U.S. and other countries. Any other trademark contained herein are the property of their respective owners. IONA, IONA Technologies, the IONA logo, Orbix, High Performance Integration, Artix, FUSE and Making Software Work Together are trademarks or registered trademarks of IONA Technologies PLC and/or its subsidiaries. CORBA is a trademark or registered trademark of the Object Management Group, Inc. in the United States and other countries. All other trademarks that may appear herein are the property of their respective owners.*



***PROGRESS***  
**S O F T W A R E**



# IONA Technologies Joins Forces with Progress Software

**June 25, 2008**

 PROGRESS SOFTWARE CONFIDENTIAL

---

# The News

Progress to acquire IONA Technologies

Acquisition price is \$4:05 per share in cash

Acquisition expected to close in September

All IONA product lines expected to be supported and advanced



# The Progress Mission



## ***The Progress Mission***

***To deliver superior software products and services that empower our partners and customers to dramatically improve their development, deployment, integration and management of quality applications worldwide.***

# Progress Software Superior Products Across All Product Lines

## SOA Portfolio

<b>OpenEdge</b>	Business Application Platform Integrated platform optimized for business
<b>Apama</b>	Complex Event Processing Market leading CEP platform
<b>Sonic</b>	Enterprise Service Bus World's first and market leading ESB
<b>Actional</b>	SOA Management Leading enterprise-class SOA management
<b>Shadow</b>	Mainframe Integration First unified mainframe integration platform
<b>DataXtend</b>	Data Interoperability First model-driven semantic data integration
<b>DataDirect</b>	Data Connectivity Market leader in data connectivity
<b>EasyAsk</b>	Natural Language Search and Query First and leading natural language query
<b>ObjectStore</b>	Object Data Management Market leading object database

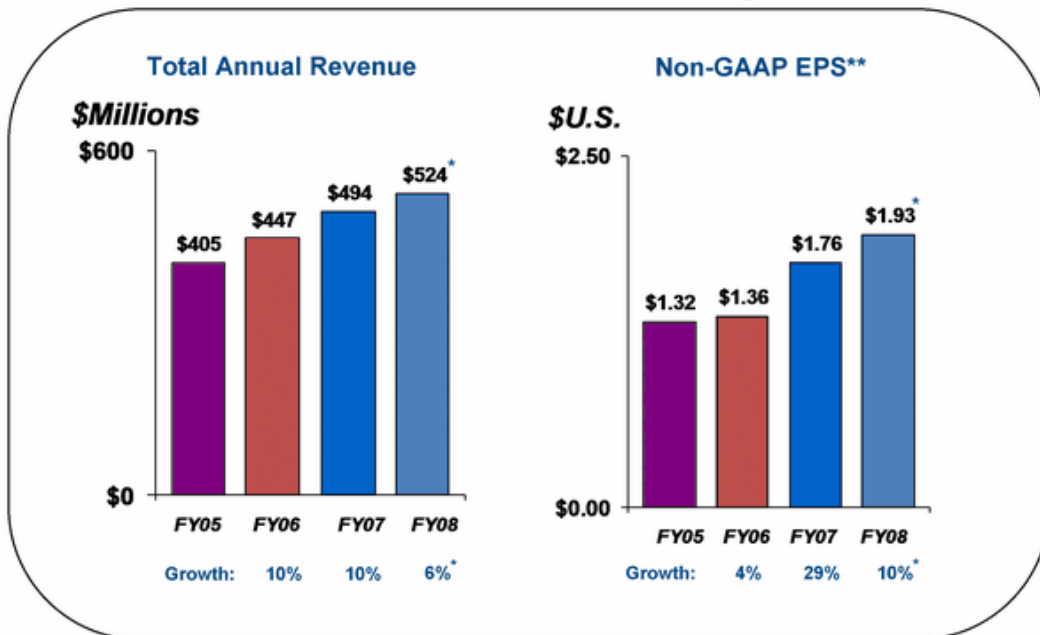
# Progress Software Global Customer Presence





# Progress Software Annual Revenue and Non-GAAP EPS

28 Consecutive Quarters of Year-on-Year Revenue Growth  
23 Consecutive Years of Operating Income



\*Per Analysts Estimates obtained from First Call

\*\*Non-GAAP operating income excludes amortization of acquired intangibles, in-process research and development, other acquisition related expenses, stock-based compensation and tax benefit. See reconciliation to GAAP results on our Web site.

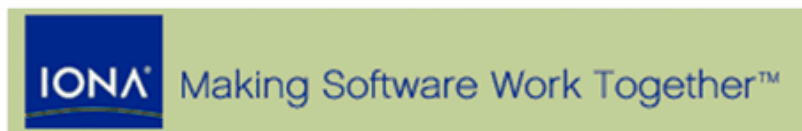
## Why Progress + IONA?

*Strengthen position as leader in independent, standards-based, heterogeneous, distributed SOA infrastructure*

- **Extend the reach of the Progress SOA Portfolio with leading-edge technology for the widest variety of heterogeneous deployment options & interoperability**
- **Support and deepen relationships with the impressive and long-standing IONA customer base**
- **Leverage innovation in open source**
- **Add a world-class team that has built a reputation for addressing the most complex systems integration challenges**

# IONA Technologies

- Like Progress, an “independent” SOA infrastructure vendor
  - Best-in-class technology
  - 15-year history delivering standards-based integration for high-performance systems
  - Development centers in Dublin (Ireland), Waltham (MA), and St. John’s (Canada)
  - Foundation technology in hundreds of large-scale, mission-critical systems for the Global 2000
- Focus on standards and open source innovation
  - Early pioneers in standards-based integration
  - Plays a key role in open source efforts



# IONA Technologies Customers

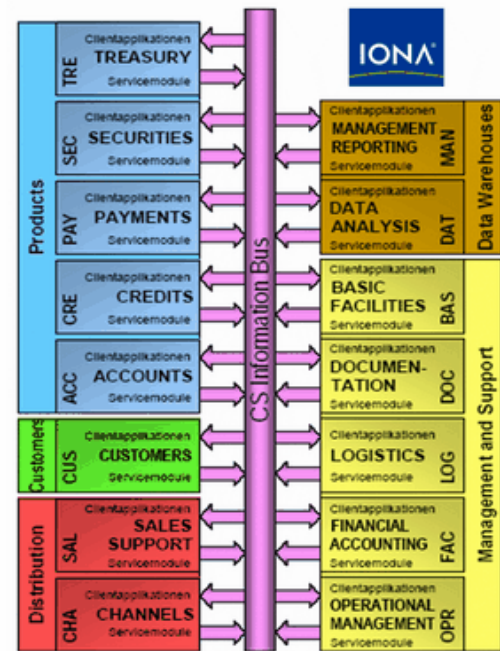
- Strength in telecom, financial services, government, and manufacturing industry segments
- Customers Include World's Largest Firms
  - 80% of Global Telecom
  - 70% of Financial Services in Global 100



# IONA Technologies: Solving Credit Suisse' Integration Challenges with CORBA



- 1,500 services in production
- 100,000+ users
- 1 billion transactions/year
- 73% cost reduction for systems development and integration
- Reuse of 70% of services



## IONA Product Lines

- **Orbix** – The industry-leading middleware for CORBA standards-based integration
- **Artix** – Standards-based high-performance SOA infrastructure products
- **FUSE** – Professional open source for SOA integration

# The Progress SOA Portfolio



# The Expanded Progress SOA Portfolio





## Combined Strengths

- The most **comprehensive** product offering for standards-based, heterogeneous, distributed SOA infrastructure
- **Interoperability** across the combined SOA Portfolio
- Increased global **distribution** and sales capacity
- Strong bases in multiple industry segments with **expanded vertical** solutions
- The know-how to use the **open source** development & distribution model for market expansion
- A truly **independent** alternative to the stack vendors – from both business and technical perspectives

# Leading-Edge IONA Technology

## *To complement and extend the reach of the SOA Portfolio*

- IONA technology addresses demanding customer requirements
  - Service-enables a wide range of applications in performance-demanding, heterogeneous IT environments
  - Capitalizes on the adoption of key standards and open source technologies
  - Battle-tested in the most rigorous IT environments
  
- Artix products complement existing SOA Portfolio offerings
  - Increases flexibility to use more integration styles, integrate more kinds of systems, and leverage emerging standards
  - Rarely compete in customer engagements since products largely address complementary problems

# New Endpoint Enablement Options

*For the widest variety of heterogeneous deployment options*

- CORBA Environments
- C++ Environments
  - Full Web service runtime framework for C++
  - Transactions: Tuxedo, CORBA OTS, WS-AT
  - Proprietary MOMs: IBM WebSphere MQ, TIBCO RV
- Java Environments
  - Builds on popular Spring open source framework
  - Deploys in any Java environment including POJO, Java EE, Tomcat, and OSGi
- .NET Environments
  - WCF Connect plugs directly into Microsoft environments
  - Connect BizTalk and .NET applications with CORBA, Sonic ESB, and Java EE

# End-to-End SOA Integration

## *For all pieces of the integration puzzle*

- **Artix: Service enablement of heterogeneous endpoints**
  - Supports a variety of application platforms and legacy technologies including CORBA
  - Lightweight, embedded model supports the widest variety of SOA deployment options
- **Sonic: Distributed integration network**
  - Enterprise-grade, continuously available communications infrastructure
  - Distributed management infrastructure facilitates global control with local autonomy
  - Integrates standards-based services – including those created with Artix
- **Standards alignment – WS-\*, JMS, and BPEL 2.0**

# Data Interoperability Solutions for Financial Services

## Artix Data Services for the widest data interoperability

- Comprehensive libraries include message types, validation rules, and test cases
- Financial services focus parallel to the Progress® DataXtend® Semantic Integrator telecom go-to-market focus

Pre-built and supported Standards Libraries						
SWIFT Ready 2006 Messaging Library		ISO	EPC SEPA	FpML Financial products Markup Language	FIX Celebrating 10 Years www.FIXprotocol.org Financial Industry Exchange Protocol Connectivity Trade World	TWIST
SWIFT MT SR2002 SR2003 SR2005 SR2006 SR2007	SWIFTNet MX FUNDS E&I TSU FpML	ISO20022 CustoBankPmt ExcptAndInvest InvmntFunds Distribution PmtsClrngSttlmnt PmtsInit	Credit Transfer Scheme Direct Debit Scheme	OTC Derivatives  DTCC Deriv/SERV  SwapsWire SWML	FIX 4.0-4.4, 5.0  FIXml 4.4, 5.0	TWIST SR June 2006

# Progress is Committed to Supporting IONA Customers

## *To support the IONA base*

- Progress will advance the **CORBA** business and the customer base
  - Orbix 3, Orbix 6, Orbix Mainframe and Orbacus product lines will be maintained and evolved according to the needs of key customers
- The **Artix** product line will be advanced and included into the Progress SOA Portfolio
- Leadership and participation in the open source projects as well as the **FUSE** business will be advanced
- The **Progress SOA Portfolio** expands the range of options for Orbix, Artix, and Fuse customers looking to build out an SOA

# Expanding the Market Opportunity

## *To deepen relationships with both customer bases*

- Standards-based interoperability provides expanded product choices
- Horizontal Offerings
  - Actional SOA Management for Artix ready for release
  - SonicMQ for large-scale messaging needs
  - Apama to address IONA customer needs for complex event processing (CEP)
  - Artix “smart endpoints” increases options for SOA Portfolio customers
- Vertical Offerings
  - OSS/BSS Integration through DataXtend SI for the IONA telecom base
  - SWIFT/FpML/ISO20022 support is important to Progress financial services customers

# Open Source Projects and Business

## *To leverage innovation in open source*

- Advance open source projects
  - Commitment to Apache and Eclipse communities through project leadership and contribution of innovative technology
  - Popular open source projects offered as FUSE professional open source are *de facto* industry standards
    - Apache CXF - next-generation Web services stack
    - Apache ServiceMix - JBI container
    - Apache ActiveMQ - JMS messaging system
    - Apache Camel - implementation of well-known Enterprise Integration Patterns
  
- Monetize and leverage open source adoption
  - Seed SOA integration and enterprise messaging technology into the market
  - Provide complementary SOA Portfolio products
  - Grow subscription-based FUSE open source business



## Progress + IONA

- The most **comprehensive** product offering for standards-based, heterogeneous, distributed SOA infrastructure
- **Interoperability** across the combined SOA Portfolio
- Increased global **distribution** and sales capacity
- Strong bases in multiple industry segments with **expanded vertical** solutions
- The know-how to use the **open source** development & distribution model for market expansion
- A truly **independent** alternative to the stack vendors – from both business and technical perspectives

## About the Transaction

The acquisition will be effected by means of a “scheme of arrangement” under Irish law pursuant to which a wholly owned subsidiary of Progress Software, SPK Acquisitions Limited, will acquire all of the outstanding securities of IONA not already owned by Progress Software or its wholly-owned subsidiaries from IONA shareholders for cash. The acquisition will be subject to the terms and conditions to be set forth in the scheme of arrangement document to be delivered to IONA shareholders. To become effective, the scheme of arrangement requires, among other things, the approval of a majority in number of IONA shareholders, present and voting either in person or by proxy, representing 75% or more in value of the IONA shares held by such holders. The acquisition is also subject to regulatory approval in the U.S. and the approval of the Irish High Court. Assuming the necessary approvals are obtained and all conditions have been satisfied, the acquisition will become effective upon delivery to the Registrar of Companies in Ireland of the court order of the Irish High Court sanctioning the scheme. Upon the acquisition becoming effective, it will be binding on all IONA shareholders.

# Legal Information – Presentation of Information, Bases and Sources

- The sources and bases for the information contained in this document are as follows:
  - Reference to arrangements in place between Progress and IONA regarding the Acquisition are sourced from the terms of the implementation agreement dated 25 June 2008 or the announcement issued pursuant to Rule 2.5 of the Irish Takeover Rules on 25 June 2008.
  - [Except as otherwise stated, IONA's product, customer and corporate information is sourced from material available on IONA's website [www.iona.com](http://www.iona.com) or included in IONA's public filings with the Securities and Exchange Commission.]
  - Except as otherwise stated, Progress product, customer and corporate information is sourced from material available on Progress' website [www.progress.com](http://www.progress.com) or included in Progress' public filings with the Securities and Exchange Commission.
  - The annual revenue information on page 6 relating to Progress Software is extracted from the audited consolidated financial statements of Progress Software for the 2005, 2006 and 2007 financial years. The estimate of revenue for Progress Software for the 2008 financial year is sourced from analysts estimates obtained from First Call. The non-GAAP earnings per share information, including reconciliation to GAAP results, for the 2005, 2006 and 2007 financial years is sourced from Progress Software's Web site. The estimate of non-GAAP earnings per share for Progress Software for the 2008 financial year is sourced from analysts estimates obtained from First Call.

# Legal Information

The directors of IONA accept responsibility for the information contained in this document relating to IONA, the IONA Group, the directors of IONA and members of their immediate families, related trusts and persons connected with them and the recommendation and related opinions of the Board of IONA contained herein. To the best of the knowledge and belief of the directors of IONA (who have taken all reasonable care to ensure such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of Progress Software and the directors of Progress Software's subsidiary, SPK Acquisitions Limited ("SPK"), accept responsibility for the information contained in this document, other than that relating to IONA, the IONA Group, the directors of IONA and members of their immediate families, related trusts and persons connected with them and the recommendation and related opinions of the Board of IONA contained herein. To the best of the knowledge and belief of the directors of SPK and the directors of Progress (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Lehman Brothers, which is regulated under the laws of the United States of America, is acting exclusively for the Board of IONA and no one else in connection with the Acquisition and will not be responsible to anyone other than the Board of IONA for providing the protections afforded to clients of Lehman Brothers or for providing advice in relation to the Acquisition, the contents of this announcement or any transaction or arrangement referred to herein.

Goodbody Corporate Finance, which is regulated by the Financial Regulator in Ireland, is acting exclusively for SPK and Progress and no one else in connection with the Acquisition and will not be responsible to anyone other than SPK and Progress for providing the protections afforded to customers of Goodbody Corporate Finance or for providing advice in relation to the Acquisition, the contents of this announcement or any transaction or arrangement referred to herein.

Any person who is a holder of 1% or more of the share capital of IONA may have disclosure obligations under Rule 8.3 of the Irish Takeover Rules, effective from the date of the commencement of the offer period in respect of the acquisition.

The distribution of this announcement in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of this announcement and all other documents relating to the acquisition are not being, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where it would be unlawful to do so. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction.

This press release does not constitute an offer or invitation to purchase, sell, subscribe or exchange or the solicitation of an offer to purchase, sell, subscribe or exchange any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the acquisition, the scheme of arrangement or otherwise.

Certain items in this announcement may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. Forward-looking statements are statements that contain predictions or projections of future events or performance, and often contain words such as "anticipates", "can", "estimates", "believe", "expects", "projects", "will", "might", or other words indicating a statement about the future. These statements are based on our current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual events to differ materially from those described in the forward-looking statements. Reliance should not be placed on any such statements because of their very nature, they are subject to known and unknown risks and uncertainties and can be affected by factors that could cause them to differ materially from those expressed or implied in the forward-looking statements. We can give no assurance that expectations will be attained. Risks, uncertainties and other important factors that could cause actual results to differ from those expressed or implied in the forward looking statements include: uncertainties as to the timing of the closing of Progress Software's acquisition of IONA; uncertainties as to whether the shareholders of IONA will vote in favor of IONA's acquisition by Progress Software; the risk that competing offers to acquire IONA will be made; the possibility that various closing conditions for the transaction may not be satisfied or waived, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the transaction; the effects of disruption from the transaction making it more difficult to maintain relationships with employees, licensees, other business partners or governmental entities; other business effects, including the effects of industry, economic or political conditions outside of Progress Software's or IONA's control; transaction costs; actual or contingent liabilities; uncertainties as to whether anticipated synergies will be realized; uncertainties as to whether IONA's business will be successfully integrated with Progress Software's business; and other risks and uncertainties discussed in documents filed with the U.S. Securities and Exchange Commission by Progress Software and IONA, including the Annual Report on Form 10-K filed by Progress Software on January 29, 2008, as well as the Quarterly Report on Form 10-Q filed by Progress Software on April 9, 2008, and the Annual Report on Form 10-K filed by IONA on March 14, 2008, as well as the Quarterly Report on Form 10-Q filed by IONA on May 12, 2008. Such forward-looking statements speak only as of the date of this announcement. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or change in events, conditions, or circumstances on which any such statement is based.

# Important Additional Information and Where to Find It

## Important Additional Information and Where to Find It

In connection with the acquisition, IONA intends to file with the Securities and Exchange Commission and mail to its shareholders a proxy statement (comprising the scheme of arrangement document). Investors and shareholders of IONA are urged to read the proxy statement (comprising the scheme of arrangement document) and the other relevant materials when they become available because they will contain important information about Progress, IONA and the proposed acquisition and related matters.

The proxy statement (comprising the scheme of arrangement document) and other relevant materials (when they become available), and any and all documents filed by Progress Software and IONA with the Securities and Exchange Commission, may be obtained free of charge at the Securities and Exchange Commission's web site at [www.sec.gov](http://www.sec.gov). In addition, investors and shareholders may obtain free copies of the documents filed with the Securities and Exchange Commission by Progress Software by directing a written request to Progress Software, 14 Oak Park Drive, Bedford, Massachusetts 01730, United States of America, Attention: Investor Relations, and by IONA by directing a written request to IONA, c/o IONA Technologies, Inc., 200 West Street, Waltham, Massachusetts 02451, United States of America, Attention: Investor Relations.

**INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT (COMPRISING THE SCHEME OF ARRANGEMENT DOCUMENT) AND THE OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE PROPOSED ACQUISITION.**

As of the date of this press release, Progress Software and its subsidiaries own 362,000 IONA shares in total, representing approximately 0.99 per cent of the issued share capital of IONA and have an economic interest, through contracts for difference, in 1,442,873 IONA shares in total, representing approximately 3.95 per cent of the issued share capital of IONA.

Progress Software, SPK Acquisitions Limited and IONA Technologies plc and their respective executive officers and directors may be deemed to be participants in the solicitation of proxies from the shareholders of IONA in connection with the acquisition. Information about those executive officers and directors of Progress is set forth in Progress Software's Annual Report on Form 10-K for the year ended 30 November 2007, which was filed with the Securities and Exchange Commission on 29 January 2008, the proxy statement for Progress Software's 2008 Annual Meeting, which was filed with the Securities and Exchange Commission on 24 March 2008, and is supplemented by other public filings made, and to be made, with the Securities and Exchange Commission. Information about those executive officers and directors of IONA and their ownership of IONA Shares is set forth in IONA's Annual Report on Form 10-K for the year ended 31 December 2007, which was filed with the Securities and Exchange Commission on 14 March 2008, and the proxy statement for IONA's 2008 Annual General Meeting, which was filed with the Securities and Exchange Commission on 29 April 2008, and is supplemented by other public filings made, and to be made, with the Securities and Exchange Commission. Investors and shareholders may obtain additional information regarding the direct and indirect interests of Progress Software, SPK Acquisitions Limited, IONA and their respective executive officers and directors in the acquisition by reading the proxy statement (comprising the scheme of arrangement document) and other filings referred to above.

*Progress is a registered trademark of Progress Software Corporation or one of its affiliates or subsidiaries in the U.S. and other countries. Any other trademark contained herein are the property of their respective owners. IONA, IONA Technologies, the IONA logo, Orbix, High Performance Integration, Artix, FUSE and Making Software Work Together are trademarks or registered trademarks of IONA Technologies PLC and/or its subsidiaries. CORBA is a trademark or registered trademark of the Object Management Group, Inc. in the United States and other countries. All other trademarks that may appear herein are the property of their respective owners.*

## Contact Information

- John Stewart
  - Corporate Communications
  - 781-280-4101
  - [jstewart@progress.com](mailto:jstewart@progress.com)
  
- Paul LaBelle
  - Analyst Relations
  - 781-280-4147
  - [plabelle@progress.com](mailto:plabelle@progress.com)



***PROGRESS***  
**S O F T W A R E**