



October 3, 2012

Progress Software to Sell Shadow to Rocket Software

Divestiture is step forward in execution of Progress' strategic direction

BEDFORD, Mass.--(BUSINESS WIRE)-- [Progress Software Corporation](#) (NASDAQ: PRGS) today announced that it has signed a definitive agreement with [Rocket Software](#) for it to acquire the Shadow product. Shadow, middleware software that simplifies and accelerates the integration of data and programs residing on mainframes with other business systems using open standard data and service interfaces, is highly complementary to Rocket Software's existing product portfolio and will offer Rocket customers dramatic improvements in total cost of ownership and performance of integration projects that involve mainframe assets.

For Progress Software, this divestiture will complete another important step in its strategic plan to refocus on providing the most productive, cost-effective, on-premise, cloud- and mobile-enabled platforms for developing, deploying, and maintaining the world's best business applications.

"The divestiture of the Shadow product further demonstrates our company's focus on the strategy we announced in April," said Progress' President and Chief Executive Officer, [Jay Bhatt](#). "This transaction, which is a key milestone toward the achievement of our strategic direction, is a great outcome for our shareholders as well as Shadow employees and customers. We are delighted that this established product and highly-skilled team will move to such a high-caliber company that really understands how to help customers leverage mainframes."

The consummation of the transaction is subject to customary closing conditions. When the transaction is completed, Shadow will be the second of the ten product lines to be sold following the sale of the FuseSource business to Red Hat that was completed in early September. The company's expectation is that the sale of Shadow will be completed during the fiscal fourth quarter of 2012.

Pacific Crest Securities LLC is serving as Progress' financial advisor with respect to the transaction with Rocket and Wilmer Cutler Pickering Hale and Dorr LLP is serving as Progress' legal counsel.

About Rocket Software

Rocket Software (www.rocketsoftware.com) is a global software development firm that builds enterprise products and delivers enterprise solutions in the following segments: Business Intelligence and Analytics; Storage, Networks, and Compliance; Application Development, Integration, and Modernization; and Database Servers and Tools. Rocket is engaged in business and technology partnerships with IBM, EMC, Fujitsu, HP Enterprise Services, Hitachi Data Systems, Avaya, Motorola, Epicor, and many others. The company is headquartered in Waltham, Massachusetts, USA.

About Progress Software Corporation

Progress Software Corporation (NASDAQ: PRGS) is a global software company that simplifies the development, deployment and management of business applications on-premise or on any Cloud, on any platform and on any device with minimal IT complexity and low total cost of ownership. Progress Software can be reached at www.progress.com or 1-781-280-4000.

Actional, Apama, Artix, Corticon, DataDirect, DataDirect Connect, DataXtend, Fuse, ObjectStore, Orbix, Progress, Progress Control Tower, Savvion, Shadow and Sonic are trademarks or registered trademarks of Progress Software Corporation or one of its subsidiaries or affiliates in the U.S. and other countries. Any other trademarks contained herein are the property of their respective owners.

Forward-Looking Statements

This press release contains statements that are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Progress has identified some of these forward-looking statements with words like "believe," "may," "could," "would," "might," "should," "expect," "intend," "plan," "target," "anticipate" and "continue," the negative of these words, other terms of similar meaning or the use of future dates. Forward-looking statements in this press release include, but are not limited to, statements regarding Progress's strategic plan and the expected timing for completion; and the components of that plan including

product divestitures; and other statements regarding the future operation, direction and success of Progress's business. There are a number of factors that could cause actual results or future events to differ materially from those anticipated by the forward-looking statements, including, without limitation:

(1) Progress's ability to realize the expected benefits and cost savings from its strategic plan; (2) market acceptance of Progress's strategic plan and product development initiatives; (3) disruption caused by implementation of the strategic plan and related restructuring and divestitures on relationships with employees, customers, ISVs, other channel partners, vendors and other business partners; (4) pricing pressures and the competitive environment in the software industry and Platform-as-a-Service market; (5) Progress's ability to complete the proposed product divestitures in a timely manner, at favorable prices or at all; (6) Progress's ability to make technology acquisitions and to realize the expected benefits and anticipated synergies from such acquisitions; (7) the continuing weakness in the U.S. and international economies, which could result in fewer sales of Progress's products and/or delays in the implementation of Progress's strategic plan and may otherwise harm Progress's business; (8) business and consumer use of the Internet and the continuing adoption of Cloud technologies; (9) the receipt and shipment of new orders; (10) Progress's ability to expand its relationships with channel partners and to manage the interaction of channel partners with its direct sales force; (11) the timely release of enhancements to Progress's products and customer acceptance of new products; (12) the positioning of Progress's products in its existing and new markets; (13) variations in the demand for professional services and technical support; (14) Progress's ability to penetrate international markets and manage its international operations; and (15) changes in exchange rates. For further information regarding risks and uncertainties associated with Progress's business, please refer to Progress's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended November 30, 2011, as amended, and Quarterly Reports on Form 10-Q for the fiscal quarter ended February 29, 2012 and May 31, 2012. Progress undertakes no obligation to update any forward-looking statements, which speak only as of the date of this press release.

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