

update software AG

ISIN AT0000747555

D i v i d e n d A n n o u n c e m e n t

In the 11th ordinary shareholders' meeting held on June 11, 2008, the Company's shareholders resolved to distribute a **dividend of EUR 0.10** per authorised no-par share for the 2007 financial year.

The dividend will be paid less 25% withholding for investment income tax purposes, unless there is an exception to collecting the investment income tax, starting June 18, 2008, based on the securities account balances as credited on June 11, 2008 by the banks maintaining such accounts.

Paying agents will be Bank Austria Creditanstalt AG in Austria and Bankhaus Gebrüder Martin AG in Germany.

Trading ex dividend 2007 on the Frankfurt Stock Exchange will begin on June 12, 2008.

Vienna, June 2008

The Management Board