



ACTIVANT

Deutsche Bank High Yield Conference

October 2006

This presentation contains statements that are forward looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements should be considered as estimates only and actual results may ultimately differ from these estimates. Except to the extent required by applicable securities laws, we undertake no obligation to update or publicly revise any of the forward-looking statements contained in this presentation. Please refer to our quarterly report for the quarter ended June 30, 2006 which can be found in the investor relations website at:

www.activant.com/company/investors for a full discussion of the risks and other factors that may impact any estimates you may hear today. We may make certain statements during the course of this presentation which include references to "non-GAAP financial measures," as defined by SEC regulations. We have provided reconciliations of these measures to what we believe are the most directly comparable GAAP measures, which are attached hereto within the appendix.

Company Overview

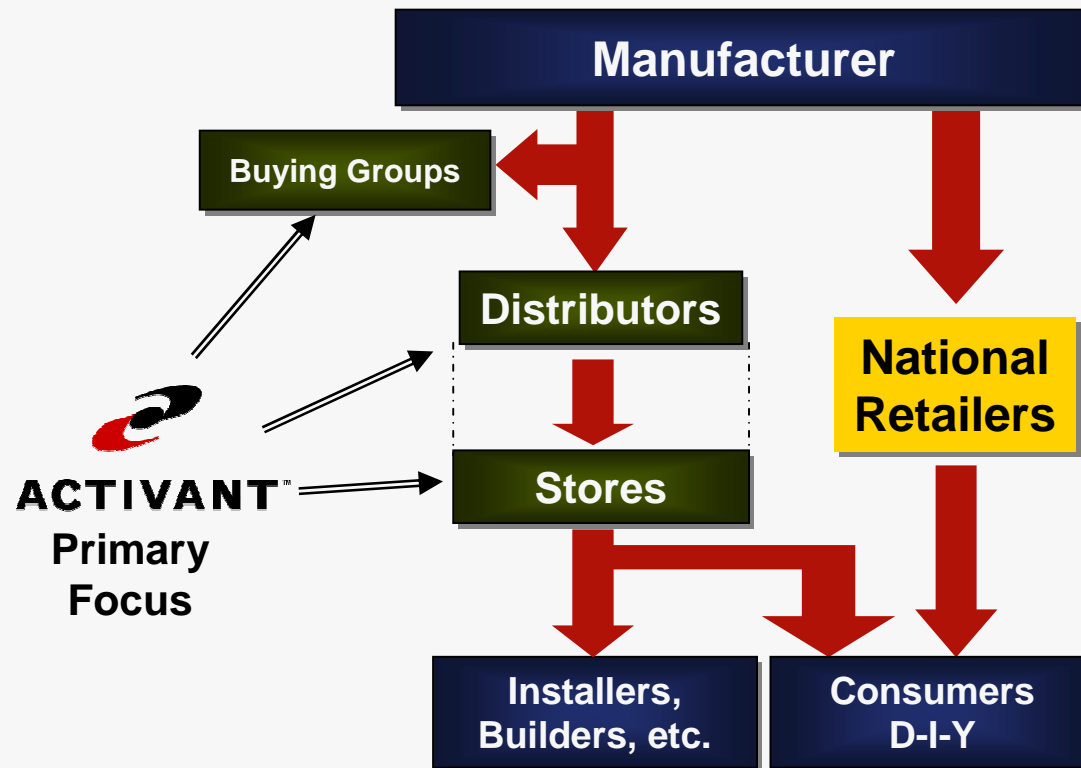
Pervez Qureshi, President and CEO



Activant Highlights

- **Leading vendor to distribution verticals**
- **Business critical products**
- **Recurring and predictable revenue model**
- **Strong cash flow generation**
- **Long-term relationships with key vertical participants**

Activant's Business



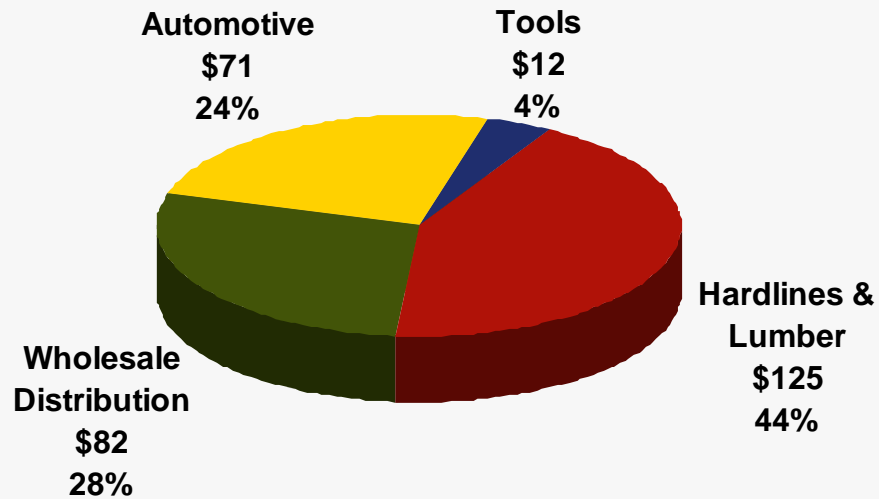
Activant is a leading provider of software solutions to high complexity, distribution-intensive vertical markets

Company Snapshot

Nine Months ended June 2006 Revenue - \$289 mm

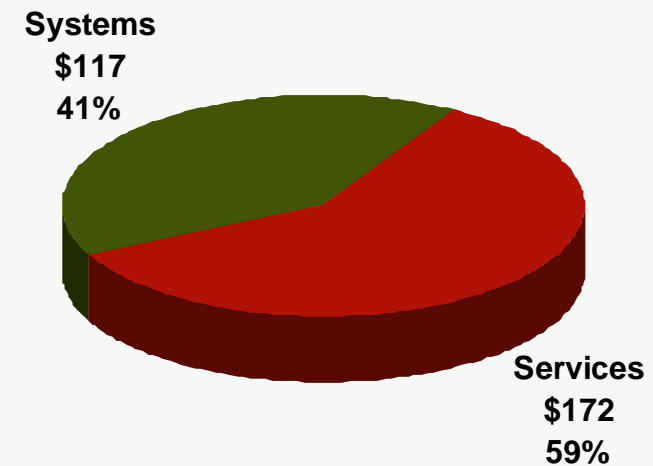
Revenue by Vertical (1)

(\$ in millions)



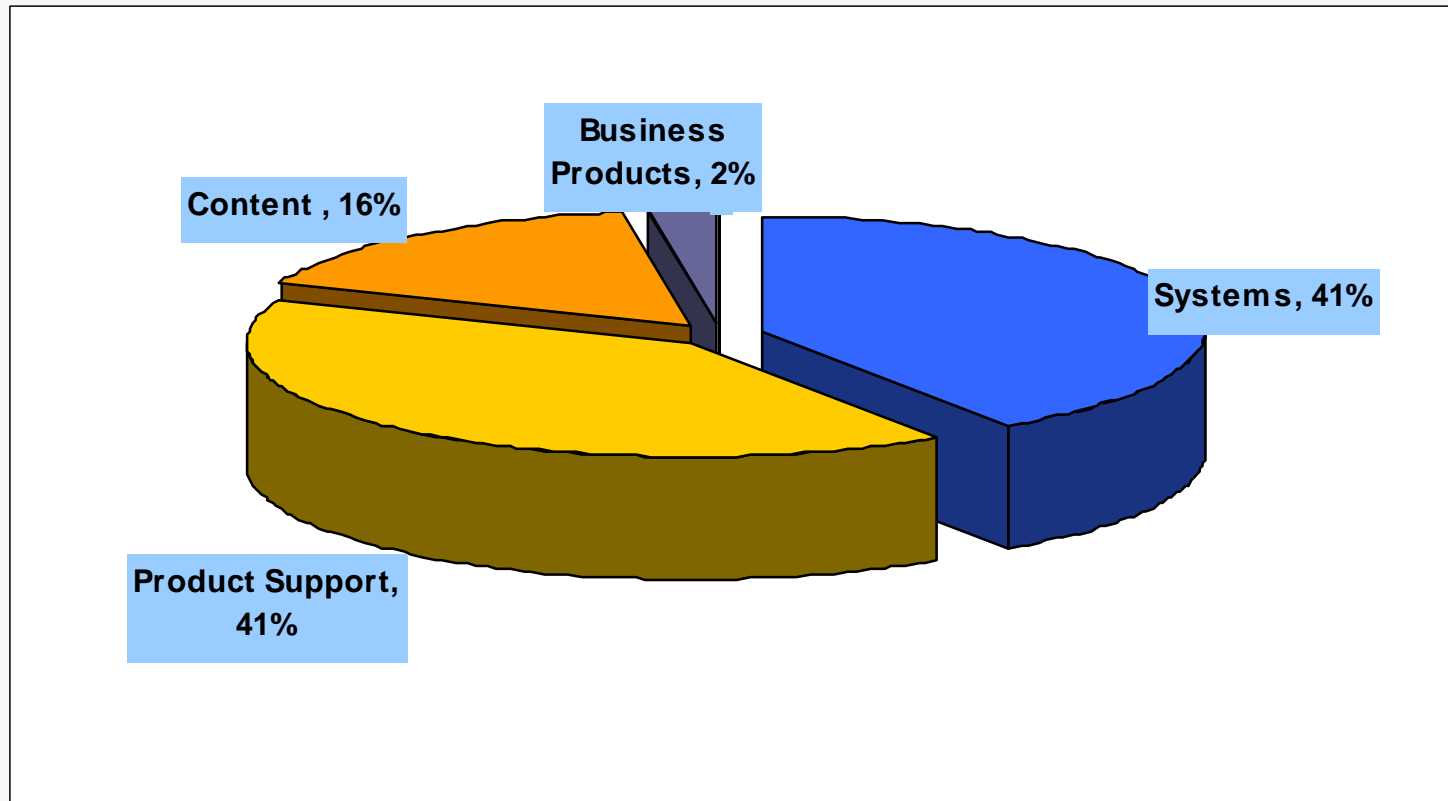
Revenue by Type (1)

(\$ in millions)



(1) Based on nine months ended June 2006.

Recurring Revenue Model⁽¹⁾



- 57% of revenues (Product Support + Content) are subscription based and therefore generally recurring

(1) Activant revenue mix – based on 9 months ended June 30, 2006.

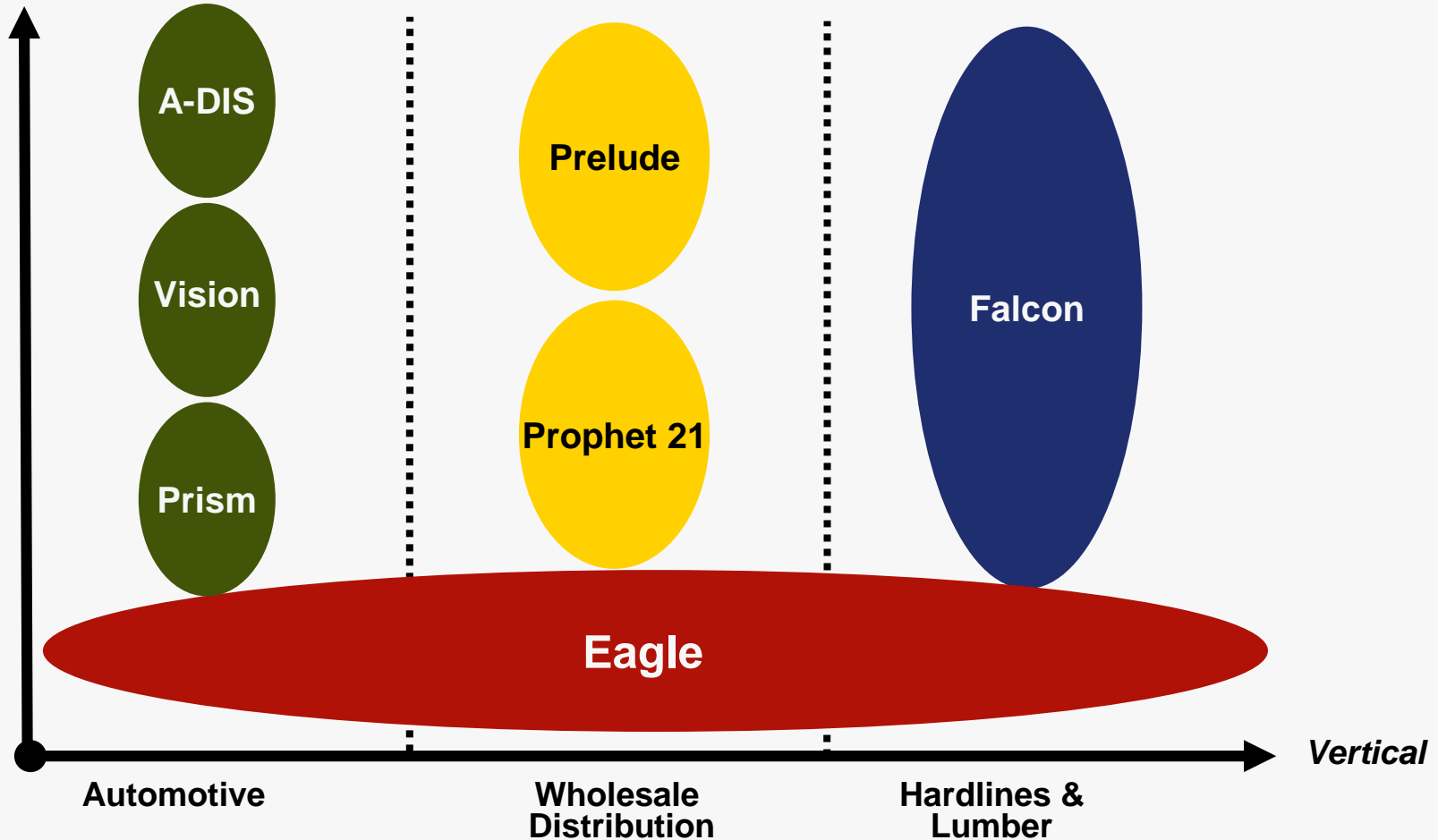
Vertical Summary

	Hardlines & Lumber	Wholesale Distribution	Automotive
Key Software Platforms:	<ul style="list-style-type: none"> ■ Falcon® ■ Activant Eagle® 	<ul style="list-style-type: none"> ■ Prelude™ ■ Prophet 21® ■ Activant Eagle 	<ul style="list-style-type: none"> ■ A-DIS® ■ Vision™ ■ Activant Prism™ ■ Activant Eagle ■ Activant Electronic Catalog™
Position:	#1 Systems	#1 Systems	#1 Systems and Catalog
Sample Customers:	Ace Hardware, True Value, Do it Best, Meeks Building Centers	The Industry Data Exchange Association	O'Reilly Autoparts, Auto Value, Bumper to Bumper
Approx. Customers:	6,300	3,800	2,600
Approx. Locations:	9,000	12,500	10,000 Systems 27,000 Catalog

Note: Automotive number of customers does not include Service Dealer or European customers.

Product Map

Company Size



These platforms are sold to new customers and existing customers migrating from older platforms on a 10-15 year refresh cycle



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Growth Drivers



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Organic Revenue Growth Opportunities

- **Continued new customer focus**
 - ◆ Verticals remain under-penetrated
 - ◆ Focus on adding to customer base
 - ❖ Direct sales force of organized by vertical
 - ❖ Dedicated sales team to co-ops/program groups (ACE, True Value, Aftermarket Auto Parts Alliance, Do-It-Best)
 - ◆ Re-establish growth in Automotive through launch of new products
 - ❖ Eagle, Vision, Service Dealer
- **Continued sales of add-ons, upgrades and replacement products**
 - ◆ Continued strategy of add-on application development
 - ◆ In-house Tele-Sales group of sales reps selling to installed base
 - ◆ Existing customer migration to new platforms
- **Execution on continued growth in data and exchange businesses**

Business Update



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Business Update

- Automotive
 - ◆ Eagle for JCON
 - ◆ GPI
- Hardlines & Lumber
 - ◆ Softer Systems Sales for nine months YTD
 - ◆ Ace Announcement
- Wholesale Distribution
 - ◆ Strong Systems Sales for nine months YTD
 - ◆ Legacy Attrition
 - ◆ Solid Opportunity
- New Management Team
 - ◆ SVP HR, General Counsel, SVP Operations on-board
 - ◆ CFO

Financial Results

Greg Petersen, EVP and CFO



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Nine Month Financial Highlights

- Strong revenue momentum
 - ◆ Wholesale Distribution systems sales
 - ◆ Hardlines & Lumber customer support
 - ◆ Solid growth in Tools revenue
- Partially Offset by:
 - ◆ Softer Hardlines & Lumber systems sales
 - ◆ GPI and Automotive legacy attrition
- Operating expenses in-line
- EBITDA⁽¹⁾ margin of ~25%
- Strong free cash flow generation

(1) See appendix for reconciliation of net income to EBITDA presented in accordance with GAAP

Nine Months ended EBITDA

	Nine months ended June 30,		
	2006	2005 (1)	Change
Systems	117.3		
Product Support	117.1		
Content & Data Services	47.4		
Other	6.9	-	
Total Revenue	288.6	281.0	2.7%
EBITDA (2)	71.9		
Adjustments (3)	0.9	-	
	72.8	73.5	-1.0%

(1) Pro forma for Speedware acquisition closed on March 29, 2005 and P21 acquisition closed on September 13, 2005

(2) See appendix for reconciliation of net income to EBITDA presented in accordance with GAAP

(3) Includes incremental IT spend on Oracle upgrade

Strong Free Cash Flow Profile

(\$ in mm)

	Nine Months ended June 2006
EBITDA	\$71.9
Less: Capital Expenditures	(8.5)
Less: Pro forma Cash Interest Expense⁽¹⁾	(30.1)
Less: Pro forma Cash Taxes⁽²⁾	(0.0)
Free Cash Flow⁽³⁾	\$33.3

(1) Pro forma for the current capital structure assuming 9 months of interest is paid in cash during the period.

(2) Based on \$50+ mm of deductible expenses in the acquisition of Activant Solutions Inc. by Lone Star Holding Corp.

(3) Does not include any working capital changes.

Appendix



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Regulation G Disclosure

	Predecessor Company		ASI	Combined
	Nine Months Ended June 30, 2005	Period From October 1, 2005 to May 2, 2006	Period From Inception to June 30, 2006	Period From October 1, 2005 to June 30, 2006
Net income	13,876	(45,478)	(504)	(45,982)
Income tax expense	8,119	(23,033)	(309)	(23,342)
Interest expense	17,206	32,982	8,184	41,166
Depreciation and Amortization	10,204	15,511	6,971	22,482
Stock compensation expense	-	1,393	-	1,393
Foreign exchange (gain) loss	(151)	31	(54)	(23)
Deferred revenue purchasing accounting adjustment	-	-	1,200	1,200
Acquisition transaction expenses	-	30,515	194	30,709
Premiums on debt repurchase	-	26,671	-	26,671
Write off deferred financing costs	-	15,994	-	15,994
(Gain) Loss on interest rate swap	-	(940)	774	(166)
Write off capitalized initial public offering costs	-	1,776	-	1,776
EBITDA	\$ 49,254	\$ 55,422	\$ 16,456	\$ 71,878



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