

Investor Presentation

September 9, 2009

MKS

Forward-Looking Statement

Some of the statements made in this presentation, including those relating to MKS's strategies and other statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates” or similar expressions, are forward-looking statements within the meaning of securities laws. Forward-looking statements include information concerning possible or assumed future results of operations of MKS and its subsidiaries, are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. These statements are not historical facts but instead represent only our current expectations, estimates and projections regarding future events.

The future results and shareholder value of MKS may differ materially from those expressed in these forward-looking statements due to, among others, those factors set out in MKS' filings with Canadian securities regulators. MKS does not undertake any obligation to update or release any revisions to these forward-looking statements to reflect events or circumstances after this call or to reflect the occurrence of unanticipated events, except as required by law.

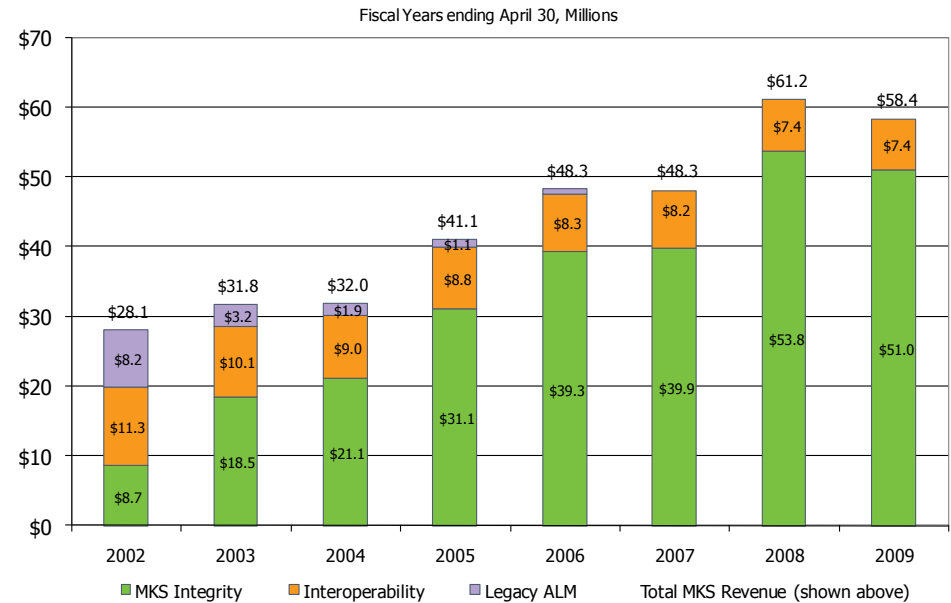
Conclusions

- We Did Well in 2009

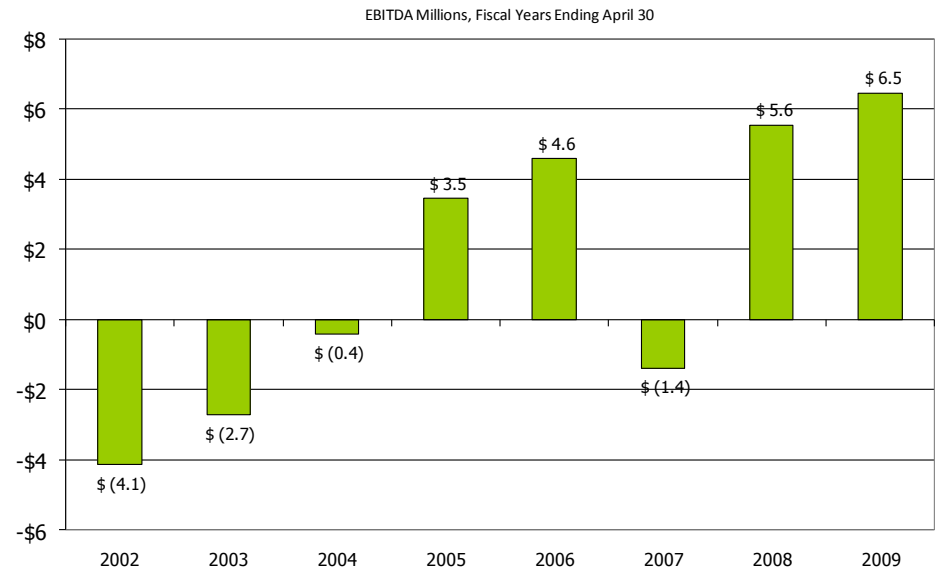
Annual Results 2009

- Revenue declined by 5% to \$58.4 million
- “Non-license” categories of revenue all grew steadily
- Operating Income grew by 10% to \$4.2 million
- Costs were lower due to strong cost control and lower Canadian dollar

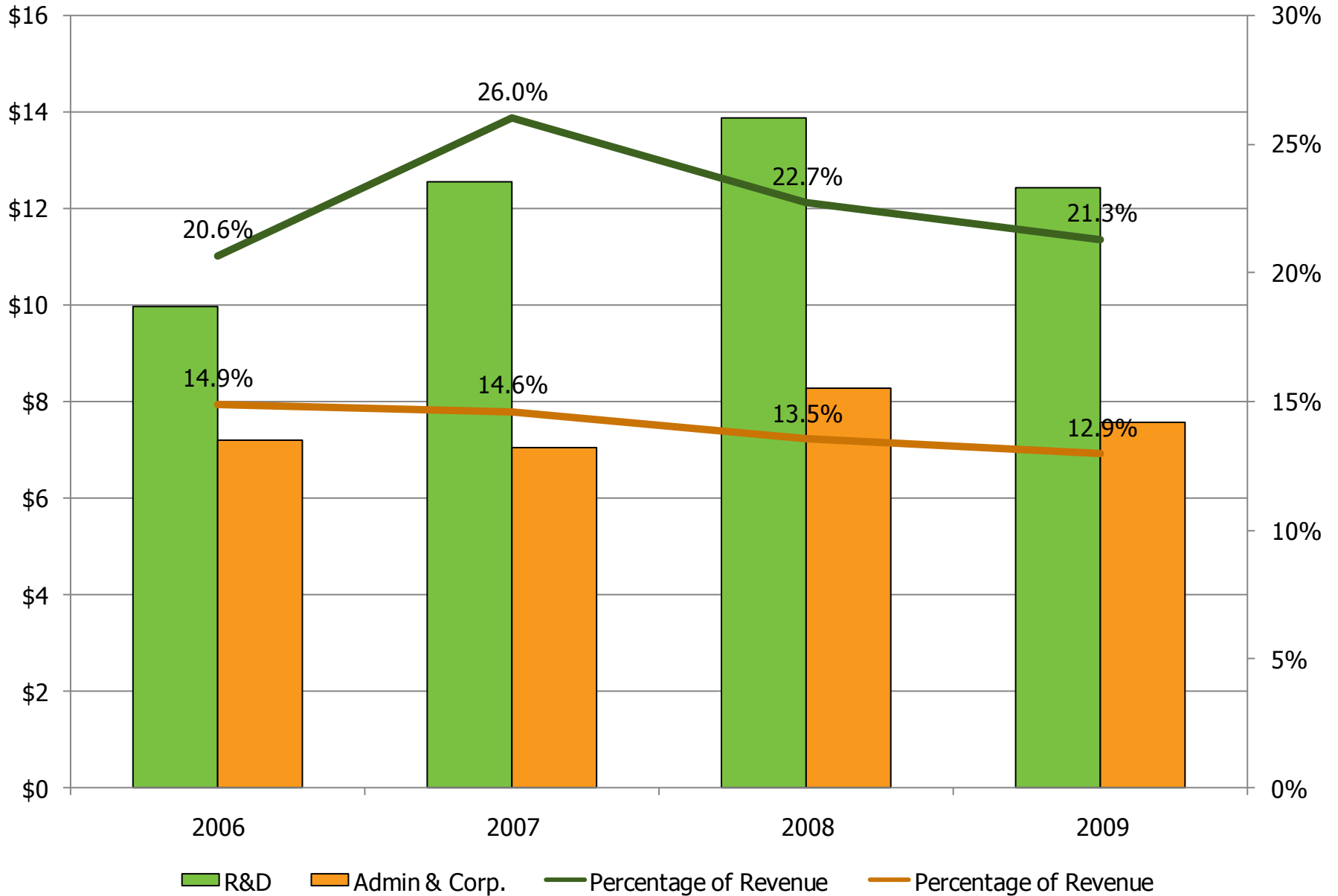
MKS Revenue by Segment



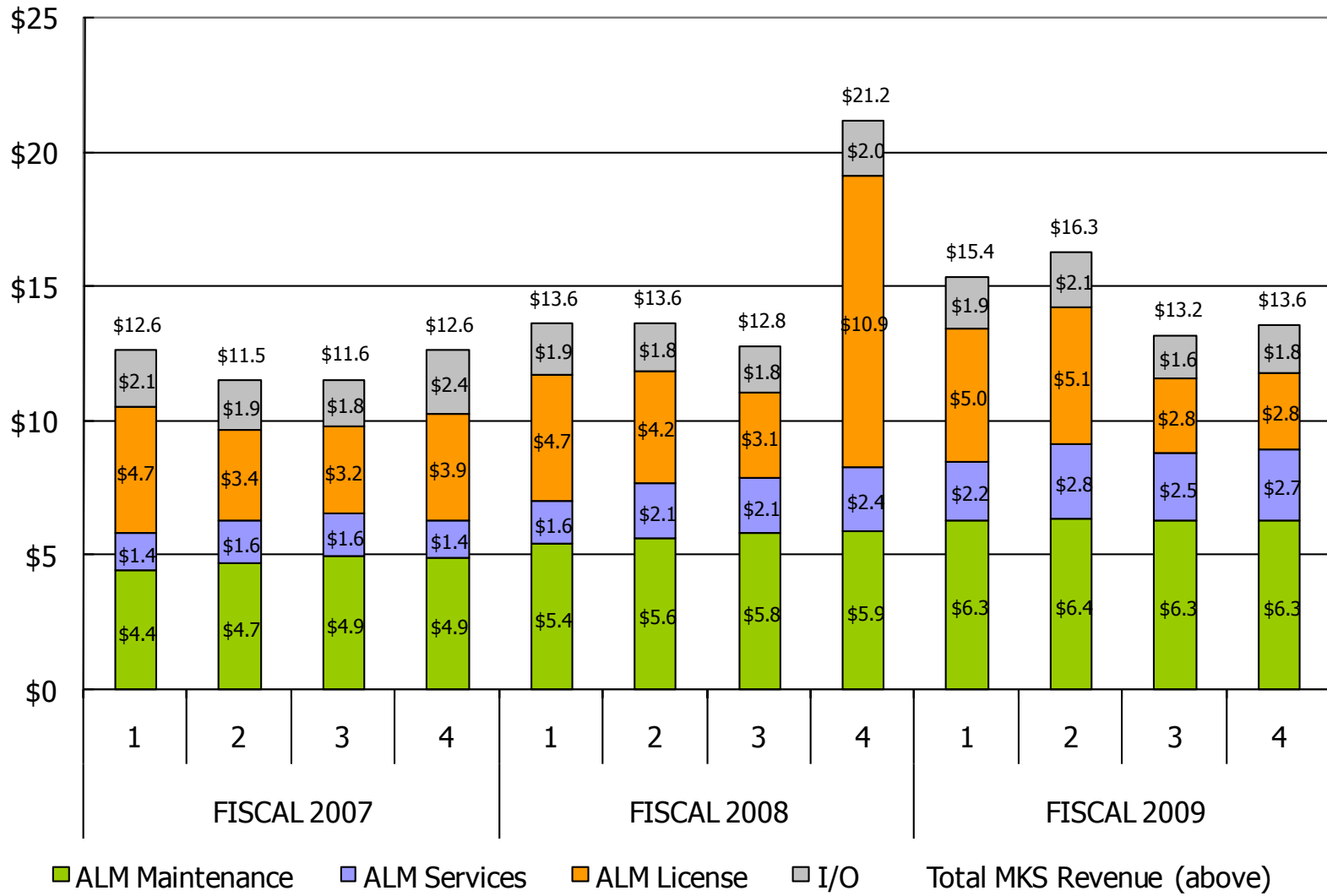
MKS Profitability



Admin, Finance and Facilities Costs



MKS Quarterly Revenue



New MKS Integrity Mandates

- We won more new enterprise mandates than ever in 2009
- Winning enterprise mandates takes time and money
- Many of them came with much less license revenue than past patterns would have suggested
- We announced a few of them during and just after the year – TRW, Honeywell, RIM
- These customers can support much higher levels of license revenue as the economy rebounds

Conclusion #1 - We Did Well in 2009

- We improved profitability in spite of a tough economy
- We won more major enterprise mandates in 2009 than ever before
- We maintained our 91% maintenance renewal rate
- We boosted our dividend based on continued strong cash flow

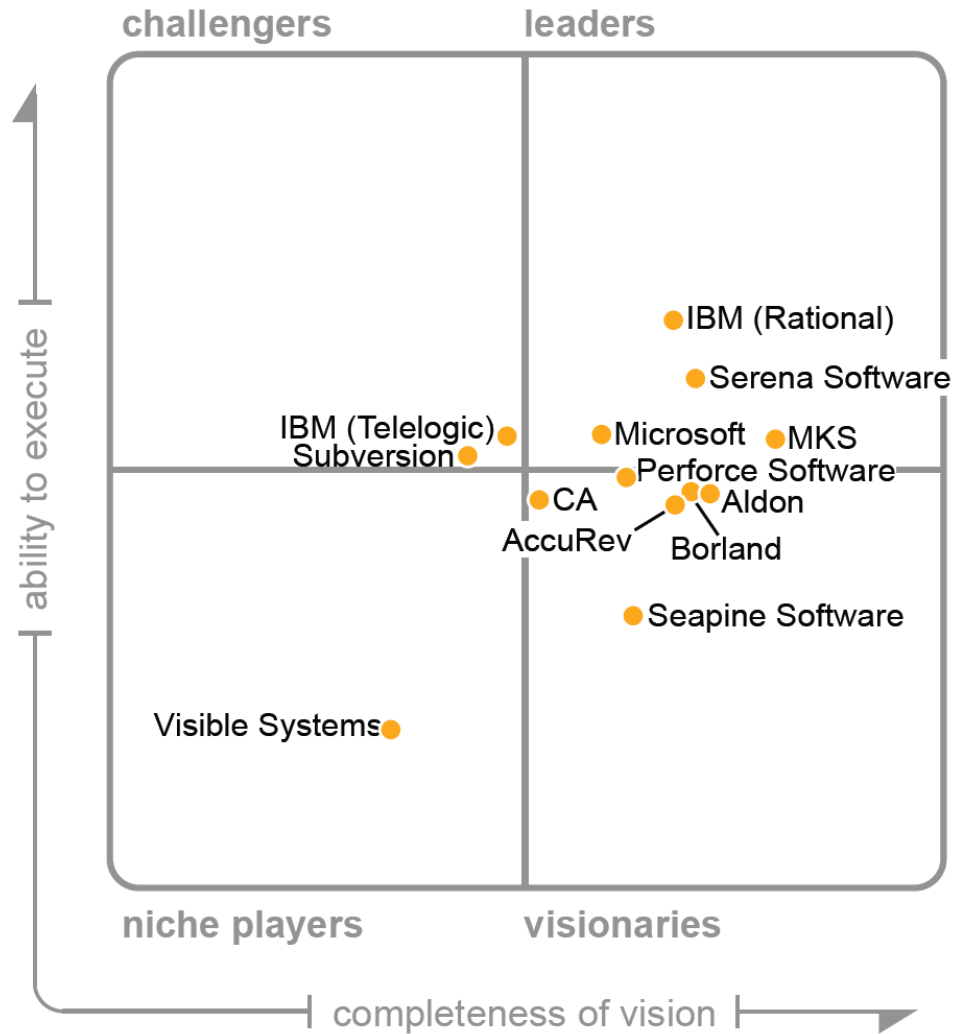
Conclusions

- We Did Well in 2009
- We are Well Positioned for growth

MKS Integrity 2009

- MKS Integrity 2009 shipped last week
- Major new features include
 - New web interface
 - New scalability and performance improvements
 - New test management capabilities
- Test Management completes the ALM vision of MKS Integrity
 - It is the last leg of the ALM stool
 - It opens a billion dollar additional market for MKS
- MKS Integrity remains the most capable, most scalable, most complete enterprise ALM platform in the market

Gartner Group Magic Quadrant



Source: Gartner (March 2009)

As of March 2009

Partnership with BMC

- IBM and HP are increasingly presenting complete visions of IT management in including ALM
- MKS is the most capable independent enterprise ALM provider
- For enterprise software companies trying to compete with IBM and HP, a partnership with us gives them the ability to present a unified vision for IT change management.
- Our first major software partnership is with BMC
 - BMC will resell MKS Integrity – first major deal completed Q1-10
 - BMC reps will get full commission in Integrity sales
 - BMC and MKS have created an integration that fully exploits that best capabilities of their respective products.

We Are Committed to Growth

- We are well positioned with the best ALM platform in the market
- We have earned significant new mandates, particularly in embedded systems, that give us a new level of credibility
- We have newly earned experience in deploying our product to manage the full software lifecycle of some of the most complex development challenges in the market
- After allowing some attrition through the recession, we are building our sales force again, to develop the pipeline we need to fuel long term growth

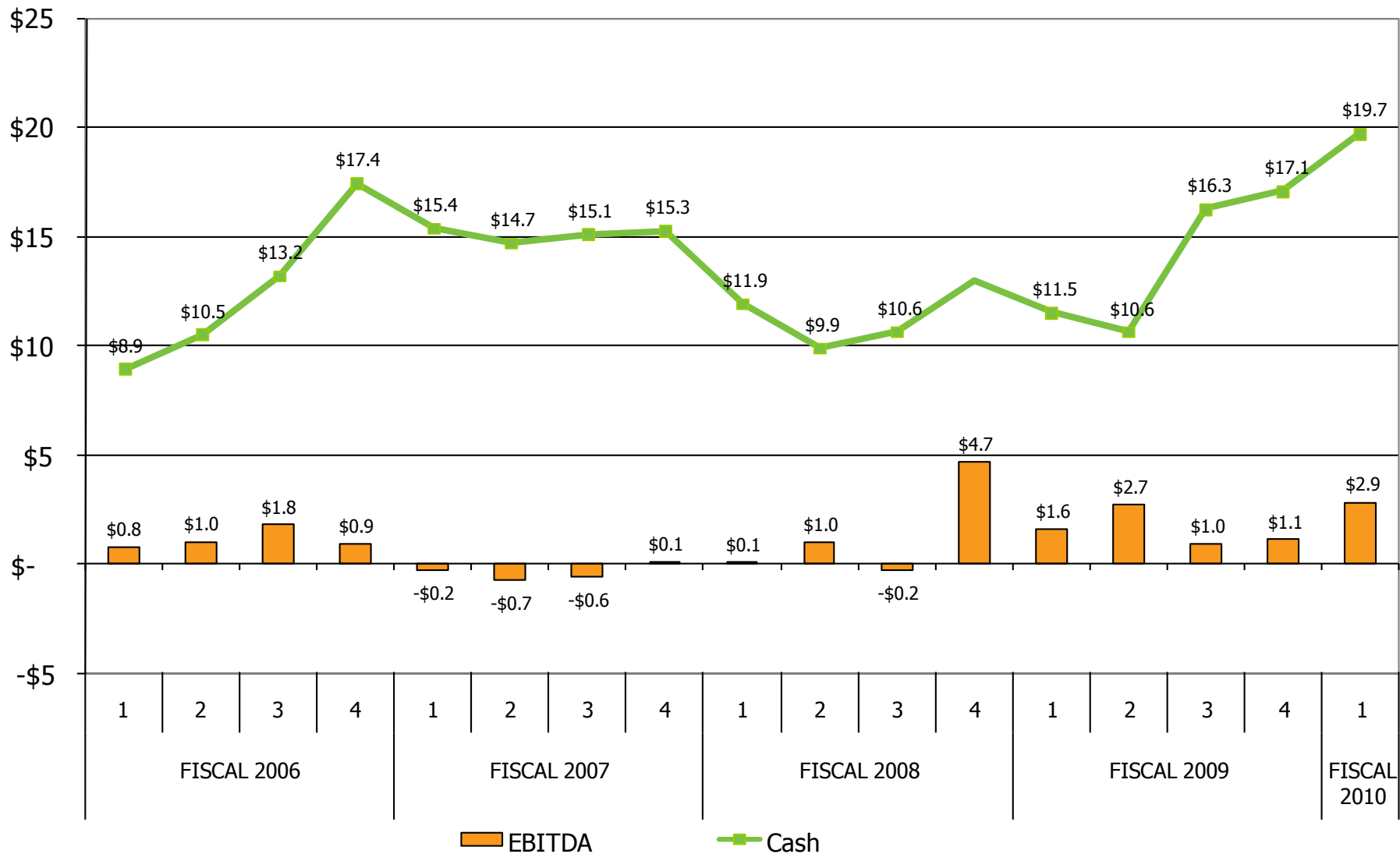
Conclusion #2 – We are Well Positioned for Growth

- We just launched our upgraded product including test management capabilities
- Gartner just increased their assessment of our technology leadership position
- We signed our first major partnership with BMC to resell our product
- We are investing in sales and marketing to fuel growth

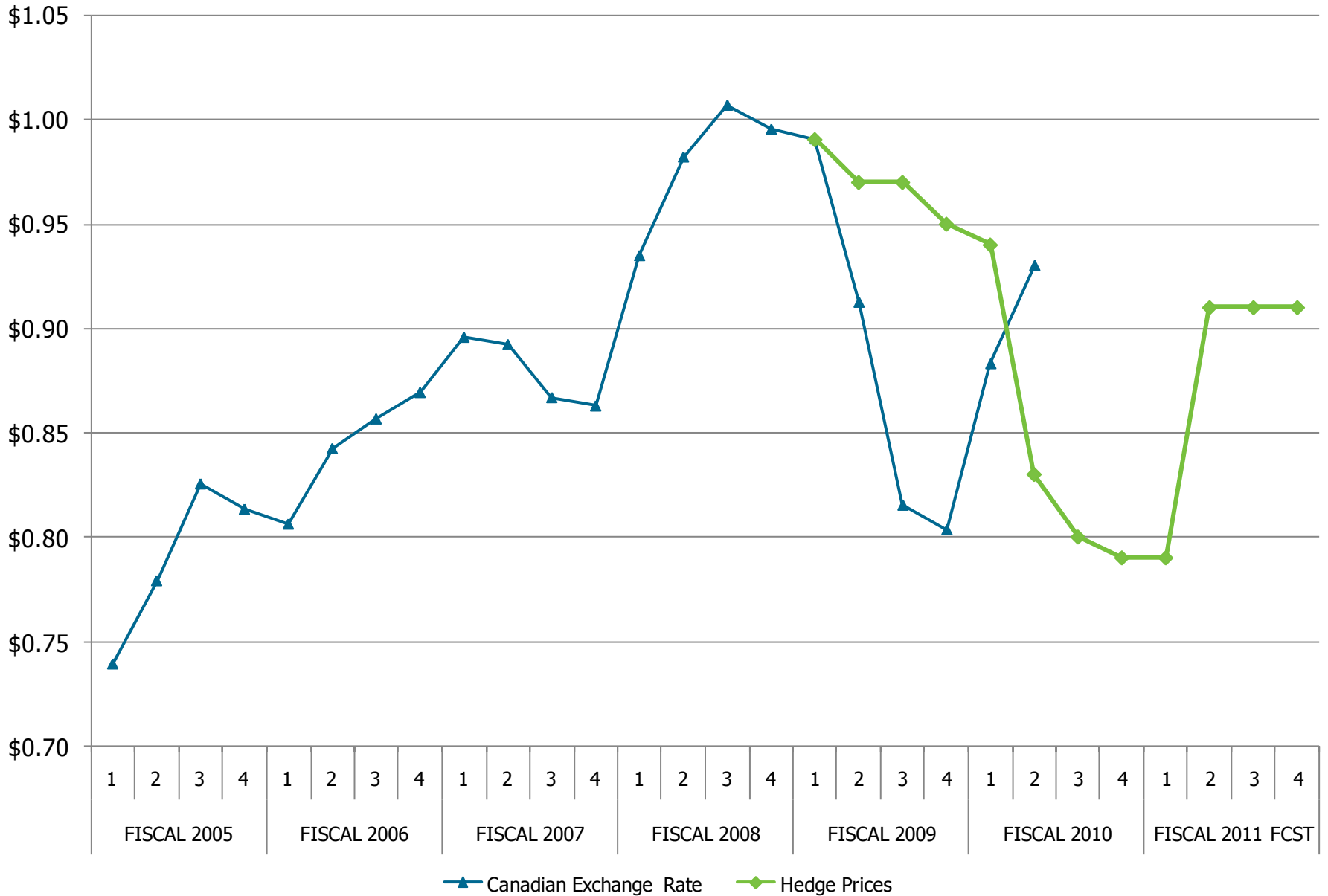
Conclusions

- We Did Well in 2009
- We are Well Positioned for growth
- Our Financial Position is Strong

Cash and EBITDA



Hedge Rates vs. Actual CAD



Profitability and Dividends

- We pay a dividends to return cash not required to grow our business to shareholders
- We continue to fund R&D sufficient to maintain and extend product leadership
- We are planning to steadily build our sales and services personnel
- We continue to be committed to profitable growth
- We increased our dividend 25% in May 2009 based on the growth of our cash balance, the strength of our cash flow and our confidence in the continued success of our business

Share Consolidation

- MKS believes that our share consolidation will bring several important advantages to retail and institutional shareholders
 - Many institutions place a \$2 or even \$5 lower limit to purchases by their portfolio managers. The consolidation should make MKS trade in excess of these limits and increase our potential institutional base of shareholders.
 - Many retail shareholders use margin, which is only fully available to shares trading above \$5. The consolidation should make MKS more attractive to retail investors.
 - The size of MKS, its profitability and its dividend are more generally appropriate to companies trading above \$5. The consolidation removes any perception of MKS as a junior public company.

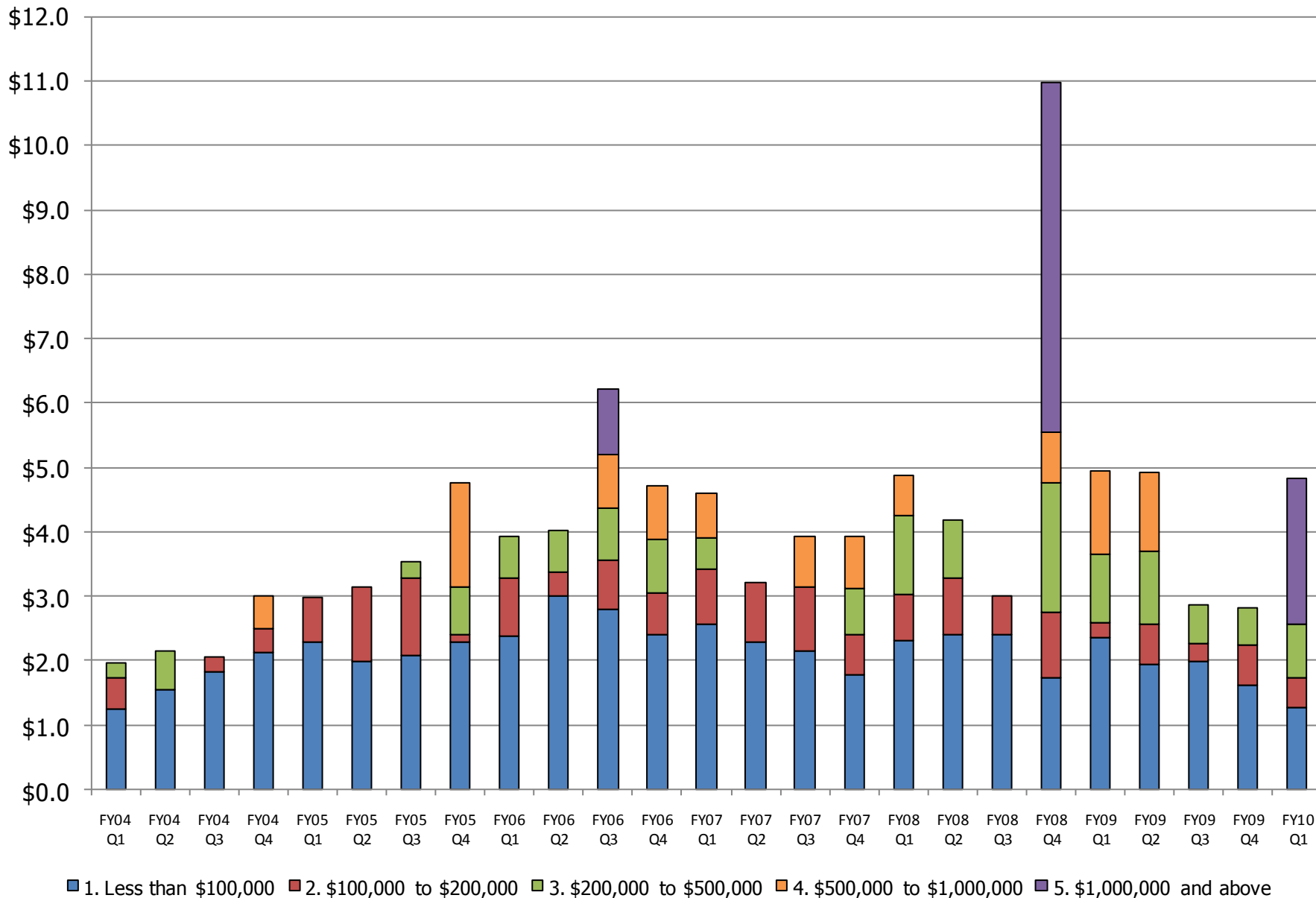
Conclusion #3 - Our Financial Position is Strong

- We have a strong balance sheet, with record cash levels
- We have locked in low Canadian currency rates for 2010 and beyond
- We are committed to return cash not needed for growth to shareholders
- We are making our shares more attractive to investors by a share consolidation

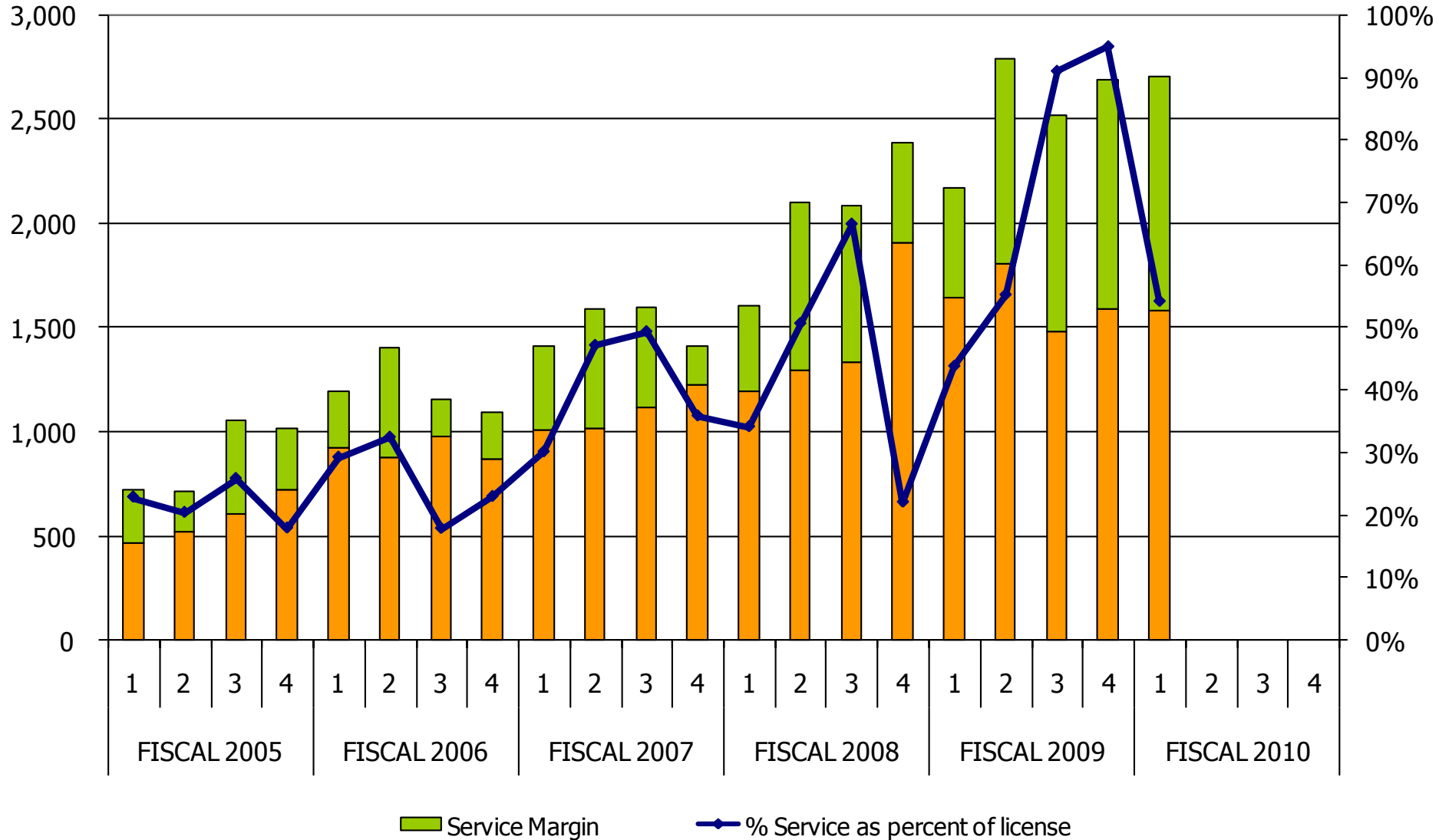
Conclusions

- We Did Well in 2009
- We are Well Positioned for growth
- Our Financial Position is Strong
- We got off to a good start in Q1 2010.

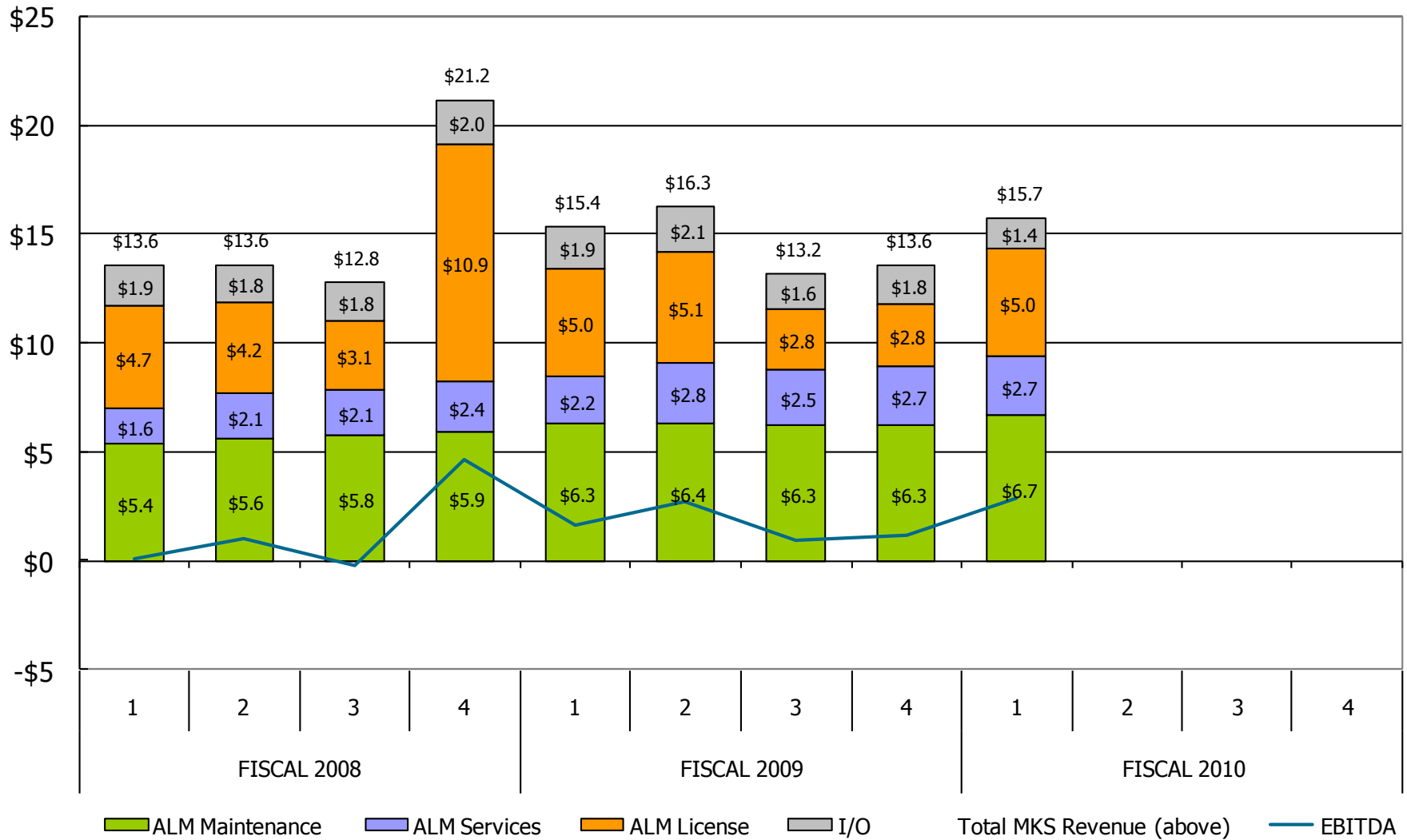
License Deals by Size



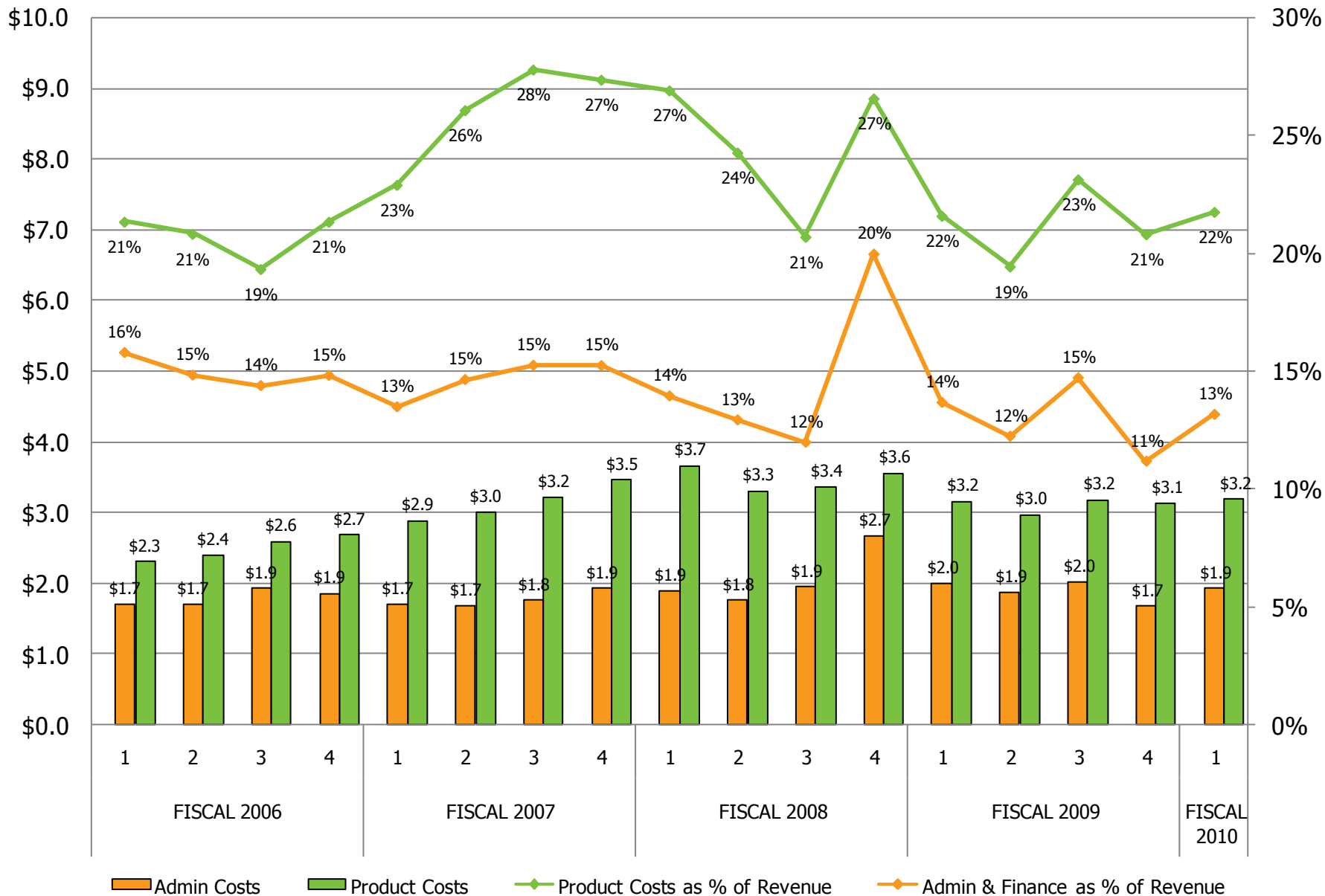
ALM Services



MKS Quarterly Revenue



Product and Administrative Costs



Results Summary

- Total revenue increased 2% to \$15.7 million from \$15.4 million
- Net income of \$1.4 million or \$0.14 per share compared to \$0.6 million, or \$0.06 per share, a 127% increase
- ALM license revenue was unchanged (from a year ago) at \$5.0 million
- ALM revenue increased 7% to \$14.4 million from \$13.4 million
- ALM operating income increased to \$2.2 million compared to \$0.6 million, a 250% increase
- Cash finished at \$20 million, an all time high

Conclusions

- We Did Well in 2009
- We are Well Positioned for growth
- Our Financial Position is Strong
- We got off to a good start in Q1 2010.

Thank you



MKS