

BMC Software to Acquire Magic Solutions' Assets from Network Associates

Strengthens IT Service Management Leadership Position

BMC Software, Inc. [NYSE: BMC], a leader in enterprise management, today announced that it has agreed to acquire the assets of Magic Solutions from Network Associates for approximately US\$47 million in cash. Magic Solutions provides help desk software and related solutions targeted at small- to mid-sized organisations. The acquisition will further strengthen BMC Software's leadership position in the IT Service Management market by increasing BMC Software's reach to small- and mid-market sized organisations, as Magic has more than 4,000 customers using its service desk solutions. The acquisition, which is expected to close within 60 days, will add approximately 200 Magic Solutions employees to BMC Software. Magic Solutions' assets, which include Magic Service Desk and Magic Help DeskIQ, will become part of BMC Software's Remedy business unit.

"As the economy offers positive signals for growth, vendors of consolidated IT service management technologies will look for acquisition opportunities to expand their presence in the marketplace," said Kris Brittain, research director at Gartner. "Enterprises should anticipate more consolidations as vendors improve their market penetration, from small- to enterprise-level, and build on their industry expertise."

"Customers of all sizes need the flexibility to adapt their IT solutions on the fly, and the scalability to expand their solution as their business grows, or as their needs change," said Jim Grant, vice president and general manager of BMC Software's Remedy business unit. "Magic Service Desk and Magic Help Desk customers will have more options to meet their business needs today and in the future with the suite of products from Magic Solutions, Remedy, and BMC Software."

Remedy's position as the industry-leading IT Service Management solutions provider will benefit Magic Service Desk and Magic Help Desk customers by providing best-in-class solutions with an integrated service management approach, and by offering end-to-end IT Service Management solutions capable of expanding with their business. Small- to mid-sized companies will be able to leverage their service desk and help desk solutions as a step toward complete Business Service Management (BSM). BMC Software's BSM strategy enables customers to change the way they do business - to begin managing IT from a business perspective. Using BSM solutions, customers can understand and predict the impact of technology changes on the business, and conversely, understand how changes in the business impact the IT infrastructure.

"In addition to allowing BMC Software to expand its leadership position in the IT Service Management market, acquiring Magic Solutions' assets is a financially attractive transaction that is consistent with our disciplined approach to acquisitions," said Jeff Hawn, senior vice president of operations for BMC Software. "Magic Solutions is a highly profitable business with positive cash flow. This transaction is expected to be accretive to BMC Software earnings early in the next fiscal year."

Network Associates is a publicly traded company. The Magic Solutions division of Network Associates is located in Plano, Texas, with satellite offices in Canada, Europe, and India. The division provides service management solutions designed to automate complex business processes for small- and mid- sized companies. The customisable interface of Magic Solutions provides the flexibility to integrate into business processes. It can be used out of the box, with standard best practices, or the interface can be easily modified to meet specific business requirements.

"Our decision to sell Magic Solutions' assets is based on what we feel will best benefit our customers and shareholders," said George Samenuk, chairman and CEO of Network Associates. "This transaction will expand the offerings for Magic Solutions' customers, allow for continual high level of customer support, and reinforce Network Associates' focus on network and system security solutions."

A conference call to discuss today's announcement is scheduled for today at 10:00 a.m. CST. Those interested in participating may call (719) 867-0660 and use the passcode "BMC." To access a replay of the conference call, which will be available for one week, dial (719) 457-0820 and use the passcode "BMC." A live webcast of the conference call will be available on the company's website at <www.bmc.com/investors>. A replay of the webcast will be available within 24 hours and archived on the website for 90 days.

Network Associates will host a conference call today at 10:00 a.m. Eastern, 7:00 a.m. Pacific to discuss the sale. Participants should call (888) 592-9609 (U.S.), (210) 839-8508 (international), pass code: NET. A replay of the call will be available for 30 days at www.networkassociates.com.

About Network Associates

With headquarters in Santa Clara, California, Network Associates, Inc. (NYSE: NET) creates best-of-breed computer security solutions that prevent intrusions on networks and protect computer systems from the next generation of blended attacks and threats. Offering two families of products, McAfee System Protection Solutions, securing desktops and servers, and McAfee Network Protection Solutions, ensuring the protection and performance of the corporate network, Network Associates offers computer security to large enterprises, governments, small and medium sized businesses, and consumers. For more information, Network Associates can be reached at <www.networkassociates.com>.

About BMC Software

BMC Software, Inc. [NYSE:BMC], is a leading provider of enterprise management solutions that empower companies to manage IT from a business perspective. Delivering Business Service Management, BMC Software solutions span enterprise systems, applications, databases and service

management. Founded in 1980, BMC Software has offices worldwide and fiscal 2003 revenues of more than \$1.3 billion. For more information about BMC Software, visit www.bmc.com <<http://www.bmc.com>>.

About Remedy

Remedy, a BMC Software company headquartered in Sunnyvale, California, provides Service Management software that enables organisations to automate and manage internal and external service and support processes. The Company's out-of-the-box, best practice applications help customers align service and support with business objectives. These applications - including Remedy Help Desk, Remedy Asset Management, Remedy Change Management, Remedy Service Level Agreements, and Remedy Customer Support - improve service quality, control assets and change, and reduce costs. All Remedy applications are built on the company's highly flexible Action Request System development platform, allowing customers to easily adapt Remedy solutions to meet unique and changing requirements.

Remedy customers include 75 percent of Fortune 100 companies and 60 percent of Global Fortune 500 companies. More than 7,000 Remedy customers worldwide employ solutions developed throughout the company's 13 years of product evolution and investment. Locate additional company and product information at www.remedy.com <<http://www.remedy.com/>>.

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This news release contains both historical information and forward-looking information. Statements of plans, objectives, strategies and expectations for future operations and results and benefits of the transaction described herein, identified by words such as "believe," "anticipate" and "expect" are forward-looking statements. Forward-looking statements are subject to a number of factors that could cause actual results to differ materially from our expectations. In addition to other possible factors not listed, factors that could cause the actual results and benefits of the Magic Service Desk acquisition to differ materially from those expressed in forward-looking statements include inability to successfully transition the operations of the Magic Solutions assets; difficulty in integrating the Magic Service Desk technology with BMC Software products; higher than expected integration costs; and other factors, including but not limited to those discussed in BMC Software's Securities and Exchange Commission filings, including but not limited to the Form 10-K for the fiscal year ended March 31, 2003 and other filings with the SEC. BMC Software undertakes no obligation to update information contained in this release.

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