



A Message of Thanks

February 3, 2010

To Our Valued Customers, Trusted Partners, Dedicated Employees and Esteemed Colleagues:

Dear Friends,

I can't think of a more appropriate time than February, a month dedicated to the most heartfelt messages, to sincerely thank you for helping MWH Soft achieve the stellar success we continue to enjoy year after year.

And what a year this one was. No doubt, 2009 will go down in the history books. If you type "since the great depression" into a search engine, you'll get almost 11 million pages in which financial analysts, journalists and consumers detail 2009's economic climate. In a period defined by the most significant worldwide economic upheaval since the Great Depression, we are proud that 2009 marked another great year for our company.

We responded to the changing economic environment with speed and success. Thanks to our world-class teams around the world, our outstanding array of innovative product solutions and our unique strengths, we achieved record revenues and delivered a solid sixth straight year of double-digit revenue and subscription growth plus double-digit profitability with industry-leading margin. That put us in a very select group of companies across the board.

In fiscal 2009, we also continued our passionate pursuit to enhance the value of our product offerings, adding a rich stream of new functionality, capabilities and performance improvements that significantly increased our customers' productivity and efficiency and gave them a quick return on investment. We looked for breakthrough ideas by investing heavily in our research and development groups and by scouring our customers around the world for great concepts. As a result, we achieved multiple MWH Soft firsts with landmark product introductions that realized the promise of next-generation technology. These innovations have not only driven new applications for our solutions, but empowered new categories of users and positioned us for strong growth down the road. What an inspiring way to wrap up the year!

At MWH Soft, we have always believed in setting challenging goals focused on advancing our noble profession and growing long-term customer value to achieve our targets. And we've met those goals by executing superbly on all aspects of business fundamentals. Our virtuoso performance in 2009 shows the effectiveness of this approach.

Never in MWH Soft's history has there been a year of such tremendous change. Our overnight transformation from a leading water modeling company and one of the most recognizable brands in North America to a world-leading water, wastewater, river and flood modeling and simulation company has been nothing short of amazing.

A Strategic Acquisition of New Talent and Technology

Last year, we shared our intentions to invest strategically and expand internationally. In August 2009, we closed the game-changing acquisition of industry giant *Wallingford Software*, bringing important new technology and key development talent to MWH Soft. With complementary industry-leading water resources modeling products and a dominant presence in Europe and Asia Pacific, *Wallingford Software* provided a unique

opportunity for us. Having substantially completed the successful integration of this firm, MWH Soft is now operating for the first time as perhaps the world's largest, most efficient and most specialized producer of class-leading wet infrastructure modeling and simulation products. By combining two companies with impeccable reputations for excellence in the modeling industry, we can now address the full needs of our clients on a global level. Our strengthened team of world-class developers and able innovators with a strong engineering focus are helping our customers realize their goals, solve their business challenges, and celebrate their successes.

At the same time, our powerful ecosystem provides our customers worldwide with the best possible range of choices and options for deploying and using our products. We will continue to accelerate our rapid pace of innovation and create value that's unequalled in our field ... deliver the better and more expansive tools our customers expect from us ... and help them lead their organizations to unprecedented levels of success.

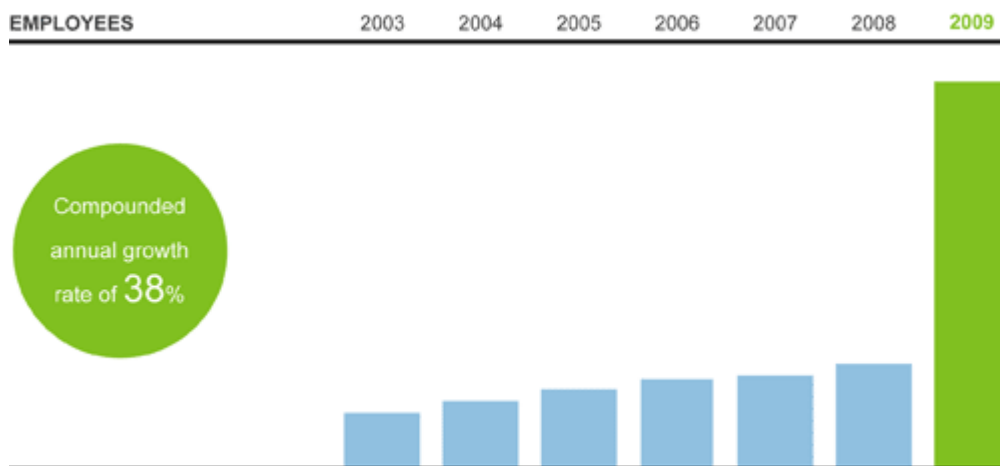
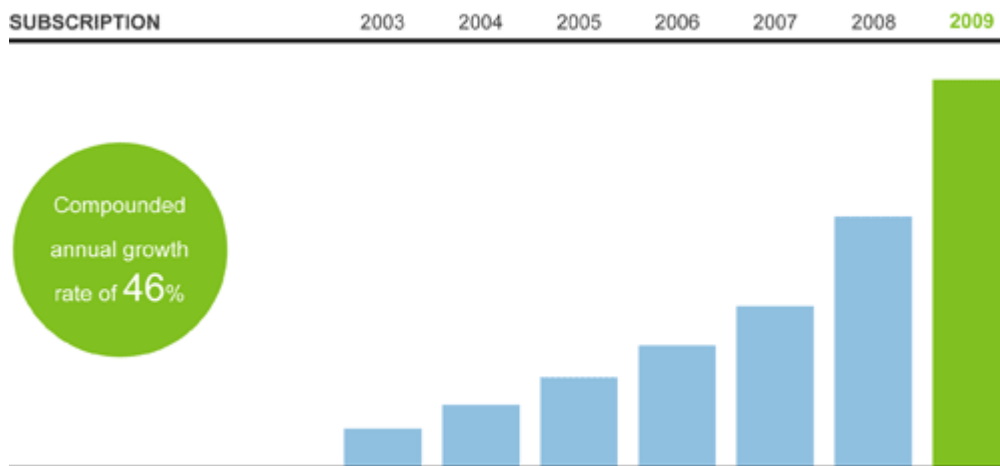
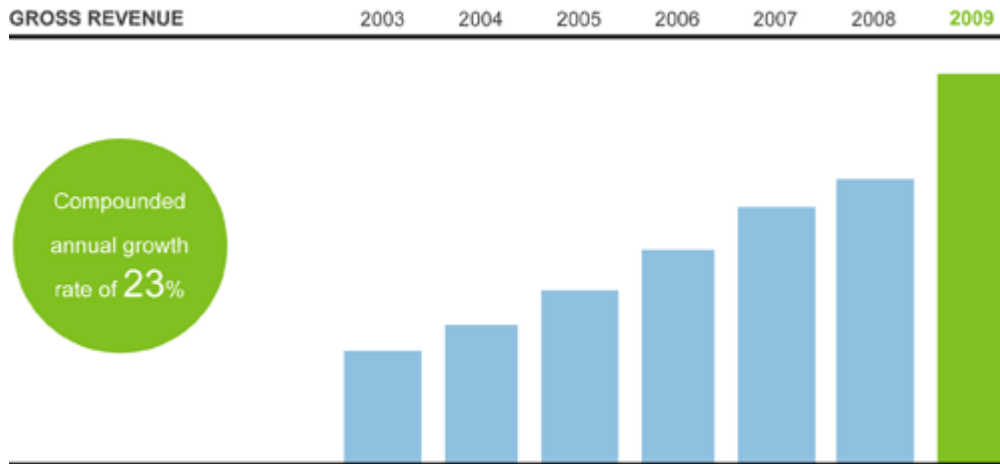
Actively Shaping Our Future

As a world leader in the wet infrastructure engineering modeling and simulation industry, MWH Soft has far more than a vision for the future. That's because we believe the best way to predict the future is to create it. We are creating a brighter future through enduring innovation, constant improvement, a strong pipeline of best-in-class products, intense focus on our customers' success, an ethic of service, and a culture of accountability. Throughout 2009, we integrated operations, cultivated an exceptionally talented management team and installed global systems. We also significantly extended the capabilities of our world-class product portfolio and further expanded the diversity of our customer base, our geographic presence, our channel partners, and our wealth of employee talent.

We now provide powerful, high quality products with unrivalled technical support services to customers in more than 60 countries and territories. The commercial and operational scale we now control allows us to offer more products to more customers in more places than ever before. We view this opportunity as a great privilege, and look forward to the tremendous global impact MWH Soft will have on our industry in the years to come.

While the harsh realities of the current business environment are presenting many companies with seemingly insurmountable challenges, this high-pressure economic setting actually represents an enormous opportunity for us. That's because our modeling and simulation capabilities are designed to help our customers overcome exactly the kinds of tough challenges they are facing today. Our customers know they can count on us to best manage their hydraulic infrastructures and achieve the most innovative, sustainable designs possible, regardless of the constraints they are facing. The ability to innovate and sustain their hydraulic infrastructures is essential to their future success, and that in turn furthers the success of MWH Soft. We're built to perform in good times and bad.

Before I say any more about this terrific year of triumph, I'd like to acknowledge our strong, highly motivated management team and talented, high-caliber employees for attaining this extraordinary achievement. Their collective resolve to excel, make tough decisions and take on additional responsibility — all while maintaining the quality for which we're well known — have revolutionized our company and set the course for a successful future. Their scorecard for success is, quite simply, the success of our customers. With a service excellence model attuned to every detail and a commitment to respond quickly to customers' needs, our superb professionals make our success possible. In our industry, impeccable attention to detail — in our own business and those of our customers — makes the difference. It not only ensures our mutual success, but gives us a powerful competitive advantage.



At MWH Soft, we believe in value-driven results. Everything we do is aimed at delivering outcomes that are nothing short of exceptional: Products and services that are second to none. Partnerships that enable engineering and GIS professionals to leverage their skills to the utmost and work faster, easier and more productively. Enhanced efficiencies in our operations and those of our customers. A high-performing organization whose members are proud to excel and deliver the best. An extraordinary standard of customer satisfaction. A remarkably consistent financial performance. All attained while serving as cultural and

environmental leaders in the communities where we live and work. As the charts on the previous page illustrate, this approach has given MWH Soft a long history of strong top-line growth, stronger talent growth, and even stronger subscription and community growth.

We succeed in delivering these outstanding results because we are driven — to innovate and constantly improve, to focus intently on our customers, to serve our industry and hold ourselves accountable. We also believe that companies are a powerful force for the greater good, and that they have the potential to achieve much more than business success.

We've created a culture that promotes employee pride and excellence in everything we do ... fosters professionalism and integrity ... thrives on serving our customers ... supports environmental responsibility and the communities we call home ... provides value beyond any competitor ... and has the flexibility and speed to make it happen every day. These fundamentals are real and sustainable, and they give us an insurmountable competitive advantage. In short, MWH Soft is expanding the definition of just how much an engineering software company can do to build a better world for everyone. Like you, we would never accept anything less.

In last year's report, I promised you that 2009 would be about breakthrough performance. Clearly, it was. And we're excited to share the results with you.

A Landmark Year: Strength in Numbers

Fiscal 2009 was another successful year for MWH Soft, and our market-leading position is stronger than ever. By staying true to our strategic vision, we ensured that the fundamentals of the MWH Soft business remained strong, even in the midst of the year's macro challenges. Our products are designed to save our customers time and money, both key drivers in any economic environment. Our technological superiority and legendary technical support enable us to add greater value and partner with our current and future customers to meet the challenges that face their wet infrastructures. At the end of the day, talk is cheap; execution rules. There is no question that the economic turmoil presented challenges for MWH Soft, as it did for companies throughout the world. But through careful planning, continued focus on disciplined execution, operational excellence, the successful integration of *Wallingford Software*, and our customers' success, we weathered the period well.

The results speak for themselves. Compared to last year, gross revenue increased 37% (more than double the level of just four years ago) and subscriptions grew 55% (quadruple the level of just four years ago). We finished the year with a healthy double-digit profitability and industry-leading margin while maintaining our commitment to delivering compelling solutions that offer both price and performance advantages. This balance between profitability and customer satisfaction is among our greatest accomplishments — one that only a few, if any, software companies in our industry have attained over the last several years. Ultimately, these results stem from our company's character and values, and from our commitment to innovation. MWH Soft is different because we invest in the future and deliver today.

Having achieved results like these in the face of significant market turmoil makes us truly excited about what we can accomplish when the world economy rebounds and business carries on "as usual." In an arena where many companies are struggling with declining business, our consistent track record of success is remarkable. But it's not entirely surprising, considering the caliber of our people and our rich history of delivering practical, industry-leading technology. Our excellent results clearly demonstrate that our strategies are working. Our product portfolio and market-leading position have never been stronger or better. Our services offer concrete value. Our responsiveness to customers is legendary. Most importantly, our customers are satisfied. We are committed to executing for them. We don't believe in excuses, and you won't hear any from us.

At MWH Soft, we advance meaningful innovation. We create cost-effective solutions. We help improve people's lives. This is how we make a difference in the world — and how we strengthen our company for the future. We are excited about our strong momentum going forward. Never has MWH Soft been so ready to compete effectively in the wet infrastructure modeling and simulation marketplace, and never has that marketplace

needed our products and services more.

Expanding the MWH Soft Community

What began in mid-1996 as a small, one-person enterprise has evolved into a diversified, top-echelon engineering software company and one of the most recognizable brands in the field — holding leading positions in the UK, most of Western Europe and the Middle East, Asia Pacific, and North American water and wastewater industries. Today, some 80 percent of the largest U.S. cities and many of the world's best-run utilities run on MWH Soft software. The company's geographical footprint now spans over 60 countries on all five continents.

We built this company on a foundation of solid values and an unshakable commitment to support our customers. In the process, we have helped shape our industry, and we continue to show the way forward with cutting-edge technologies and best practices that result in sustainable water and wastewater infrastructures, better communities and favorable environmental impacts.

We grow in our markets by making products and services that are easier to use and offer better value than the alternatives, creating customer delight. Our customer base has steadily deepened and broadened. Now we must continue to drive innovation and exercise operational discipline to extend our leadership even further.

In our view, quality service is a requirement, not an option, and it represents our ultimate competitive advantage. We have committed ourselves to a service excellence model characterized by personalization and intimacy, and we've made sizable investments in this area over the last five years. These investments are paying off with the best-ever quality ratings from our customers and, most importantly, the highest customer retention we have ever enjoyed. While we are proud of these results, we recognize that attaining world-class service is an ongoing journey. We must always intensify our efforts to earn market superiority in our customers' eyes.

In 2009, we also continued to build the best sales force in our industry. We armed them with the best tools, so they could get quotes and proposals in front of customers with blazing speed. We made them accountable and responsible for their decisions, resulting in customer responsiveness that is second to none. We backed them with an unrivaled technical support group. And we streamlined the demands of their jobs to allow them to build strong, enduring relationships with vital customer segments. As a result, MWH Soft continued to enjoy one of the highest customer retention rates in our industry, along with a steady stream of new customers.

Our Key Driver: Customer Relationships

The single most critical aspect of our company's success is not our superb technology. It's the fact that for us, making compelling products has always been subservient to forging long-term customer relationships.

At MWH Soft, success begins and ends with our valued customers and partners. Our number one priority and passion has always been to satisfy them — a commitment that clearly sets us apart in our industry. We think and act from our customers' perspective. We listen to them carefully and constantly in order to fully understand what they want from our products and services, today and in the future. We then strive to make their lives easier — by applying our best resources to deliver drop-dead-simple solutions to their complex chores. Their feedback, together with our trademark disciplined, customer-centric, highly ethical and professional business approach, defines our priorities. Few companies in our industry, if any, can approach our record of creating simple, reliable solutions to complex customer problems.

We want MWH Soft to be essential to our users and their enterprises ... to be a critical part of their successes ... to be their long-term partner and valued friend. Keeping our promises, exceeding expectations and performing with integrity make up the foundation on which we operate. The vast majority of customers we've signed are still realizing value from our products and services — a clear indication of how well we've met their needs.

We know that our best source of new business is word-of-mouth recommendations from our customers — and

we work hard to keep that pipeline flowing strongly, generating competitive dynamics that are hard to duplicate. We want MWH Soft to be essential to our users and their enterprises ... a critical part of their successes ... their long-term partner and valued friend. To put the strength of our brand in perspective, 46% of all software orders we received in 2009 were generated from referrals. Repeat customers significantly expanded their purchases of our products, contributing 58% of our revenues.

Word of mouth remains our most powerful customer acquisition tool, and we are deeply proud of the trust our customers place in us. As we solidify and extend our brand, expand our customer base, and serve our customers with an extraordinary level of care, repeat purchases and word of mouth will continue to propel us to new heights of operational excellence and market leadership.

We measure customer feedback rigorously via a benchmark methodology called Net Promoter Score (NPS). NPS is now a standard measure for some of the world's most successful companies, including GE, American Express, Enterprise Rent-A-Car, Southwest Airlines, eBay, Costco, Four Seasons Hotel Group, Chick-fil-A, Dell, Microsoft, and Intuit.

The NPS index measures customer loyalty through customers' willingness to enthusiastically recommend our products and services to others. It's based on the simple "ultimate" question: "On a scale of 0-10, how likely are you to recommend MWH Soft to a friend or colleague?" Those who rate us 9 or 10, are promoters; 7-8, passive; 0-6, detractors. The NPS is calculated as the percentage of promoters minus the percentage of detractors, creating a picture of customer loyalty to our brand. NPS is to customer relationships what a company's net profit is to financial performance. This metric reliably links to the economics of growth, and it's one we always seek to maximize.

Research across multiple industries has shown that the fastest-growing companies are those with the highest NPS. In 2009, our NPS remained at an all-time high of 83%, one of the highest in any industry. This score reflects tangible customer value and a durable advantage that translate into sustained future growth. The hundreds of thank-you notes we received last year add unequivocal proof that we deliver the highest levels of customer satisfaction.

Continued Technology Leadership: Designing a Future of Opportunity

Our excellent results put MWH Soft in a position of great financial strength. They enable us to maintain our longstanding reputation for innovation and legendary customer care by making even greater investments in new product development and enhanced customer service. This helps drive ongoing innovation and supports our growth initiatives. Our financial position is rock-solid. Our top-flight products lead the market. Our brand is impeccable. Our reputation for business integrity and honorable dealings is immaculate. Our leadership position in our industry is unquestioned. Our customer loyalty is unshakable, and we've amassed what may well be the largest number of referenceable customers in the industries we serve.

We have a strong management team with a proven track record. Members of our Executive Board are business leaders with experience, vision, and commitment to our customers' success. We are blessed with an extraordinary group of people who are masters of their crafts and run our business as if it were their own. We achieved these gains through their combined efforts, and they continue to produce remarkable results from seemingly ordinary businesses. Our success is undisputed — and our drive to serve our customers remains absolute.

MWH Soft was built on technological innovation, and our future depends on it. Our technology leadership both expands our capabilities and drives our growth. It produces great, compelling products that offer tangible value to our customers, win competitive battles, and create new markets. But the most important benefit of our vanguard skills is the opportunity they give us to provide our loyal client base with new solutions for many years to come. Solutions, by definition, keep us focused on our customers. When we are solving their problems, our potential for growth is endless. When our company wins, we all win.

Commanding New Releases

We have a lot of strengths at MWH Soft. And we'll rely on those strengths to move us forward. Our outstanding performance allowed us to significantly increase investment in our business. We continually plan for tomorrow. With the goal of long-term growth, we never stop investing for the future. Since fiscal 2003, our spending on research and development has more than quadrupled, enabling sizeable investments in both new and existing products and driving technology to new levels. 2009 was a breakthrough year for innovation at MWH Soft, despite the economic challenges that impacted our marketplace.

Within the confines of this report, it is impossible to do justice to the many exciting initiatives underway. There is no question that our technical and technological capabilities are not only world-class, but world-leading.

MWH Soft's preeminence in wet infrastructure modeling and simulation is well-documented and widely known. We remain dedicated to addressing the future needs of our markets with technologies that are more innovative and comprehensive than those of our competitors. We are clearly the nimblest vendor in the market, innovating at a much faster rate than the competition. MWH Soft's magnificent process capability — the ability to not only develop unique, engineer-friendly products but manufacture them efficiently and consistently — empowers us to deliver more innovative solutions tied to enduring customer needs in less time. More innovation means more great products. More great products mean more loyal customers. And more customers mean faster growth and more investment in innovation. This is how we're taking MWH Soft to the next level, and the level beyond that.

We remain as passionate as ever about our product innovation strategy — an approach that is customer-driven, not just technology-focused. Strategy is what is done, not what is said. So we dig deep to understand our customers and identify their needs and pain points. We challenge conventional wisdom to uncover new, innovative solutions for them. Then we conceive, engineer, and deliver a new generation of software that works the way our customers think, operating behind the scenes to make their jobs easier. We also strive continually to make the end-to-end customer experience simpler and better, supporting and servicing our clients with impeccable care. That's been our recipe for success. As we get stronger and better, our prospects for the future become even brighter.

2009 marked the release of our most powerful and comprehensive family of true ArcGIS-centric (ESRI, Redlands, CA) infrastructure modeling applications ever. This revolutionary product line embodies innovation to the core. It empowers industry professionals to command any type of analysis: simple steady state; dynamic hydraulic, hydrologic and water quality assessment; sophisticated transient evaluation; comprehensive optimization; Google Earth™ modeling; detailed pipeline design; sediment transport and deposition, condition and risk assessment (asset management); unidirectional flushing; sensor placement, pressure zone management and leak detection; rainfall dependent inflow and infiltration (RDII) planning and analysis; and pond design. The market is continuing its aggressive move to ESRI ArcGIS-centric applications, the GIS superstar of our industries, and MWH Soft is leading the way.

The National Association of GIS-Centric Software (NAGCS) has recognized our products with the world's first and only GIS-centric water and wastewater modeling software certification, setting even higher modeling and design standards for our industry. These products represent the next step in the evolution of high-end geospatial water distribution and sanitary, storm and combined sewer systems management technologies — powered by the intelligence and versatility of ArcGIS. They also position us years ahead of competitive software architectures. Few companies come close to our record of creating comprehensive, engineer-friendly solutions for complex customer problems. We have literally written our industry's book on value differentiation through great products and customer care — the most powerful recipe for business and personal success.

We also enhanced our industry-leading water product suite with two state-of-the-art extensions: *MSX* and *Sustainability*. The new *MSX* extension gives engineers the unprecedented ability to accurately model multiple interacting contaminants as well as sediment deposition and re-suspension in drinking water distribution

systems. The groundbreaking *Sustainability* extension lets users quickly determine the carbon footprint for pumps and the cumulative total energy lost across all elements in their system from source to consumer tap. It gives them unprecedented energy efficiency management capabilities for reducing both power costs and carbon footprints while realizing increased reliability and design optimization. With these two introductions, MWH Soft now offers by far the best in water distribution modeling and design, integrated with the best in engineering.

2009 also saw the release of robust and compelling new versions of all our flagship products, with a torrent of new features, capabilities and functionalities. And we successfully ported our highly advanced surge modeling technology to the H 2OMAP geospatial platform. These pivotal offerings continue to receive kudos and aggressively gain market share. Our product cycles are now the shortest they've ever been, with new enhancements or versions of all products released each fiscal year. Our current product portfolio with best-of-breed functionality contains the richest and strongest vertical and horizontal lineups of applications in our history, and it's never been better aligned with our customers' needs.

A Wider Product Scope: New Applications, New Users

Co-innovation within a network of partners is essential in the software industry. Working with our partners to gain new know-how and generate fresh ideas enables MWH Soft to stay decisively ahead of the competition. Innovation is a key pillar for organic growth, and we have significantly increased our technical funding so that we can deliver a wide pipeline of new offerings.

In another 2009 landmark, MWH Soft expanded into two adjacent product categories, thereby attracting new users. We further penetrated the asset management market with the successful release of *CapPlan Water*, a revolutionary GIS-centric decision support software for water infrastructure management and condition/risk assessment. The first program of its kind, *CapPlan Water* has the power to help water utilities worldwide improve, safeguard and sustain their drinking water distribution systems at minimum costs. We also significantly enhanced *InfoNet Mobile*, the state of the art in data and asset management systems. By introducing a complete office-to-field/field-to-office solution, we made it as easy for users to access network asset data in real time on site as it is at the office. Both programs are so profound and simple that users wouldn't dream of going back to their old ways of doing things.

The strategic acquisition of *Wallingford Software* also vastly expanded our offerings to include comprehensive best-in-class river and flood modeling capabilities. In almost all instances, we've seen that when our customers experience the power and ease of use of our leading-edge technology, their reaction quickly shifts from astonishment to sign-on. Our product portfolio has never been stronger, and it now encompasses comprehensive infrastructure management, design and rehabilitation solutions for utility and engineering enterprises of all sizes in all the industries we serve. That industry expertise is one of MWH Soft's key strengths.

Growing Worldwide Impact

In 2009, MWH Soft enjoyed very strong results internationally, and we expanded our commercial footprint in emerging markets by enlisting reliable partners who are modeling aficionados and share our passion for serving customers. MWH Soft currently has sixteen channel partners around the world (a fourfold increase over last year), and we plan to expand this network even further.

Our single most important criteria for selecting channel partners is the quality of customer experience they can deliver. We simply don't build a partnership with any company that does not share our commitment to customer success or value our long-standing reputation for product quality, reliability and customer service. In collaboration with our channel partners worldwide, we deliver the most comprehensive, best-in-class water resources modeling and management solutions — and the highest levels of customer satisfaction — to a global market. It is a joy to be in business with people you respect, trust and have long admired. We can't imagine better partners.

In 2009, we also hosted two key industry gatherings: our EMEA User Conference in Reading, UK, and our

Australasian User Conference at Q1, the world's tallest residential tower, in the Gold Coast, Australia. Both of these premier events showcasing the latest innovations in geospatial wet infrastructure modeling drew all-time record attendance. The sessions were packed with a remarkable lineup of professionals from major utilities and top engineering firms who presented a wide variety of innovative solutions that used our advanced technology to address complex real-world problems. The events offered attendees a wealth of opportunities to exchange cutting-edge information and proven strategies with water and wastewater industry movers and shakers.

Industry Recognition

The strength of our technology is continually validated not only by repeat customers and satisfaction metrics, but by international recognition and prestigious honors. In 2009, we were invited to give several presentations at major industry events on vital technologies and issues shaping the future of the drinking water and wastewater industries. I was also privileged and humbled to be awarded the esteemed Fellow designation by the American Society of Civil Engineers and the distinguished US Ellis Island Medal of Honor, one of America's highest recognitions. These tributes reaffirmed my pride in being a part of this noble industry and leading a great team that is doing so much to contribute to its advancement.

People: Our Most Priceless Advantage

Our list of accomplishments is phenomenal — but the sides of the mountain, not the top, sustain its greatness. Results like these are earned by our people pulling in the same direction at the same time. They are the pivotal reason MWH Soft is so superbly positioned, with a future even brighter than its past. Each one of them is exceptionally skilled at creating customer value and enthusiastically providing the best customer experience in our industry. Through their intellect, heart, drive, energy, passion, creativity, competitiveness, and often enormous personal sacrifice, they routinely turn vision into reality. We have placed great trust in them — and their achievements have far exceeded that trust. Our success is a tribute to all of them.

The story of the remarkable work our people do every single day, productively and with great pride, is extraordinary. They share a burning sense of urgency about reaching our goals, unleashing their passion to serve our customers, executing flawlessly and delivering results with integrity and high ethical standards. They are committed to adding value to our industry, reigniting, year after year, the entrepreneurial spirit that made MWH Soft great in the first place. Together, they've created a remarkable family that enjoys delivering truly incomparable — even legendary — customer service. Their commitment to total satisfaction is unwavering. They never give in, and never give up. The results they've achieved have created milestone after milestone for the MWH Soft brand worldwide.

Every month, I receive dozens of messages praising our people, and I am often deeply touched when I read of the amazing and generous deeds they've selflessly done for our customers — not because they had to, or because they expected to be rewarded, but solely from their hearts. They make me immensely proud to be their colleague, and I can't thank them and their families enough for the sacrifices they make for our company on a daily basis.

Our people also furthered their rich tradition of community service in 2009. By supporting a wide range of worthy causes, they brought their enthusiasm and dedication home to the cities, towns and neighborhoods they live in. They make it a priority to do well for themselves by doing good for others. MWH Soft lauds and supports their efforts.

The people of MWH Soft are incredibly special in mind, heart and spirit. Their goodness has fostered greatness, making ours a company that is not only built to last, but *built to lead*. We are extremely fortunate to have this group of talented and dedicated professionals, whose sacrifices and zeal built and continue to build MWH Soft. Our people's passion for making a positive difference for our customers and communities fuels my unrelenting optimism and conviction that our greatest achievements lie ahead.

A company grows when its people grow, and our financial growth has been matched by team growth. In 2009,

we continued to place a high priority on augmenting staff, developing our next generation of business leaders, transferring knowledge and skill sets, and ensuring that we have the right management initiatives and tools to facilitate a creative environment where both individual excellence and teamwork are rewarded. We want to develop people who are guardians of our culture, champions of our customers, caretakers of our communities, and protectors of the environment. In filling key positions, we grew our total head count by over 250%.

My role is to attract and keep talented and loyal people who are skilled at performing in this setting. I work in concert with my partners, Erick Heath, Dan Antal, and Andrew Brown, our operations directors, and Roger Ro and Mohamed Abdillahi, our product development heads — five truly outstanding individuals with great records of leadership. Together, we recruit, train, develop, inspire, motivate, and think about people constantly. As a result, we are building a remarkably strong leadership pipeline. We believe in the MWH Soft team, a group whose sum is greater than its parts. We see every day just how exceptional it is. Its members are diverse, dedicated, and talented. They have amazing passion, endless energy and relentless drive. They are committed to working together, delivering third- and fourth-generation technologies, and always putting the customer first.

Looking back on my eleven years as President and Chief Operating Officer, I could not be prouder of all we have accomplished. I and my executive staff are elated and profoundly honored to be at the helm of this company, part of a team where opportunities abound and growth prospects are defined only by the aspirations and efforts of our people. We enjoy leading market positions, a rising flow of innovative new products, close relationships with customers, a strong global presence, and powerful brands. We're led by a talented management team focused on leveraging MWH Soft's unique strengths and effectively executing our game plan day in and day out, year after year.

This is MWH Soft now, and it is the best MWH Soft ever. We are a global leader in wet infrastructure modeling and simulation software. The past has belonged to us. We stand ready to grow, chart new frontiers, and seize the future. We see more exciting growth and ever-better days ahead. There has never been a better time to be here.

An Exciting and Purposeful Future

As we saw in 2009, the foundation and strategic focus upon which MWH Soft was built enable us to stand up against uncertainty, withstand great challenges, be aggressive year after year, and position the company for long-term success. We help to create the future and in doing so drive our own growth. We were able to generate new growth records against the backdrop of an increasingly challenging macroeconomic environment.

We enter a new decade with greater momentum and a stronger set of products than at any time in our history. Never satisfied with the status quo, MWH Soft will continue to be driven by our customers' exacting needs. We're committed to developing solutions that deliver advantages in price, convenience, reliability and performance while dramatically enhancing the future of enterprise computing for the water and wastewater industries. We're dedicated to innovation and determined to make our software even more powerful and easy to use. We love to be pioneers; it's in the DNA of the company.

We're also steadfast in our resolve to keep our customers at the forefront of all we do. We are determined to win and deliver on our commitments in all aspects of our business. Our New Year's resolution, this year and every year, is to stay ahead of our customers' high expectations. We could not be more intensely motivated to do our best, and we look forward to sharing our future with you.

As in the past, MWH Soft has changed ahead of the times. We are a company that does what few others can do and goes where few can follow. We don't just create products, we create products customers want. We don't sell performance as an abstract concept, we embody it in our culture. As a company of the future, we think and act with our customers in mind. And we apply this mindset at all levels.

Over time, our technologies have become increasingly sophisticated. We are facilitating the evolution of modeling all over the world — and we're committed to democratizing those technologies by making them

available to the widest possible range of customers. This commitment means continued investment in research and development. It also means initiating the acquisition of technology and businesses we believe will complement or integrate with our current portfolio of products or give us new geographies. We believe such diversification will create a sound balance between organic and acquisitive growth and help further moderate the impact of large swings in external factors on our business. As we continue on this aggressive growth path, we remain deeply committed to the core ethics, culture and philosophy that have served us so well, and to maintaining a small-company soul in a big-company body.

Our work is far from over. While in the long term we are very optimistic, in the short term we are realistic. We view the changes that are shaping our industry and the global economic landscape as strong catalysts for innovation. Rather than obstacles, we see them as opportunities to expand and deepen our vertical solutions and aggressively move into market adjacencies, all with an eye toward generating long-term customer value. MWH Soft stands ready to take on new challenges and weather new storms.

In closing, 2009 was an amazing year for us, one that reflected our ambition to accomplish everything we set out to do. Our actions and results continue to demonstrate an unyielding commitment to deliver the most in terms of customer value.

We feel energized by and tremendously proud of our accomplishments and the people who worked so diligently to achieve them. We are even more excited by what we want to do. Our journey is up a mountain with no peak. A continuous landscape of challenges faced and challenges met, of problems transformed into opportunities for new achievements. We have the talent, resources and initiatives to serve our customers well, accomplish our mission to help them succeed, and maintain and enhance our market-leading positions. MWH Soft is a company dedicated to being not only the best *in* the industry, but the best *for* the industry.

Your exemplary support enables us to continue to deliver innovations that advance our industry and help people around the world live richer, healthier, and more satisfying lives. For that and so much more, I thank you.

At MWH Soft, the startup spirit remains alive and well. We can say with certainty that the best is yet to come.

Respectfully,



Paul F. Boulos, Ph.D, Hon.D.WRE, F.ASCE
President and Chief Operating Officer
MWH Soft

MWH Soft At A Glance: *Customer Success is Our Mission*

MWH Soft is a leading global provider of wet infrastructure modeling and simulation software and professional solutions designed to meet the technological needs of water/wastewater utilities, government industries, and engineering organizations worldwide. Its clients include the majority of North American cities, foremost utilities on all five continents, and ENR top-rated design firms. With unparalleled expertise and offices in North America, Europe, and Asia Pacific, MWH Soft connected portfolio of best-in-class product lines empower thousands of engineers to competitively plan, manage, design, protect, operate and sustain highly efficient and reliable infrastructure systems, and provide an enduring platform for customer success.

