

NOVELL/WORDPERFECT MERGER
Questions and Answers

CONFIDENTIAL

CORPORATE

Q: Why are WordPerfect and Novell merging?

A: The era of desktop computing is evolving into group collaboration with the need to connect people, groups and companies. (As this week's *Businessweek* states, networks are poised to shift the computer industry's center of gravity away from the desktop. *Businessweek*, June 27, 1994, p.2) The continued growth of our industry depends upon tighter integration between applications and the network. This merger provides an opportunity for leaders in these two worlds to join forces. The merged company is well positioned to accelerate this important new wave of computing by offering a new generation of network applications, with the flexibility and freedom of open interfaces and published standards.

Specific reasons identified in the S-4 are:

1. We will provide the infrastructure, networking services, tools, and applications to pioneer a new era of network applications—desktop applications which are specifically designed to take advantage of network operating system services.
2. We will be able to provide a more complete set of software solutions to customers—including a best-of-class desktop applications suite—allowing us to better compete with Microsoft and Lotus. With the broadened product line, we will be able to more effectively and aggressively participate in new, emerging channels.
3. With enhanced networking services, leadership in networking software, and workgroup automation applications, we will lead the market with GroupWare products.
4. We will provide the interface, the infrastructure, and the tools to help customers exploit the information highway.
5. Adding applications to the product line will provide an identity for the network operating system and will showcase the network services.
6. Product diversity and the size of the company will make it a more entrenched leader in the industry, possessing stronger talent and possessing heavier clout to drive industry standards. Reciprocal access to over 16 million WordPerfect users and 40 million NetWare users provides a formidable base of customer use and loyalty.
7. With Novell's traditional strength in the VAR/aggregator channels and WordPerfect's traditional strength in the consumer channels, the combined company will have broader channel exposure, producing more sales opportunities.
8. Bringing together three strong R&D teams will spawn new technologies.

9. The important element of customer service will be fortified by bringing together the WordPerfect and Novell technical support organizations, known for excellent end-user and reseller support, respectively.
10. The combination should yield greater revenue and earnings growth than either company could separately while also yielding less risk of decline.

Q: What does WordPerfect gain from the merger?

A: Joining Novell adds tremendous strength to WordPerfect in three major areas.

1. We can now deliver a more competitive application suite through the acquisition of Borland International's Quattro Pro spreadsheet.
2. We can deliver the most powerful workgroup applications through Novell's extensive channel infrastructure of more than 20,000 resellers. WordPerfect has leading workgroup technology and a solid one-to-two year lead on the competition in integrated messaging. But what WordPerfect has lacked is the extensive channel to deliver the technology and build the mindshare necessary for its workgroup products.
3. And, with Novell's strong global presences we can expand our international marketplace.

Q: Will the WordPerfect name and brand still be maintained?

A: WordPerfect will be known as "WordPerfect, the Novell Applications Group." WordPerfect is widely known for its quality software applications and its excellent end-user support and service, and users will be able to expect this same commitment from the combined company after the merger.

Q: What is the mission of WordPerfect, the Novell Applications Group?

A: WordPerfect, the Novell Applications Group, is a worldwide leader in providing business, workgroup, consumer and electronic publishing software. The group is driven by its vision of helping the world communicate, and will deliver network applications that dramatically improve the way people work and communicate.

Q: How will the company be structured within the Novell organization? What will happen to the WordPerfect senior management team?

A: WordPerfect will be an independently run applications group of Novell. Ad will be president of WordPerfect, the Novell Applications Group, and will report directly to Bob Frankenberg.

Q: How will WordPerfect, the Novell Applications Group, be structured?

A: WordPerfect will be an independently run applications group of Novell and will be comprised of four divisions:

Business Applications: The WordPerfect suite, WordPerfect, Quattro Pro, WP Presentations

Workgroup Applications: Symmetry, WP InForms, SoftSolutions

Consumer Products/MainStreet: Personal productivity: InfoCentral, WP

Works, Grammatik, Clip Art; Edutainment: Wallobee Jack, Kap'n Karaoke;
Home Education: Waterford Products
Electronic Publishing: WP Envoy, WP Intellitag, WP Exchange

Q: Originally, WordPerfect was slated to be a wholly owned subsidiary of Novell. Why has that changed?

A: We changed the form of the merger purely for tax reasons. However, WordPerfect will be run as an independent group of Novell.

Q: How many seats will WordPerfect have on Novell's board? Who will those board members be?

A: WordPerfect will have the right to two seats on Novell's board filled by company co-founders Alan Ashton and Bruce Bastian or their appointees.

Q: How many WordPerfect employees will be laid off as a result of the consolidation?

A: Bringing together two large companies inevitably creates some overlap in positions and will result in a reduction in force. We will look for the best, most competitive, most efficient organization possible. Bob Frankenberg, Ad Rietveld and the executive management team are working on a blueprint for the new organization that Bob will announce it over the coming months.

Q: How will the merger affect WordPerfect's support model? WordPerfect's sales model?

A: The first organizational areas we will address are those that affect customers, such as service and sales. We are committed to providing support options that are tailored to the distinct needs of our customers. Customers will continue to receive the best network support and the best applications support. We are committed to an integrated sales force that represents the combined companies' product offerings.

Q: Will WordPerfect continue to support non-Novell server environments?

Absolutely. We will continue to support a cross-platform, cross-server strategy. We will support the following platforms:

Desktop Windows, Macintosh, UNIX, DOS

Server NLM, UNIX, OS/2, NT

NOS NetWare, LAN Server, Banyan, LAN Manager

Future operating systems: We will also develop object-oriented component software to operate in the Taligent and Cairo environment.

Q: How do you define "network applications"?

A: Network applications connect people to other people, to information, and to networking services, helping them become more productive than they are on a standalone desktop. Many applications today provide basic network services such as file and print; these applications are network aware, but they are still largely desktop oriented. The next generation of network applications will be collaborative applications with *direct*

integration to advanced networking services.

Q: What is the end-user benefit of network applications?

A: With network applications, users will be able to access information, people and network services anytime from anywhere — at the office, at home, on the road, or even, in flight. Network applications will provide users with direct access to technologies that enhance productivity, ease of use and cross-platform flexibility. Sophisticated network computing capabilities will be widely available to end users at very affordable prices. The availability of network applications will allow collaborative computing that will dramatically boost productivity.

Q: How does your component software strategy and OpenDoc development fit into your network applications direction?

Component software will allow people to customize software to their particular needs and will reduce the size and increase the speed of software. We will make all our software components network integrated, so they can be distributed across a network and can take advantage of advanced networking services.

Q: What is the developer benefit of building network applications?

A: The fact that Novell will provide advanced software services across multiple platforms based on standard APIs means developers will have open access to the same technology specification as Novell developers. Open access and standard APIs mean developers can get their products to market faster and with a higher degree of integration.

Q: Some of the advanced networking services have been available but developers haven't widely written to them in the past. Will this change?

A: There has been a lack of industry-standard APIs for advanced networking services and APIs are different across computing platforms. Novell will take the initiative to develop standard APIs and to offer the exact same APIs across platforms.

Q: What is the timeline for delivery of network applications and component software from Novell?

A: Novell will deliver its first network applications this year. WordPerfect, the Novell Applications Group, will soon announce network applications that will ship before the end of this year. In 1995 and onward, we will strengthen both NetWare's ability to support network applications and our applications' use of advanced network services. Component software will lag this timeline by about one year. We believe that most applications will need to be both components and networked to be successful in 1996.

Q: What is the timeline for the move to network component software?

A: The Gartner Group (March 1994) notes the following trends toward component software:

By the end of 1993, object orientation was becoming important to ISVs for competitive advantage. By the end of 1994, object-oriented user interfaces will begin to show up in shrink-wrapped applications. By the end of 1995, we'll see single-vendor objectware

libraries. By the end of 1996, broad industry standards will allow for inter-object communication. And by the end of 1997, objectware will become widely available and users will be able to mix and match applications.

We think that the benefits of component software can become widely available to users before the end of 1997 if we, as an industry, commit to using open industry standards, such as OpenDoc now.

Q: What role do network applications play on the Information Superhighway?

A: We believe that the Information Superhighway is a network of networks. Many superhighways will be built--both public and private. AT&T NetWare Connect Services, a public Information Superhighway currently under construction by Novell and AT&T, will include advanced network services as well as provide the ability to connect existing private and public NetWare networks to each other as well as to individual users. We believe network applications will make extensive use of these advanced network services to address user needs in ways not feasible today. This will also simplify the users access to information, people, and resources of the network. Thus network applications will simplify, enhance, and make information superhighways compelling to use in work and at leisure.

Q: In light of the network applications focus of Novell, will the company stay committed to WordPerfect's consumer product line, MainStreet?

A: We are absolutely committed to the consumer product market. The consumer product arena is the fastest growing segment in the retail software market and is scheduled to reach \$1.5 billion in revenue by 1995.

Many people's first experience with software is with standalone software products. And although we believe that one day, every application will be a network application, we are committed to providing consumers with innovative products they can use today.

Q: Will Novell remain committed to electronic publishing software?

A: Yes. Electronic publishing is one of our main areas of focus at WordPerfect. Our objective is to provide an open, global standard by combining electronic publishing applications with the most comprehensive selection of electronic reference works. And our worldwide publishing partnerships position us to deliver more applications and titles than any other software vendor.

We recently announced Envoy, an outstanding electronic publishing program that allows users to publish full-color, beautifully formatted documents without having to be concerned about whether the readers have Envoy software on their machines.

OPENDOC

Q: What is OpenDoc?

A: The OpenDoc component architecture supports information integration throughout the enterprise. OpenDoc enables software components on desktops, servers and mainframes

to manage information throughout the enterprise, integrating desktop productivity tools and centralized information systems into a coherent whole.

The OpenDoc architecture is designed to enable the construction of compound, collaborative, and customizable documents, which are interoperable across platforms and with other compound document architectures such as Microsoft OLE 2.0.

Q: What technologies will WordPerfect Corporation bring to OpenDoc development?

A: WordPerfect is providing the OpenDoc port for Windows which includes OpenDoc interoperability for OLE (Open OLE).

Q: How do OpenDoc and AppWare fit together?

A: There are two main elements to AppWare. The first element, Visual AppBuilder, will sit on top of OpenDoc, and allow developers to create and customize components and applications that work across the network. The second element, the AppWare Foundation and Bus, can be used to run the components or applications across the network. OpenDoc can also be used as the network conduit because it is network aware and provides CORBA compliant distributed object management.

Q: What does the OpenDoc initiative for component software have to do with network applications?

A: OpenDoc is the component software framework that Novell's WordPerfect applications group will use to build its future desktop and workgroup applications. Integral to the strategy is WordPerfect's plan to build network integrated components.

Q: Since the merger announcement, questions have been raised about network applications being potentially as proprietary as what Microsoft is building into their operating system? What will make Novell's network applications non-proprietary?

A: Network applications will be non-proprietary because Novell is developing a common set of APIs that will be standardized across multiple platforms and publicly available to outside developers at the same time as Novell developers.