

# ESBER VINDICATED: ASHTON AGREES TO GO TO BORLAND QUIETLY

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At the second time of asking, Borland International Inc has succeeded in getting Aston-Tate Corp to name the day in a merger that will create a microcomputer software company of a size to be able to look Lotus Development Corp in size and big enough to dream of one day catching up Microsoft Corp. Back in April, we related how, early last year, Borland's Philippe Kahn approached then Ashton-Tate chief Ed Esber and proposed a merger, how Esber liked the idea and put it to his board, which hated it so much that it forced Esber's resignation (CI No 1,655). Borland's conditions then were that Ashton drop most of its products and end its legal proceedings against Fox Software Inc. The companies have signed a definitive merger agreement under which Borland will exchange new shares valuing each Ashton at not less than \$17.50, and the whole company at \$439m: the formula is at least 0.346 and no more than 0.398 of a Borland for each Ashton out. To ensure that no-one tries to muscle in on the party, Ashton-Tate has granted Borland an irrevocable option to acquire 5m new Ashton-Tate shares, or about 19.9%, at \$17.50 a share. The pact also provides for either to demand a \$13.5m fee from the other if for any reason the deal is not completed. On the products front it is likely that Borland will want to treat Ashton's dBase user base as a prime prospect list for its own Paradox, and question marks will hang over how enthusiastically the Framework graphics program and Multimate word processor will be marketed, but there are goodies buried in Ashton, notably the Interbase database product - an advanced product designed to run on Unix and VAX hardware that is designed to offer broad functionality for distributed, client-server computing and yet to be easy to use. This may well prove to be the base technology developed for migrating Borland Paradox and Ashton-Tate dBase users onto a single future database product. Ashton-Tate lost \$18.1m on sales of \$230.5m for the year to December 31, Borland, whose shares are the one out-and-out American success story on the London Unlisted Securities market, made \$26.8m profits on sales of \$226.8m for the year to March 31. The market didn't like the deal from Borland's viewpoint and marked its shares down \$1.875 at \$47.625; Aston-Tate's shares rose \$5.125 to \$16.375 - they had been trading at as low as \$6 as recently as April.

Source: CBR Online