



# Interleaf

Interleaf, Inc.  
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There will be a company meeting at 2:00 today in the canal cafeteria to discuss this!

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*For Immediate Release*

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## INTERLEAF RESTRUCTURES IN SHIFT TO SOFTWARE AND SERVICES

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Cambridge, MA—Nov. 13, 1989—Interleaf, Inc. announced today a major restructure that exits the Company from the turnkey hardware systems part of its business and re-focuses Interleaf on its major growth and high value-added businesses of software and systems integration services.

Said David Boucher, Interleaf's chairman and CEO: "The restructure we are announcing today plays to Interleaf's strengths in the higher-margin mix of software and services, and lowers our cost of doing business."

As part of the restructure, Interleaf announced the following changes:

- The Company will resell hardware platforms only as part of systems integration services
- Digital Equipment Corporation will assume support of Interleaf's hardware maintenance customers
- Interleaf will re-allocate resources to its Systems Integration group
- The organization has been streamlined to reflect the new focus
- As a result of these changes, the Company has reduced its domestic workforce by approximately 135 (18% of U.S. employment)

The Company expects to incur restructuring costs of approximately \$13.5 million (or \$0.95/share pre-tax) this quarter (Q3 of FY90), including the cost of severance (\$2 million), inventory and fixed assets write-offs (\$5.5 million), and consolidating facilities (\$6 million). These changes will have minimal impact on Interleaf's cash position. The Company expects the restructuring to result in an annual expense savings of \$6 million.

Said David Boucher: "Interleaf's value-added has been in providing very high quality software and services—in solving complex publishing and information management problems. This restructure will increase our focus on these rapidly growing parts of our business."

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