Frequently Asked Questions

About the Merger of Progress Software Corp. (PSC) and eXcelon

December 20, 2002

Why did PSC acquire eXcelon?
Sonic Software, a subsidiary of PSC, has differentiated itself as the leader in distributed, "standards-based" application integration. eXcelon's renowned XML technologies tie perfectly into this strategy and allow Sonic to shorten time-to-market for key product enhancements to its SonicXQ™ enterprise service bus (ESB). In addition, eXcelon has a strong heritage in database technologies that are highly complementary to the Progress Company, whose RDBMS has been the market leader in the embedded database business.

What is Sonic's strategy and how does this help?
Through a comprehensive commitment to standards and a design center founded in service-oriented architectures, Sonic integration products deliver scalability, reliability, and low cost of ownership that is far superior to tightly-coupled, monolithic, integration broker-based alternatives. To this foundation, eXcelon adds XML development tools, XML persistence, process orchestration tools and functionality, and high performance XML processing. With eXcelon technology, Sonic Software can offer the greater flexibility, interoperability, and simplified maintenance associated with XML, Web Services, and other integration standards on top of the world's first and most advanced enterprise service bus.

What were the terms of the deal? When did it close?
PSC completed its merger with eXcelon Corporation on December 19, 2002 pursuant to which PSC paid eXcelon stockholders $3.19 per share in cash, or an aggregate price of approximately $24 million.

Will eXcelon continue as a separate business unit or subsidiary of PSC?
eXcelon's operations and products will be combined with various organizations within PSC. The company will cease to operate independently. However, dedicated sales, support, and engineering groups within PSC will continue to focus specifically on eXcelon products.

What will happen to eXcelon's products?
PSC plans to continue supporting all existing eXcelon products indefinitely either through Sonic Software or the Progress Company, a business unit within PSC. The current plan is to offer eXcelon's object-oriented data management products, which include ObjectStore, PSE/Pro, and Javlin, through the Progress Company. The XML-related products, which include the XML database known as the Extensible Information Server (XIS), Business Process Manager (BPM), and Stylus Studio would be available from Sonic Software. Future product plans include blending eXcelon and Sonic technologies and products and the possibility of sharing technology between the ObjectStore and Progress data management systems.

How will this affect eXcelon's customers?
Continued support for eXcelon customers is a high priority. eXcelon's customers should benefit from PSC's size, market reach, financial stability, and the talents of its 1400 employees. eXcelon's customers can be assured of PSC's commitment to eXcelon technologies and can look forward to an improved range of options and opportunities.

Does ObjectStore compete with the Progress RDBMS?
No. The application use cases are very different for object-oriented databases (OODBs). OODBs are a natural fit where complex relationships must be maintained between real world objects or where data is highly distributed, such as nodes in telecom switching devices, genome mappings in healthcare applications, or geographic information systems. In such niches, an object database makes perfect sense. Conversely, relational databases have proven superior for most transaction-oriented business applications. The Progress RDBMS has rarely, if ever, competed with ObjectStore.

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Safe Harbor Statement

Except for the historical information and discussions contained herein, statements contained in this release about PSC, eXcelon and the merger may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements concerning the expected benefits and timing of the merger. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially, including but not limited to the following: an unexpected increase in costs related to the merger, unexpected delays involved in the closing of the merger, eXcelon's or PSC's inability to satisfy the conditions to closing of the merger, failure of eXcelon's stockholders to approve the merger, the risk that eXcelon's business and technology will not be integrated successfully, the receipt and shipment of new orders for the combined company, the timely release of enhancements to the combined company's products, the growth rates of certain market segments, the positioning of the combined company's products in those market segments, market acceptance of the application service provider distribution model, variations in the demand for customer service and technical support from the combined company, pricing pressures and the competitive environment in the software industry, business and consumer use of the Internet, and the combined company's ability to penetrate international markets and manage its international operations. PSC and eXcelon disclaim any intent or obligation to update publicly any forward-looking statements whether in response to new information, future events or otherwise. For further information regarding risks and uncertainties associated with PSC and eXcelon and information concerning the merger, please refer to PSC's and eXcelon's filings with the Securities and Exchange Commission, including PSC's and eXcelon's annual reports on Form 10-K for the fiscal years ending 2001 and subsequently filed reports.