

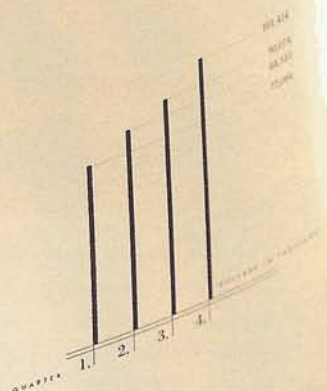
Informix

This is a new era for Informix.

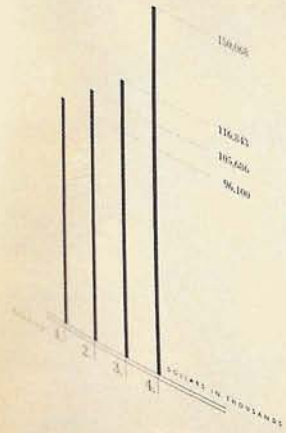
CONTENTS

1994 MILESTONES	2
LETTER TO STOCKHOLDERS	4
CUSTOMER OVERVIEW	6
FINANCIAL OVERVIEW	20
CORPORATE DIRECTORY	46

Revenue by Quarter 1993



Revenue by Quarter 1994



FOCUS ON INDUSTRIES

NEW TECHNOLOGY

CUSTOMERS

> INFORMIX-OnLine Dynamic Server™ 6.0, the first product based on Informix's Dynamic Scalable Architecture™ (DSA), enters general customer availability.

> INFORMIX-OnLine Dynamic Server 7.0, with its first-of-a-kind parallel data query (PDQ) technology, begins first customer shipments.

> Informix ships INFORMIX-OnLine/Secure 5.0, the first UNIX® relational database to meet the stringent B1, B2, and C2 levels of security evaluation set forth by the National Computer Security Center.

> Informix becomes the first database vendor to announce its data warehousing strategy. As part of the initiative, Prism Solutions, a leading data warehousing software vendor, agrees to provide enabling technology for OnLine Dynamic Server.

> Informix announces several customer wins with OnLine Dynamic Server, including a major deal with The Kroger Company.

Jan

Feb

March

April

May

June

> Expanding its client/server offerings for Microsoft's Windows NT™ platform, Informix begins shipping the INFORMIX-SE Client/Server Software Developers' Kit (SDK) for the Windows NT Advanced Server operating system.

> Informix partner System Software Associates (SSA) begins building the first UNIX version of its BPCS/AS software product based on OnLine Dynamic Server.

> DHL Worldwide Express, a long-time Informix customer, selects Informix and OnLine Dynamic Server as their companywide standard database. At the same time, Informix selects DHL as its preferred international air express supplier.

> Newbridge Networks Corporation, a leader in network management software, announces it will use OnLine Dynamic Server as the core database for all of its next-generation network management products.

> Over 2,300 Informix users, partners, and employees attend the third annual Informix Worldwide User Conference and Exposition. During the conference, INFORMIX-NewEra™ and INFORMIX-NewEra ViewPoint™ Pro are announced, as

> NewEra and NewEra ViewPoint Pro begin shipping to customers around the world—including HCIA, Inc., the U.S. IRS, the Swedish draft board, Cray Systems, and the Ministry of the Defense of the Czech Republic.

> In a move to simplify the management of large, distributed databases, Informix and Tivoli Systems Inc. partner to embed Tivoli's TME Architecture into OnLine Dynamic Server.

> Further expanding its product offerings for enterprise connectivity, Informix ships the 6.1 version of INFORMIX-Gateway with DRDA.™ Informix also licenses core technology from

> More customers select OnLine Dynamic Server as their core database—including such industry leaders as Transamerica Commercial Finance Corporation and the United Kingdom's Royal Air Force.

> Informix and OnLine Dynamic Server are selected by other industry leaders from around the world—such as the Central Bank of the Russian Federation, Home Depot, and the American Automobile Association (AAA).

> Informix delivers new versions of several client/server tools: INFORMIX-NewEra ViewPoint (for Windows, Macintosh, and Motif) and INFORMIX-HyperScript® Tools 1.1 (for Windows and Motif).

> INFORMIX-OnLine Dynamic Server 7.1, the latest DSA product implementation, becomes widely available on every major hardware platform.

> Informix achieves record-breaking TPC-C benchmark results (based on the Transaction Processing Council's price/performance benchmark tests) using OnLine Dynamic Server 7.1 on Hewlett-Packard's open symmetric multiprocessing (SMP) hardware server.

> INFORMIX-Enterprise Gateway, built with technology from industry-leading connectivity products vendor Information Builders, Inc., begins shipping—allowing Informix customers to access data from more than 60 databases on over 35 different computer platforms.

July

Aug

Sept

Oct

Nov

Dec

well as a new third-party partners program to support the creation of class libraries that extend and enhance the NewEra development environment.

> Informix expands its presence in key international markets by acquiring distributors in Germany (Garmhausen and Partners) and Malaysia (NextWare).

Open Horizon to create INFORMIX-DCE/NET, to provide additional security and standards-based connectivity for Informix customers.

> Several major customers—including Holiday Inn Worldwide and United Airlines—standardize on Informix and OnLine Dynamic Server for their enterprise-wide applications.

> In the first year since partnering with SAP AG, the worldwide leader in client/server business software, Informix announces it has gained 179 new licensed installations through the SAP relationship.

> In order to expand its leadership in the growing Japanese market, Informix announces its intention to acquire ASCII Corporation's Japanese database division—to be called Informix ASCII, K.K.

> PeopleSoft, Inc., a recognized leader in client/server application software, announces it will provide PeopleSoft Financials and PeopleSoft HRMS running on OnLine Dynamic Server.

> Informix launches Ingres-to-Informix migration program, allowing companies using Ingres database technology (recently acquired by Computer Associates) to leverage their existing investment in Ingres-based applications while migrating to Informix.

For Informix Corporation, 1994 was a year of significant achievement, company milestones, and customer wins. But more importantly, I believe the year's accomplishments represent a fundamental shift in our prospects for the future—in terms of how we do business worldwide, our product technology, and the types of markets we serve.

Informix's 1994 revenues climbed to \$468,697,000, 33 percent growth over 1993 revenues of \$352,915,000. Earnings grew to \$66,196,000, an 18 percent increase over last year's net income of \$56,115,000. Earnings per share also grew by 18 percent to \$0.98 from \$0.83 a year earlier.

Our 1994 operating margin remains high at approximately 22 percent, compared to 24 percent for 1993. Our 1994 annualized revenue per employee figures increased to approximately \$271,000 in the fourth quarter of 1994, compared to approximately \$236,000 for the same period in 1993. Informix also increased its cash, cash equivalents, and investments by approximately \$52 million in 1994, and finished the year with cash and investment balances of approximately \$196 million.

Strong financial results like these mean our products are not only selling well, but that we are successfully managing the business as it grows worldwide—and I'd like to salute the outstanding efforts and dedication of the people behind this success: our employees.

GROWING OUR BUSINESS Informix continues to build upon its success in the global marketplace—in established lines of business as well as emerging market opportunities. To do so, we're reshaping our business programs to fit the needs of our growing and changing customer base.

We've realigned our sales, marketing, and support efforts to provide a more direct presence worldwide—for the first time, more than half of our 1994 sales revenues came from end users of our technology. Our workforce has grown to more than 2,200 employees worldwide. We formed six new international subsidiaries, and now have offices in over 35 countries. Our customers are now supported by eight regional customer service hubs strategically located around the world, which allows us to respond quickly and effectively to our customers' global needs.

In October we formed an agreement with long-time Informix partner ASCII Corporation to acquire ASCII's database division—now called Informix ASCII, K.K. We took this action to further Informix's leadership in the lucrative Japanese market. We've taken similar measures in other international markets by acquiring distributors in Germany (Garmhausen and Partners) and Malaysia (NextWare).

We've also worked to strengthen our already successful third-party distribution channels—value-added resellers, systems integrators, consultants, trainers, hardware manufacturers, and independent software vendors—by forming new, strategic partnerships with many of the world's largest and most successful solution providers, such as SAP, PeopleSoft, SSA, and Baan.



DELIVERING KEY PRODUCTS Key to Informix's future growth and stability is the success of our core product technology. Informix is unique in its efforts to build database products based on an enduring, underlying architecture—a strategy designed to better enable our customers with scalable product technology, so they can successfully run their business today *and* in the future.

In 1994, we delivered, as promised, two new core products that not only position us well for the future, but also establish a new standard for high-end relational database technology.

The 7.1 version of INFORMIX-OnLine Dynamic Server™—our next-generation parallel database server—shipped on schedule, and is now available on every leading symmetric multiprocessing (SMP) hardware platform. OnLine Dynamic Server is already being deployed by hundreds of customers around the world, enabling them to make more strategic business decisions as well as keep pace with future database growth.

We also began shipping our second-generation application development tool, INFORMIX-NewEra™, to a number of organizations such as American Express, Motorola, McCaw Cellular, and the U.S. Internal Revenue Service. NewEra has already been recognized by customers and industry analysts for defining a “new breed” of client/server software development technology, because it provides the ability to create large, mission-critical database applications that will grow to accommodate evolving business needs.

MEETING THE NEEDS OF OUR CUSTOMERS Looking back on 1994, it's clear that our success is due in large part to new Informix customers who represent a higher profile of users of our technology. Many of these organizations are household names and recognized leaders in their respective industry segments—for example, United Airlines, GTE, Holiday Inn, Wal*Mart, Sears Roebuck and Company, and Great Britain's Royal Air Force. Moving forward into 1995, we're working hard to continue this momentum and remain optimistic about our future growth potential.

On the following pages, we've highlighted just a few of the thousands of companies throughout the world whose information systems run on Informix software. Some of these companies are new customers, while others have chosen to reaffirm their commitment to Informix. Nevertheless, these industry leaders all have something in common—they have come to rely on Informix's next-generation technology and proven leadership to meet their increasingly diverse information management needs.

Sincerely,

PHILLIP E. WHITE

Chairman, Chief Executive Officer, and President

