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**Aldus Corporation**  
411 First Avenue South  
Seattle, WA 98104-2871  
206.622.5500

April 6, 1990

Dear Shareholder:

You are cordially invited to attend the annual meeting of shareholders of Aldus Corporation, which will be held at the Sheraton Hotel, 1400 Sixth Avenue, Seattle, Washington, on May 1, 1990, at 10 a.m. I look forward to greeting as many of our shareholders as possible.

Details of the business to be conducted at the annual meeting are given in the enclosed Notice of Annual Meeting and Proxy Statement.

Your vote is very important—whether or not you attend the annual meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to sign, date, and promptly return the enclosed proxy in the postage-paid envelope. If you decide to attend the annual meeting and wish to vote in person, you will still have the opportunity to do so.

On behalf of the Board of Directors, I would like to express our appreciation for your continued interest in the affairs of Aldus.

Sincerely,

A handwritten signature in dark ink, appearing to read "Paul Brainerd", written in a cursive style.

Paul Brainerd  
President

**ALDUS CORPORATION**  
**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**  
**May 1, 1990**

To the Shareholders:

The annual meeting of the shareholders of Aldus Corporation will be held at the Sheraton Hotel, 1400 Sixth Avenue, Seattle, Washington, on May 1, 1990, at 10 a.m., for the following purposes:

1. To elect four directors to hold office until the next annual meeting.
2. To ratify the selection of Ernst & Young as auditors for the current fiscal year.
3. To transact such other business as may properly come before the meeting.

Only shareholders of record at the close of business on March 9, 1990, are entitled to notice of, and to vote at, the annual meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Paul Brainerd, President

Seattle, Washington  
April 6, 1990

**IMPORTANT**

Whether or not you expect to attend in person, we urge you to sign, date, and return the enclosed proxy at your earliest convenience to ensure the presence of a quorum at the meeting. Promptly signing, dating, and returning the proxy **will save the Company the expenses of additional solicitation.** A self-addressed stamped envelope is enclosed for that purpose. If you send in your proxy and then decide to attend the meeting to vote your stock in person, you may still do so. Your proxy is revocable at your request.

**ALDUS CORPORATION**  
**411 First Avenue South**  
**Seattle, WA 98104**

**PROXY STATEMENT FOR ANNUAL MEETING**  
**OF SHAREHOLDERS**  
**To Be Held May 1, 1990**

This Proxy Statement, which was first mailed to shareholders on April 6, 1990, is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") of Aldus Corporation (the "Company" or "Aldus") for the Annual Meeting of Shareholders of the Company ("Annual Meeting"). The Annual Meeting will be held at 10 a.m. on May 1, 1990, at the Sheraton Hotel, 1400 Sixth Avenue, Seattle, Washington, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. All shares represented by proxies will be voted in accordance with the shareholders' directions. Any proxy card signed and returned without any direction given will be voted in accordance with the recommendations of the Board. Proxies may be revoked at any time prior to exercise by delivery of a signed statement to the Secretary of the Company at or prior to the Annual Meeting or by execution of another proxy dated as of a later date. The cost of solicitation of proxies will be borne by the Company. The principal executive offices of the Company are located at 411 First Avenue South, Seattle, WA 98104.

Shareholders of record at the close of business on March 9, 1990, will be entitled to vote at the Annual Meeting on the basis of one vote for each share held. Each shareholder has the right to cumulate votes in the election of directors, which means that such shareholder will be entitled to as many votes as such shareholder has shares of common stock, multiplied by the number of directors to be elected, and may cast all such votes for a single nominee or may distribute such votes among as many nominees as the shareholder chooses. Unless otherwise indicated on a duly executed proxy, all votes represented by such proxy will be apportioned at the discretion of the Board. On March 9, 1990, there were 13,688,516 shares of the Company's Common Stock outstanding, held by 1,328 shareholders of record.

## **1. ELECTION OF DIRECTORS**

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Four directors are to be elected at the Annual Meeting to hold office until the next Annual Meeting of shareholders and until their successors are elected and qualified. It is intended that the accompanying proxy will be voted in favor of the following persons to serve as directors, unless the shareholder indicates to the contrary on the proxy. Management expects that each of the nominees will be available for election, but if any of them is not a candidate at the time the election occurs, it is intended that such proxy will be voted for the election of another nominee to be designated by the Board to fill any such vacancy.

<u>Nominees</u>	<u>Common Stock</u> <u>Beneficially Owned as</u> <u>of March 1, 1990 (1)</u>	<u>Percent of Class</u>
Paul Brainerd	3,442,500	25.1
Douglas G. DeVivo (2)	150,934	1.1
Gene P. Carter (3)	155,004	1.1
Andrew Smith (4)	2,000	0.01
All executive officers and directors as a group (11 persons)	3,750,538	27.3

- (1) Beneficial ownership represents sole voting and investment power.
- (2) Includes 20,334 shares subject to options which are exercisable within 60 days.
- (3) Includes 82,000 shares subject to options which are exercisable within 60 days.
- (4) Includes 1,000 shares subject to options which are exercisable within 60 days.

## Other Information Concerning Directors

Paul Brainerd, 42, the company's founder, has been president, chief executive officer, and a director of Aldus since its inception. From 1980 to 1984, Mr. Brainerd was a vice president of Atex Inc., a manufacturer of computerized text-publishing systems for newspapers and magazines.

Douglas G. DeVivo, 46, has been a director of Aldus since September 1984. Mr. DeVivo was a founder and since 1981 has been a partner of Vanguard Associates and Vanguard Associates II, California venture capital partnerships. He is also a director of Syntelligence, a privately held supplier of decision-support software, and several other companies. Prior to his venture capital activities, Mr. DeVivo served as director of marketing for Measurex Corporation, a NYSE-listed computer systems company, and held various sales and marketing positions with DuPont Instruments and Digital Equipment Corporation.

Gene P. Carter, 55, has been a director of Aldus since April 1985. Mr. Carter has been a private investor since 1984. From 1977 to 1984, he was vice president of sales for Apple Computer Inc., a microcomputer manufacturer. Mr. Carter is also a director of Tigan Communications Inc., a privately held manufacturer of communications networks; Chips & Technologies, a manufacturer of semiconductor components for personal computers; and Productivity Software Inc., a privately held developer of applications software.

Andrew V. Smith, 65, has been a director of Aldus since February 1989. From 1978 to 1988, Mr. Smith was president of Pacific Northwest Bell, now known as U S WEST Communications. Since 1989, he has been president of Telephone Pioneers of America, as well as executive vice president of U S WEST Communications. Mr. Smith is also a director of Airborne Express, Cascade Natural Gas, U.S. Bancorp (Portland, Oregon), Unigard Insurance, Univar Corporation, Momentum Distribution Inc., and Tektronix Inc. (Portland, Oregon).

Directors receive no cash compensation for serving on the Board, except for reimbursement of reasonable expenses incurred in attending the meetings. Each nonemployee director of the Company receives annually, concurrent with the annual election, an option to acquire 1,000 shares of Common Stock at fair market value at the time of grant under the 1987 Stock Option Plan for Nonemployee Directors.

The Board met 11 times during the last fiscal year. The Audit Committee, consisting of directors Carter, DeVivo, and Smith, held four meetings and took action by consent three times during the last fiscal year. This committee is primarily responsible for reviewing the services performed by Aldus' independent auditors, reviewing quarterly financial results, and evaluating Aldus' accounting policies and its systems of internal controls. All directors attended 75 percent or more of the total number of Board meetings and Audit Committee meetings.

## Information Regarding Principal Shareholders

To the Company's knowledge, the only shareholders who beneficially owned more than 5 percent of the outstanding shares of the Common Stock as of March 1, 1990 were:

<u>Beneficial Owner</u>	<u>Common Stock Beneficially Owned as of March 1, 1990 (1)</u>	<u>Percent of Class</u>
Paul Brainerd (2)	3,442,500	25.1
Charles H. Jackson (2)	1,088,533	7.9
Branco Weiss (3)	821,891	6.0

- (1) Beneficial ownership represents sole voting and investment power with respect to the Common Stock.  
 (2) Address: c/o Aldus Corporation, 411 First Avenue South, Seattle, WA 98104-2871  
 (3) Address: Eduard-Gut-Strasse, 8142 Uitikon, Zurich, Switzerland

**Information Regarding Executive Officer Compensation**

**Cash Compensation**

Cash compensation paid by the Company during fiscal 1989 to its five most highly compensated executive officers and to all executive officers as a group is set out in the following table:

<u>Name of Individual or Number of Persons in Group</u>	<u>Capacity in Which Served</u>	<u>Salary and Bonus (1)</u>
Paul Brainerd	President and Chief Executive Officer	\$155,289
Phillip Herres	Chief Operating Officer	\$125,019
Richard Mathews	Vice President, Engineering	\$133,007
William McAleer	Vice President, Finance; Secretary	\$123,480
Sandy Smith	Vice President, Operations	\$123,481
Aaron Howard	Vice President, Aldus North America	\$123,480
All executive officers as a group (10 persons) (2)		\$977,833

(1) Includes bonuses awarded under the 1989 Bonus Profit-Sharing Plan.

(2) Includes Michael Solomon and Jeremy Jaech, who resigned in June 1989 and March 1989 respectively. Also includes newly elected Vice President of Marketing Larry Spelhaug's salary, which is \$150,000 annually, of which \$16,153 was paid in 1989.

## Compensation Pursuant to Plans

### **Bonus Profit-Sharing Plan for Salaried Employees**

#### **1989 Plan**

In March 1989, the Company instituted a new Bonus Profit-Sharing Plan for all employees who have completed six months of service. Bonuses are paid quarterly based on achievement of a target after-tax profit set by the Board. Bonuses are paid if the Company achieves ninety percent (90%) of targeted after-tax profit and the payout increases once the Company exceeds one hundred percent (100%) of its target. The first bonuses were paid pursuant to this plan for the quarter ending March 31, 1989. For fiscal year 1989, amounts paid to officers under this plan are included in compensation noted above.

#### **1984 Restated Stock Option Plan**

The Company's 1984 Restated Stock Option Plan (the "1984 Plan") was adopted in 1984. The 1984 Plan is designed to reward the officers and employees of the Company and provides for the granting of incentive stock options and nonqualified stock options. In an amendment approved by the shareholders of the Company at its 1988 Annual Meeting, the 1984 Plan was modified to reserve additional shares of Common Stock for issuance upon exercise of options, to provide for the partial acceleration of vesting of all outstanding options in the event of a change of control of the Company and to authorize the grant of stock appreciation rights ("SARs").

The 1984 Plan provides for the grant of options to acquire up to 5,000,000 shares of Common Stock to officers and employees of the Company. The time or times at which options may be granted pursuant to the 1984 Plan, whether all such options will vest at one time or on a vesting schedule, the prices at which such options may be exercised, and the term or terms of such options will be set by the Board, as Plan Administrator. For incentive stock options, the exercise price may not be less than the fair market value of Common Stock on the grant date. The exercise price for nonqualified options will generally not be less than 85 percent of the fair market value of Common Stock on the date of grant. The following table shows, in relation to certain executive officers of the Company and all current executive officers as a group, (a) options granted during the period from January 1, 1989, to December 31, 1989, and the average price per share, and (b) the number of options exercised during the same period and the net value of those exercised options (i.e., net value equals the market price at the time of exercise less the exercise price). No SARs have been granted.

	<u>Paul Brainerd</u>	<u>Phillip Herres</u>	<u>Aaron Howard</u>	<u>Sandy Smith</u>	<u>William McAleer</u>	<u>Richard Mathews</u>	<u>All Executive Officers as a Group (10 persons)</u>
Options granted 1/1/89 to 12/31/89							
Number of shares	0	0	0	0	0	0	137,500
Average per-share exercise price	0	0	0	0	0	0	\$14.25
Options exercised 1/1/89 to 12/31/89							
Number of shares	0	0	0	0	0	0	402,000
Net value of exercised options	0	0	0	0	0	0	\$5,769,720

## **1985 Restated Nonqualified Stock Option Plan**

The Company's 1985 Restated Nonqualified Stock Option Plan (the "Nonqualified Plan") originally provided for the grant of options to acquire up to 100,000 shares of Common Stock, to be granted to directors, agents, consultants, and independent contractors of the Company. The Nonqualified Plan was amended on April 21, 1987, to limit grants to employees only. The Nonqualified Plan is administered by the Board, which has the authority to determine the selection of individuals to be granted options, the number of shares to be subject to each option, the exercise price and all other terms and conditions of the options. The exercise price of options granted under the Nonqualified Plan is determined by the Plan Administrator, but cannot be less than 85 percent of the fair market value of the underlying Common Stock. No options were granted during fiscal year 1989 under the Nonqualified Plan. During fiscal year 1989, no options granted pursuant to the Nonqualified Plan were exercised.

## **1987 Stock Option Plan for Nonemployee Directors**

On April 21, 1987, the Company adopted the 1987 Stock Option Plan for Nonemployee Directors (the "Directors Plan"), which provides for the grant of options to acquire up to 100,000 shares of Common Stock to be granted to nonemployee directors. The purpose of the Directors Plan is to help the Company attract and retain qualified nonemployee directors. Pursuant to the Directors Plan, each nonemployee director will automatically receive annually, concurrent with the annual election of directors, an option to purchase 1,000 fully vested shares of Common Stock at an exercise price equal to the fair market value of the Common Stock on the date of grant. During fiscal year 1989, options to purchase 3,000 shares were granted pursuant to the Directors Plan at an average price of \$18.50 per share, and none of these options have been exercised.

## **Certain Transactions**

In January 1987, Aldus and a joint venture partner, McQueen Holdings Limited ("McQueen"), established Aldus Limited, a sales and distribution company in Edinburgh, Scotland, to serve the United Kingdom and Ireland. Under the terms of the joint venture agreement, Aldus owned 50 percent of Aldus Limited and had an option to purchase the remainder. On October 3, 1987, Aldus exercised its option and changed the name to Aldus Europe Limited ("Aldus Europe"), which then became the focal point for European operations. When Aldus Europe was purchased, various intangible assets totaling \$606,000 were acquired. During 1989, 1988, and 1987, respectively, \$121,000, \$121,000 and \$31,000 of amortization expenses related to these intangible assets were included as other expenses in the consolidated statements of income.

In October 1988, Aldus purchased a 10 percent equity interest in McQueen for \$875,000 and advanced McQueen an additional \$875,000 in the form of a convertible note. The note, at Aldus' option, may be converted to 10 percent additional equity proratably over five years; if not converted, the note becomes due on October 31, 1993. The convertible note bears interest at 125 percent of the five-year U.S. Treasury note rate at December 31, 1989 (9.67 percent). Additionally, the note is secured by a first lien on certain assets and a second lien on the remaining assets of McQueen and contains various restrictive covenants. Aldus contracted with McQueen for various supplies, printing, assembly, and fulfillment services. Purchases from McQueen amounted to \$4,234,000, \$2,776,000 and \$1,716,000 in 1989, 1988 and 1987, respectively.

Subsequent to year-end, Aldus acquired all the outstanding stock of Silicon Beach Software Inc. ("Silicon Beach") in exchange for 1,212,230 shares of Aldus Common Stock and options for 26,000 additional shares of Common Stock. In connection with the acquisition agreement, Aldus entered into an employment agreement with the majority shareholder of Silicon Beach and a Registration Rights Agreement with the Silicon Beach shareholders. The acquisition will be accounted for as a pooling of interests and, accordingly, financial data in future consolidated financial statements will be restated to include Silicon Beach. Prior to the pooling, there were no significant transactions between Aldus and Silicon Beach. Silicon Beach develops, manufactures, and markets microcomputer software. With the addition of Silicon Beach's entry-level products to the Aldus product line, the Company expects the acquisition to broaden Aldus' strategic position in both the graphic arts and business markets.

## **2. RATIFICATION OF SELECTION OF AUDITORS**

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At the Annual Meeting, the Board of Directors will request that the shareholders ratify its selection of Ernst & Young as independent auditors for the Company for the current fiscal year.

Unless instructed to the contrary, it is intended that votes be cast pursuant to the accompanying proxy for the ratification of the selection of Ernst & Young. The affirmative vote of a majority of the votes cast by shareholders present in person or by proxy and entitled to vote at the Annual Meeting, a quorum being present, is required to ratify the selection of Ernst & Young.

The Board has unanimously approved the selection of Ernst & Young as auditors for the Company for the 1990 fiscal year and recommends a vote "FOR" Proposal 3.

Representatives of Ernst & Young are expected to be present at the Annual Meeting and will have an opportunity to respond to appropriate questions.

## **3. OTHER MATTERS**

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The Board does not intend to bring any other business before the Annual Meeting and, so far as is known to the Board, no matters are to be brought before the Annual Meeting except as specified in the Notice of the Annual Meeting of Shareholders. However, as to any other business that may properly come before the Annual Meeting, it is intended that proxies, in the form enclosed, will be voted in respect thereof, in accordance with the judgment of the persons voting such proxies.

The Board has adopted an amendment to the Bylaws that requires shareholders wishing to bring business before an annual meeting to provide the Company with notice of such business not less than 60 nor more than 90 days prior to the date of the meeting. For a special meeting, such notice must be received by the Company not later than the seventh business day following the date on which notice of such meeting was first given to shareholders.

### **Proposals of Shareholders**

Proposals that shareholders wish to present at the 1991 Annual Meeting must be received by the Company no later than December 4, 1990, to be included in the Company's Proxy Statement and form of proxy relating to that meeting.

## **ADDITIONAL INFORMATION**

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### **Solicitation of Proxies**

The proxy accompanying this Proxy Statement is solicited by the Board of the Company. Proxies may be solicited by directors, officers, and regular supervisory and executive employees of the Company, none of whom will receive any additional compensation for their services, and in addition, the Company has retained the services of Allen Nelson & Co. to assist in the solicitation of proxies. Such solicitations may be made personally, or by mail, telephone, telex, telegraph, or messenger. The Company will pay Allen Nelson & Co. its reasonable and customary fees, not expected to exceed \$3,000, plus reimbursement of certain out-of-pocket expenses, for its services in soliciting the proxies. The Company will also reimburse persons holding shares of Common Stock in their names or in the names of nominees, but not owning such shares beneficially, such as brokerage houses, banks, and other fiduciaries, for the expense of forwarding soliciting materials to their principals. All the costs of solicitation of proxies will be paid by the Company.

DATED: April 6, 1990, Seattle, Washington

**Copies of the Company's Annual Report and Form 10-K report for fiscal year 1989, containing information on operations as filed with the Securities and Exchange Commission, are available upon request. Please write to:**

Aldus Corporation

Attn: Investor Relations

411 First Avenue South

Seattle, WA 98104-2871