THE GORES GROUP

GORES TAKES OPERATIONAL CONTROL OF ENCORE
REAL-TIME BUSINESS

Los Angeles – June 1, 1998 – The Gores Technology Group (GTG) has entered into a definitive agreement to acquire and manage the real-time business of Encore Computer Corporation of Fort Lauderdale.

GTG will acquire all of Encore's real-time business assets for $3 million in cash. GTG executive Michael Oehler has been named President. Closing of the transaction is subject to Encore shareholder approval later this year, but GTG will begin operating the real-time business immediately under a management contract with Encore. Encore's real-time business consists of developing and marketing real-time data systems both in the U.S. and overseas for such diverse applications as military aircraft simulators, utility power stations, and rapid transit systems. Among its customers are most major airlines, Boeing, Lockheed/Martin, Grumman, Sandia, Electrabell, Duke Power, and Consolidated Edison. Current revenues are estimated to be at a $15-20 million annual rate. "There is a substantial backlog right now," Oehler said. "So one of our first orders of business is to rebuild the manufacturing capability that existed before the recent plant move to Fort Lauderdale. We will make every effort to quickly meet all our shipment commitments to our customers. "At the same time, I personally plan to speak to as many of our customers as possible to determine their real product and service needs. Then, we will be in a position to focus our company engineering and product development to meet those needs." "The Gores approach is to determine the needs of a newly acquired company's key customers and then formulate a business makeup and strategy to be responsive to those needs," said GTG President Vance Diggins. "We plan and budget our activities and our R&D to support that strategy. Our annual R&D investment in newly acquired companies averages 20% of revenues." "In this instance, the Gores process will be applied to refocus our company on just the real-time systems business," Oehler said. "This company has talented people and well designed products. Now, we intend to improve quality and service and reestablish the company as the preeminent provider in the real-time systems business." GTG is a leading international technology acquisition and management company that pursues an aggressive strategy of acquiring promising high-technology organizations and then managing them for growth and profitability. With this acquisition strategy and strong internal expansion, GTG has rapidly grown to its current $250 million size.