

SEP 09 1983

ALTOS COMPUTER SYSTEMS . . . AT-A-GLANCE

May 1, 1983

COMPANY:

Headquarters Location: 2641 Orchard Park Way, San Jose, CA 95134; (408) 946-6700; Telex: 171562 ALTOS SNJ; 470642 ALTO UI

European Headquarters: Rene Aenishaenslin, Vice President of European Operations, Altos Computer Systems GMBH, Rudolf Diesel Strasse 1, 8032 Grafelfing, Munich, Germany; Telex: 524065 ALTO D.

Financing: Founded January, 1977, with private funding; publicly held (OTC Symbol: ALTO) as of November, 1982

Concept: Altos Computer Systems designs, produces and markets 8- and 16-bit multi-user microcomputer systems; selected generic applications software and standard operating systems software; and networking hardware and software. All microcomputers are built around single boards. Noted for excellent reliability and low cost per user, Altos systems compete in both the micro and minicomputer marketplaces in a broad range of business, scientific and industrial applications.

GROWTH: [Fiscal Year]	1978	1979	1980	1981	1982
Net sales	\$150,000	\$2.3M	\$8.1M	\$21.3M	\$50.9M
Income before taxes	\$ 21,000	\$.2M	\$.9M	\$ 2.3M	\$ 5.7M

Employees: Over 340
Systems shipped: 30,000

PRODUCTS:

Microcomputer Systems: Altos' microcomputer families are differentiated by the type of microprocessor and the size and format of the disk storage. Microprocessors used are the Zilog Z-80A, the Intel 8086 and the Motorola MC68000. Price range is \$2,990 to \$18,990.

ALTOS COMPUTER SYSTEMS (2)

Altos Microcomputer Families

<u>Family</u>	<u>Micro-processor</u>	<u>RAM Capacity</u>	<u>Floppy Disk Capacity</u>	<u>5 1/4" Hard Disk Capacity</u>	<u>8" Hard Disk Capacity</u>	<u>Number of Terminals</u>
ACS8000	8-bit Z-80A	208KB	500KB	None	10MB- 80MB	1-4
Series 5	8-bit Z-80A	192KB	1MB- 2MB	6MB	None	1-3
580	8-bit Z-80A	192KB	1MB	12MB- 24MB	None	1-3
586	16-bit 8086	512KB- 1MB	512KB- 1MB	10MB- 80MB	None	1-8
ACS8600	16-bit 8086	512KB- 1MB	500KB	None	20MB- 80MB	1-8
ACS68000	16-bit 68000	512KB	500KB	None	40MB 160MB	1-16

Components: Altos offers a number of components to augment both its 8 and 16-bit systems. These include magnetic tape cartridge units for data backup, and a variety of upgrade kits for expansion of hard disk storage, RAM, disk drives, and serial ports.

Operating Systems Software: CP/M^R, MP/M-IITM, OASISTM, OASIS-16TM, MP/M-86TM, XENIXTM/UNIXTM, UNIX SYSTEM IIITM, RM-COSTM, PICKTM, and MSTM-DOS and DIBOLTM 11 emulating software. A XENIX file transfer program converts 8-bit software to the XENIX environment. CP/M and MP/M programs can be transported directly to CP/M-86 and MP/M-86.

Applications Software: Altos Accountant; Executive Word Processor; Executive Financial Planner (MultiplanTM); Altos Data Base Management System (InformixTM) and the Altos File Manager System (C-ISAMTM).

Xenix Software Support: Altos Software Availability Program (ASAPTM) provides dealers/ISOs with a XENIX application programs subscription service and substantial software discounts. The program also supports software developers in the porting of applications to the XENIX environment.

Networking: Two local area network configurations are available for Altos 16-bit systems. EthernetTM: Altos provides software and internal hardware to link Altos systems with Ethernet-compatible mini- and microcomputers; ALTOS-NETTM: Links up to 32 Altos systems via high-speed twisted-pair cables.

Networking and Communications Software: Altos' UNETTM software implementation supports both Ethernet and ALTOS-NET on Altos'

16-bit systems. Altos also offers several communications software packages that allow both its 8- and 16-bit systems to communicate with distant IBM mainframe computers via modems and telephone lines (3270 and 2780/3780 protocols).

TARGET MARKETS AND DISTRIBUTION CHANNELS:

Sales Breakdown: 40% Domestic Distribution; 30% OEM; 30% International

Distribution Sales Outlets: Over 1,000 Dealers Worldwide

Independent Distributor Network: 14 independent distributors within the U.S. and 8 primary distributors abroad sell to office equipment suppliers, retail dealers, and ISOs offering microcomputers to a wide range of individual end users. Significant distributor contracts include Hamilton Loonan Microsystems of Avnet, Inc. and Micro America.

Direct sales force: Sells systems to OEMs, major systems houses, large end users, and computer service companies. Significant OEM contracts include Control Data Corporation (\$30-50 million), Moore Business Systems (\$22 million), ADP Network Services, Pharmacom Incorporated, Computer Pictures Incorporated, Safeguard Business Systems (\$5 million), and Xerox Cheshire.

Customer Support Service: Altos employs dealer support representatives to provide retailers with on-site sales and technical training. Distributors and retailers also receive class instruction at Altos' facilities. The company offers a "hot line" toll free telephone inquiry service staffed by trained technicians. Posters, counter cards, marketing bulletins, national advertising, and public relations programs also support the dealer sales force. The Customer Service Division of TRW Inc. is the authorized national service representative for the full line of Altos microcomputer products.

KEY PERSONNEL:

David Jackson, President, Chief Executive Officer, and Chairman of the Board
 Ronald Conway, Executive Vice President, Marketing and Director
 David Liggett, Executive Vice President, Operations and Director
 Kapil Nanda, Vice President, Software Engineering
 Willis D. Stinson, Vice President, Advanced Engineering
 Stephen P. Walsh, Vice President, Distributor Sales
 David Zacarias, Vice President, Finance
 Rene Aenishaenslin, Vice President, European Operations
 Norman F. Kelly, Vice President, Hardware Engineering
 Michael Skelton, Director of Marketing
 Donald F. Lundgren, Corporate Secretary, Legal Counsel
 Donald T. Valentine, Director
 Susan Jackson, Director
 Sidney L. Spiegel, Director