

## SAGE COMPUTER

### QUESTIONS & ANSWERS

1. Q: When was the company founded?  
A: August 15, 1981  
Incorporated - January 8, 1982  
Production - June 14, 1982.
2. Q: What was the corporate charter at company inception?  
A: To manufacture low-cost, high performance, supermicro systems that can enhance an individual's capabilities for information processing.
3. Q: Why did you locate in Reno, Nevada?  
A: Key management were located in Reno. Availability of qualified resources.
4. Q: How has the company been financed?  
A: Founders/Venture Capital.
5. Q: Is the company profitable?  
A: Yes, since the first month of production.
6. Q: What is the installed base of SAGE Computers?  
A: Several thousand systems (2800).
7. Q: What is your monthly run rate?  
A: Several hundred systems (300).
8. Q: What was your last year's revenues?  
A: \$2.4 Million.
9. Q: What is your current revenue rate?  
A: \$14 Million.
10. Q: How does the company currently distribute the product?  
A: We currently have sales offices in Boston, Dallas, and San Francisco, with 120 domestic dealers and OEMs, and 41 International Distributors and Representatives.
11. Q: Where does it distribute beyond the U.S.?  
A: We currently have 41 distributors in 35 countries, mostly in Europe and the Pacific Basin.
12. Q: What is the ratio of U.S. to sales around the world?  
A: 40% are sold internationally.

13. Q: What service and support does SAGE offer?  
A: SAGE gives a 90 day warranty, extendable to one year, factory and regional service support, dealer training and sales seminars.
14. Q: What kind of person or organization buys a SAGE computer now?  
A: Developers, engineers, universities, and businesses.
15. Q: Do you have a couple of examples of interesting or typical users?  
A: SkyCam - Remote control suspended camera system. University of North Carolina - Computer science education. British Leyland - Automobile painting/process control. SofTech Microsystems - Program development. U.S. Navy - Inventory/weapons research. NASA - Atomic friction analysis.
16. Q: How long does it take to become familiar with the operation and use of the machine?  
A: 90 minutes.
17. Q: Do you plan to keep the same distribution strategy?  
A: Yes, with more regional distribution centers.
18. Q: Will a typical SAGE customer change over the next year? How so?  
A: More business users in select markets, more technical and number crunchers.
19. Q: In a market where high venture or public investment does not insure success, how will SAGE plan and manage its growth?  
A: Strict financial discipline, product innovation, and vertical market concentration.
20. Q: How will SAGE survive the current microcomputer marketing and pricing wars?  
A: Unique product, a price/performance niche.
21. Q: Does SAGE plan to "go public" in the near future?  
A: Yes, SAGE Computer anticipates going public when the market conditions are favorable.
22. Q: What motivates a potential buyer to purchase a SAGE over a competitors product?  
A: The price/performance ratio.

23. Q: What competitive products does SAGE sell against?  
A: Primary - 68000 Unix System, Fortune, Wicat.  
Secondary - Multi-user Altos, IBM PC
24. Q: How "user-friendly" is the SAGE product?  
A: SAGE uses an ergonomic terminal for a friendly appearance.  
Documentation is aimed at first time users, but also  
offers full technical details for advanced applications.
25. Q: What are the warranty and support guarantees for SAGE  
products.  
A: SAGE provides a 90-day warranty, extendable to one year and phone  
and dealer and divisional support.
26. Q: Increasingly, software sells systems. What operating  
systems and popular applications does SAGE support?  
A: 9 Operating Systems, 23 Languages, and 250 Applications.
27. Q: What about CP/M?  
A: We sell CP/M - 68K.
- Q: MS-DOS?  
A: Not at this time. Negotiations are underway with MicroSoft.
- Q: Unix?  
A: We sell Idris, a version of Unix.
28. Q: Any plans to be IBM PC compatible?  
A: Only with p-System applications.
29. Q: Networking is also increasingly important to users.  
Explain SAGE's capabilities?  
A: We currently have Multi-user, but come to SAGE Faire '84  
February 3, 4, and 5, 1984 to see what else SAGE has.
30. Q: Does SAGE target any vertical markets for its products?  
A: Yes, numerous. Scientific/Engineering; Government;  
Education.
31. Q: Can you project expected sales levels over the next three  
years? That would be what rate of growth? A: 200% per year.

32. Q: What are SAGE's current product offerings?  
A: The SAGE II, and SAGE IV.
33. Q: What is SAGE's product development strategy?  
A: A broader product line with greater capacity.
34. Q: What is SAGE's marketing strategy?  
A: We have addressed the key influentials and developers, which has lead us to certain business market segments.
35. Q: How will SAGE's product, marketing and distribution strategies evolve in the next few years?  
A: To strengthen marketing distribution channels while differentiating SAGE's unique price/performance.
36. Q: Why a 68000-based machine?  
A: Fast, flexible, a proven chip with inherent advantages over other CPUs.
37. Q: Are SAGE II and SAGE IV software compatible?  
A: Yes!
38. Q: Does SAGE provide a multi-user system capability?  
A: Yes!
39. Q: How does SAGE and its product offerings fit into the microcomputer industry if Commodore is at one end with a home computer and let's say Convergent or Fortune are at the high end?  
A: Above Fortune in performance, below Fortune in price.
40. Q: How long will it take SAGE to adopt other operating systems?  
A: Many are currently under development.
41. Q: What are SAGE's opinions about windowing technique software and pointing devices such as the mouse?  
A: Both are important innovations. SAGE Computer currently offers a mouse and has been doing R&D work on windowing.

42. Q: Will SAGE utilize consumer marketing and merchandising techniques that seem to be the trend in microcomputer sales?  
A: Yes.
43. Q: How strong is the dealer base now, in terms of numbers AND quality?  
A: 120 dealers domestically.
44. Q: What Independent Software Vendors (ISVs) are developing software for SAGE computers?  
A: Timberline, Softech, State of the Art, Digital Research, Whitesmiths, Forthright Engineering, and hundreds of others.
45. Q: How will SAGE expand dealer and ISV quality and quantity in the future?  
A: Offering margins and future sales that will make it profitable to the ISVs. Convincing market that we are driving the market, not following it.
46. Q: How does a cult or grassroots computer company expand its sales beyond word of mouth markets?  
A: Successful distribution of easy-to-use, established software products with high-performance hardware.
47. Q: Are the attributes of a computer that programmers and editors love the same attributes more general purpose customers can or want to utilize?  
A: In the long run, yes.
48. Q: How is SAGE researching and planning to develop its products to reach the more general marketplace?  
A: User studies, in-field evaluations, market analysis, broader software support, and distribution.
49. Q: How is SAGE attacking ergonomic issues?  
A: New terminals and documentation.
50. Q: What new product announcements are planned for the next twelve months?  
A: Several.
51. Q: How many employees do you have?  
A: 94 as of November, 1983.
52. Q: What are the communications capabilities of the SAGE?  
A: Asynchronous modem software is included with each system.
53. Q: How many software applications exist today?  
A: 250 and growing.

54. Q: How does your product compare to IBM PC, PC Jr., APPLE II?  
A: Higher price/performance and Multi-user capabilities.
55. Q: What is the price range?  
A: \$3900 - \$10,800.

#### LOCAL INTEREST

56. Q: Does Nevada have a high-tech future?  
A: Yes, with its life style and resources.
57. Q: Do you work closely with State government?  
A: As required.
58. Q: Does SAGE work with the university?  
A: Yes, and will do more so in the future.
59. Q: How does computer manufacturing effect the environment?  
A: It is a clean industry.
60. Q: Where can you buy SAGE Computers in Reno?  
A: Through local dealers.
61. Q: Will you stay in Reno?  
A: Yes.
62. Q: How many local employees?  
A: 86. November 28, 1983.