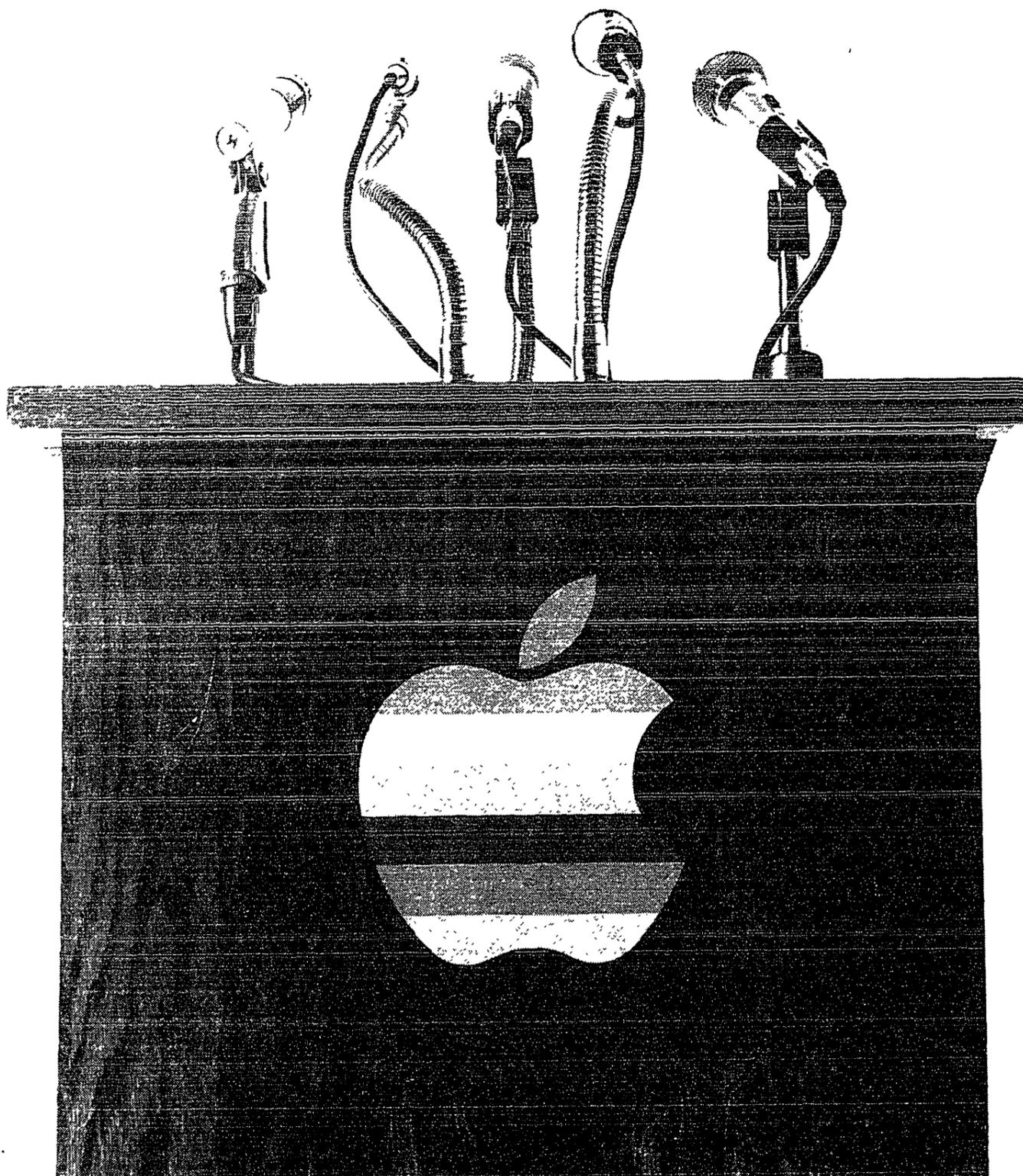


1986 AppleWorld Conference
San Francisco
Thursday, January 16, 1986
Speaker: John Sculley, President & CEO
Subject: Apple in Business—New Directions



This morning, in San Francisco, thousands of the nation's brightest decision makers have gathered to hear John Sculley deliver Apple Computer's new message to businesses of all sizes, all over the world.

That message is more than a description of the direction Apple is taking.

More even than the important new computer products being announced today.

It's a message about Apple, and how the company has changed to provide not just great technology, but the *right* technology for business.

It's a message about our commitment.

And keeping promises.

And listening to customers.

It's a message for the millions of Apple owners and shareholders who've helped the company grow, and wonder what the future holds.

It's a message, of course, for you.

"Thank you for joining us at this early hour—recognizing that many of you are many hours from your home time zone.

We trust the importance of the information I'm about to share with you will more than compensate.

Because our purpose today is to outline the strategies and announce the products that will make Apple Computer a powerful contender in the business computer market for 1986 and beyond.

'Can Apple make it in business?' is a question we intend to answer in the resounding affirmative, backed with proof after proof.

But it's ironic that we need even make the case.

Not so long ago, Apple was Number One in business.

We introduced American business to the whole idea of personal computing. And there are still nearly a million Apples serving businesses of all sizes.

But then along came IBM, and the rest is history. Including our lion's share of the business market.

That's one reason Apple is a very different company than it was twelve short months ago.

We've radically reorganized, trimmed and refocused to compete in a tougher business environment.

We've changed the way we view business needs:

We recognize that our workstations must be part of *systems* that serve the complicated needs of business customers of all sizes... that we must be committed to providing our customers with a growth path through an entire family of products... and that we must provide them with the on-going support they expect from an important business vendor.

We recognize that our computers must work with the existing standards in business—like IBM. So we are introducing products that will talk to and share information with an entire family of existing IBM, DEC, and other office products.

This does *not* mean we are building an IBM clone machine. But it *does* mean a new emphasis on Apple connectivity to IBM products.

Apple currently offers business users certain strengths that are virtually untouchable:

Ease of learning—which can save thousands of dollars per workstation, both on training and on error-safe operation.

Reliability—mean-time-between-failure ratings unequalled in the industry.

POWER

In terms of raw computing power, the Macintosh 512K with its 32-bit microprocessor is an impressive machine. However its "human interface" uses much of that power. The price for its ease-of-use has been slower speed.

So many serious business users have adopted a 'wait and see' attitude toward Macintosh. Wait for more powerful business software and hardware enhancements, and see if they are fast and functional enough for general office use.

The powerful software has arrived in the form of Microsoft's Excel and Lotus' Jazz, as well as hundreds of other serious business programs.

And today, I'm proud to introduce Macintosh Plus.

Macintosh Plus comes standard with one full Megabyte (one million characters) of dynamic memory — which will be easily expandable to four Megabytes

Perhaps more importantly, Macintosh Plus operates up to 50% faster and provides twice the built-in disk storage — 800K. It is also available with a 20-Megabyte Apple Hard Disk so trim it can fit neatly underneath the machine

"Macintosh Plus is a strong statement that Apple requires no compromises from power users."

Macintosh Plus also has a full business keyboard, complete with four-way cursor keys and numeric keypad

We've also added an industry standard SCSI port that lets users expand up to seven high-speed peripherals, such as higher speed hard disk.

Later, of course we'll be demonstrating Macintosh Plus and letting all of you witness first hand its improved power and speed.

It represents Apples clearest message yet to business:

You no longer have to sacrifice functionality for a superior human interface.

GROWTH PATHS

Macintosh Plus is a direct response to what our business customers told us they needed. Rest assured, we will make more such responses as quickly as we can bring them to market

We also recognize that there is still a place in the business, education and consumer markets for our Macintosh 512K. Therefore, we will continue to manufacture and fully support that product. But because of economies of scale we are now able to significantly lower its price, making it much more affordable to many more people

We are also initiating a program that will give both Macintosh 128K and 512K owners an affordable way to upgrade their machines to Macintosh Plus specifications.

And we are not forgetting customers who purchased Apple business computers we no longer manufacture.

"With a family of workstations, we will match our products to our customers needs. Instead of expecting things to be the other way around."

We are offering all Lisa and Macintosh XL owners a one-time only opportunity to trade in their computers for a Macintosh Plus at an extraordinary discount. If their computers were equipped with Apple hard disks, we will also replace those with our new Macintosh Hard Disk 20 for a similarly low price

I think this is another important message to business:

We are committed to building customer confidence with our products, policies and practices

CONNECTIVITY

Until now, many business people have felt that the risks outweighed the rewards

with Apple's innovative technology.

Macintosh Plus not only greatly increases the rewards, but our strong commitment to its connectivity virtually eliminates the risks.

The most significant trend in the computer industry is the inclusion of many different sizes and types of computers in one integrated office system. Although this represents a radical step beyond the stand alone product concept that founded Apple, it's a step we're fully committed to taking.

"We are committed to making Macintosh Plus compatible with IBM, DEC and other mainframe, mini and personal computers."

Within our own organization, we've already connected our Macintosh workstations as front-end intelligent terminals to our IBM mainframes and Digital Equipment Corporation's minicomputers

It's a powerful idea: the friendly face of Macintosh as doorway to the most powerful computers.

We've already connected Macintosh workstations to Tandem computers in our manufacturing facilities, and we're connecting them to DEC's powerful All-In-One office automation tools in our Cupertino headquarters.

We have also established an important marketing relationship with 3Com, manufacturers of the Ethermac 3Server file server

Now one Macintosh can share data and peripherals with up to 30 others, as well as dozens of IBM or other personal computers.

This means that Macintosh can access information and data stored in other computers — *regardless of their operating system* — in a system environment

That's why compatibility at the network level — not the operating system level — is so important for Macintosh. It makes software compatibility a moot point.

It also makes it possible for Apple to enter the business market in ways that complement, rather than compete head on with, IBM, DEC, *et al.*

COMMUNICATION

Real productivity can be achieved by improving the power of the printed page to communicate ideas

That means improving the standards of office communication from letter quality to typeset quality, from columns of numbers to charts and graphs, from words to pictures

"We want to revolutionize the productivity of the printed page in business."

That's precisely why we've made graphics capabilities of paramount importance in our business computers. That's also why we view laser printing as much more than a replacement for the typewriter or daisy-wheel printer.

And, finally, that's why we're introducing a much-improved version of our revolutionary LaserWriter™ printer, the LaserWriter Plus.

I like to remind people that the LaserWriter Plus is really the most powerful computer Apple makes, with its own 32-bit microprocessor and 1.5-Mb of memory.

All that power is needed to give business users the capabilities of a print shop and an art studio in a desktop-sized machine.

Apple's LaserWriter Plus has 35 built-in type styles, with more optional type faces and sizes available.

Both LaserWriters can produce full pages of high resolution graphics, not just small graphic windows — outperforming printers that cost well over \$10,000.

And both run PostScript, one of the most sophisticated programs ever designed for laser graphics and rapidly becoming an industry standard.

Again, because of our commitment to systems solutions, a LaserWriter can be shared by up to 31 Macintosh workstations on our

AppleTalk™ personal network. With a 3Com file server, IBM and other PCs can be added, which makes LaserWriter an extremely cost effective printing solution for a workgroup environment.

Business is a long way from the "paperless office." But the office where paper communicates ideas better, faster, with more impact and clarity, has just arrived.

NEW USER SOLUTIONS

Long before I joined Apple, the company was recognized for its superior technology.

In the future, I want Apple to be noted for applying that technology to create real solutions to real business problems.

One of the major problems we can address today is how businesses refine and disseminate vast amounts of information every business day

I see a large, emerging market for desktop publishing — the use of personal computers and laser printers to generate publication-quality text and graphics in an office environment.

"Desktop publishing is the fastest way personal computers in business can pay for themselves."

Today, Apple is clearly the leader in providing real desktop publishing solutions. Macintosh Plus and LaserWriter Plus let anyone create professional quality documents — from newsletters to presentations to quarterly reports — with elegant typefaces and detailed illustrations.

Another new user solution can be found in the technical field

Engineers are already using Macintoshes to manage projects, schedule activities, create detailed drawings, schematic diagrams and complex formulas.

With the increased power of Macintosh and LaserWriter Plus, as well as advanced new software, I believe Apple can offer an even stronger set of solutions for engineers and technology managers — the most expert computer users there are.

TOOLS FOR THE MIND

Apple Computer grew up in 1985

We're a leaner, better disciplined, better managed company.

We're listening to our customers and responding quickly and appropriately.

The new products and policies I've discussed here this morning — as well as the powerful new business applications and peripherals you'll learn about during AppleWorld — will demonstrate just how far we've come in twelve short months.

But I'd like to remind you of all the things that haven't changed about Apple.

Our commitment to education and the individual...

Our passion for great technology products...

And our dedication to making the power of the computer ever more accessible to ever more people...

"Apple's unchanging mission: to improve the way people think, communicate, work, learn and play."

Clearly, we still have the spirit that started the computer revolution in 1976.

But now we have the maturity to fulfill our original vision

At this early stage of 1986, I believe we are already poised to become a significant player in the business marketplace.

And if we succeed in this arena, Apple's second decade promises to be even more astounding than its first."

