

LOCUS NEWS

July 1986

Volume 2, Number 2

MARKETING RECAP

This issue of the Locus newsletter discloses a number of key events that position Locus Computing Corporation in the forefront of the UNIX™ and DOS system software market.

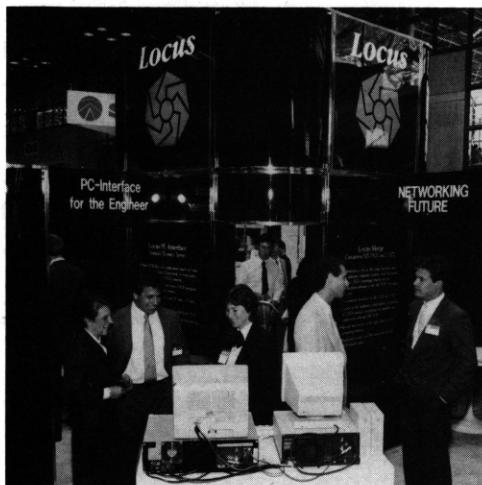
In June, Locus and Intel Corporation announced plans to port Locus's transparent concurrent DOS and UNIX technology to the Intel 80386. The Merge 386 product dramatically changes the microcomputer marketplace. UNIX system manufacturers will need to support DOS applications in all new UNIX workstations. For MS-DOS™ users, Merge 386 resolves major technical limitations of MS-DOS—multitasking, system, and password protection—while maintaining binary compatibility with all MS-DOS application programs.

In July we announced a cross-licensing arrangement with Microport Systems. This agreement gives Microport the right to distribute Merge 286 when sold with Microport's System V/AT™. The Merge technology has been available on the AT&T 6300 Plus™ under the brandname of Simul-Task. Availability on the IBM PC AT and compatibles positions the Merge technology as a standard.

The manufacturing of PC-Interface™ has opened up new markets for Locus. Locus recently explored the corporate DOS market by participating at the PC-Expo in New York City. The reception we got at this show was stupendous, indicating a strong demand for the use of a UNIX system as a resource server and validating the importance of concurrent UNIX and DOS.

Moving into these new markets, we are continuing to strengthen our relationships with our current OEM customers. AT&T has confirmed their support for Locus's technology by signing a maintenance agreement for PC-Interface as well as a strategic development agreement.

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LOCUS AT PC EXPO

Locus Computing Corporation demonstrated PC-Interface and the Merge software technology at the PC Expo, July 9 through 11, 1986.

This is the first time that Locus has demonstrated its software technology to the personal computer marketplace.

In the past Locus has concentrated sales efforts on UNIX system manufacturers. Participation at PC Expo affords Locus the opportunity to share this revolutionary technology with the business computer user.

Locus's booth featured two companion demonstrations of the PC-Interface product. The first demonstration was Version 2.7 for the IBM PC AT running the XENIX™ System V operating system. Celerity Computing, an OEM of the PC-Interface product, demonstrated how PC-Interface can be used as a foundation of an engineering and scientific distributed processing system.

We demonstrated Merge 286 which is marketed by AT&T under the name Simul-Task, on an AT&T 6300 Plus. Marketing personnel were on hand during the show to discuss an earlier announcement for plans to port the Merge technology to the Intel 80386.

MERGE 386 REVEALED

In Santa Clara, California, on June 26, Locus announced an agreement with Intel Corporation whereby Locus will develop concurrent UNIX and MS-DOS for the Intel 80386.

Under the terms of the agreement, Locus will bring its operating system Merge technology to the recently announced UNIX System V, Release 3, 80386 port, now under development. DOS 2.x and 3.x applications will run unchanged using the Virtual-86 mode of the Intel 80386.

Originally introduced in October 1985 on the AT&T PC 6300 Plus as Simul-Task, Merge is the first product to allow simultaneous transparent execution of both the UNIX and DOS operating systems on the same computer. Merge 286 provides a transparent, integrated environment sharing the complete system devices, file system, and processor.

The new implementation of Merge, designated Merge 386, starts where Merge 286 left off by providing even more functionality. While Merge 286 allows for a single DOS task, Merge 386 supports multiple DOS tasks.

Delivery of the Merge software is scheduled for the fourth quarter of 1986. Porting the Merge technology onto the 80386 and integrating Locus's enhancements are major efforts, requiring a high degree of technical expertise. However, through the prior experience of implementing Merge on the AT&T 6300 Plus, much of the ground work is complete. Locus has an experienced team already in place, the integrated file system and test facilities are complete, and the UNIX 286 version is finished. This, combined with the agreement with Intel to provide the necessary hardware and software support, will enable Locus to complete the implementation on schedule.

LOCUS AND MICROPORT JOIN FORCES

On July 9, 1986, Microport Systems, Scotts Valley, California, along with Locus, announced that they will jointly develop and market versions of UNIX operating systems that will concurrently execute UNIX and DOS programs.

The first product will be a version of Merge 286 for Microport's UNIX System V product designated System V/AT. Additionally, Microport will market a version of Merge 386 with the company's UNIX System V for the 80386-based PC AT compatibles.

The alliance with Microport gives Locus Merge 386 customers the advantages of one-stop shopping and enables Locus to provide system manufacturers with a high-performance implementation of UNIX System V, Release 3.

"With the Multisystem Merge feature integrated into our product, Microport can offer a UNIX system that runs ten times the application software of competing UNIX and XENIX-based systems because our System V/AT product will be able to run the numerous off-the-shelf PC-DOS applications," stated Chuck Hickey, Microport's president.

By offering both 286 and 386 UNIX systems with DOS capability, Microport and Locus make available a comprehensive solution for OEMs currently shipping 286-based PC AT compatible systems or developing 386-based PC AT compatible systems.

Microport Systems sells System V/AT, a full adaptation of the AT&T-certified UNIX System V/286 for IBM PC AT-compatible computers at a price comparable with DOS. The 286 UNIX DOS product will be the first time such a product has been offered to PC users without special hardware. This capability, combined with Microport's dramatically low price, assures that this product will be widely accepted. Microport is the first software company to sell a product based on the AT&T-certified port for Intel processors, and they intend to continue this lead into the 386 market by pricing products at a level that end users can easily afford. Price for the V/286 is \$159.00.

Microport was founded in December 1984 as a spinoff of the Digital Research team that developed the generic port for Intel. In addition to System V/AT, Microport sells a line of applications as well as OEM services.

The new 8,000-square-foot facility houses the company's sales and marketing departments, administrative staff, and support personnel.

In the past three months, Locus has signed a number of contracts that will require an increase in staff of at least 30% before the end of the year. The additional space will accommodate the growth to better serve customers.

AT&T SIGNS MAINTENANCE AGREEMENT

In a move that signaled AT&T's commitment to the PC-Interface product, Locus and AT&T have reached a maintenance agreement.

The two-year contract is retroactive to December 1985 and includes maintenance and support for PC-Interface on the 3B2, 3B5, and 6300 PC.

AT&T AND LOCUS ANNOUNCE DEVELOPMENT AGREEMENT

AT&T and Locus recently announced an agreement to jointly develop networking and operating system software for AT&T products.

Terms of the multiyear contract, which is effective immediately, state that AT&T will provide Locus with funding needed for research and development of the Locus software systems that will be integrated into the AT&T products. This agreement will represent several million dollars in incremental revenue to Locus over the next few years.

Locus has been developing distributed computing products, such as PC-Interface and Multisystem Merge, for AT&T for three years. This agreement is a public recognition by AT&T of Locus's skills and ability to develop reliable state-of-the-art software.

LOCUS EXPANDS CORPORATE HEADQUARTERS

Locus has expanded into a new building, increasing its corporate headquarters to 23,000 square feet.

SANCHEZ JOINS THE LOCUS SALES TEAM

As the newest member of the sales team, David Sanchez brings with him over ten years' experience in the computer industry. Most recently he was the domestic marketing manager for Informatics General Corporation, based in Woodland Hills, CA. Previous positions within the same company included regional account manager, regional support manager, and systems engineer. Before that he was a programmer for Northrop Corporation.

As a marketing representative, Sanchez will sell Locus software to OEMs, VARs, and end users. He reports to Mike Smith, Director of Sales.

A resident of Mar Vista, CA, Sanchez holds a Bachelor's degree in math and a teaching credential from UCLA.

CAMPBELL JOINS THE LOCUS SUPPORT TEAM

A newly appointed member to the technical support staff, Nancy Campbell, was a member of the technical support staff for Quadratron Systems, located in Sherman Oaks, California. Previously she was a programmer analyst for Commtek Publishing Corporation, Boise, Idaho.

As a support engineer, Campbell will provide technical support to VARs and OEMs of the PC-Interface product.

A resident of Brentwood, CA, Campbell holds a Bachelor's degree in mathematics with an emphasis in computer science from the University of Utah.

PC-INTERFACE AND CELERITY SUPERSERVERS

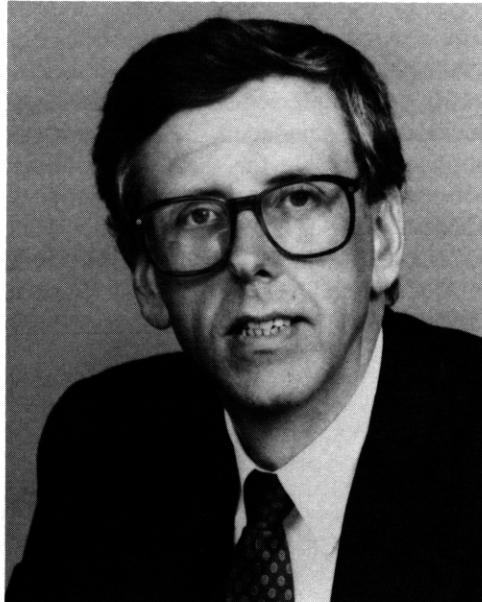
(Article submitted by Celerity Computing)

The PC-Interface software package integrates IBM-compatible personal computers into a Celerity-UNIX network, expanding the capabilities and increasing the performance of both the PCs and the Celerity supermini server. PC-Interface makes the resources of the extremely powerful Celerity Superserver available to PC users. These resources provide facilities and capabilities not found on PCs, including large amounts of disk storage, network and communications access, multitasking operation, large applications programs, file sharing, print spoolers, and electronic mail. The user now has available the best of all worlds—access to familiar, user-oriented PC applications as well as access to all the services and capabilities in which the Celerity-UNIX systems excel.

COST-EFFECTIVE VERSATILITY

The ability to interconnect PCs and Celerity Superservers guarantees the flexibility to configure computing solutions that make use of the best cost and technology mix. PC-Interface allows the user to select the resource best suited for a particular application. Large, resource-intensive applications can be migrated to the Celerity host for faster execution. User-intensive, highly interactive applications can be executed by the PC. Having downloaded these tasks, the Celerity host can offer faster response times for other, more demanding jobs.

PC-Interface and the Celerity Superservers combine to provide a cost-effective solution to the limitations of personal computer workstations while taking advantage of their strengths. PC-Interface merges personal computers into a Celerity network, maximizing the yield of both investments. Data files on personal computers can be easily moved to a Celerity host where they can be shared by others. UNIX services such as centralized backup, restore and archiving are available to the PC user. UNIX and DOS sessions can be maintained concurrently—with the user switching between them at will. The resources of PCs



STEIN NAMED VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Donald L. Stein has been named vice president and chief financial officer of Locus Computing Corporation.

In the newly created post, Stein is responsible for building an accounting department and developing and implementing financial systems and procedures for Locus. He reports to Dr. Popek, president of Locus.

Locus has experienced a growth rate of 100% each year since it was founded in 1982 and, as a result, is now large enough to require a strong financial and senior management structure. Stein brings with him the expertise needed to implement the controls necessary to meet present and future needs and, at the same time, allow Locus to maintain a steady rate of expansion.

Stein has over 10 years of experience in finance in the computing industry. Most recently, he served as chief financial officer at Compucorp, Santa Monica, California. Before that, he was vice president of finance and administration for Informatics General Corporation, Woodland Hills, California.

A certified public accountant, Stein holds a Bachelor's degree in business administration from Kent State University, Ohio. He is a resident of Pacific Palisades, California.

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SUN LEVERAGES PC-INTERFACE FOR PC-NFS

A licensing agreement between Locus Computing Corporation and Sun Microsystems, Inc., Mountain View, signed on December 30, 1985, has enabled Sun to provide a PC-to-UNIX connection within the company's Network File System (NFS) implementation for PCs: the PC-NFS. By incorporating the Locus UNIX/DOS technology into their new products, Sun has been able to save development time, thus shortening the period it takes to introduce state-of-the-art products into a highly competitive market.

As a result of the contract, the Locus PC-Interface software package has been integrated with the Sun Network File System standard allowing IBM PCs and compatibles access to NFS files and UNIX applications.

Under the contract, Sun will also market the Sun Integrated Personal Computer (IPC), a UNIX-based workstation that uses Locus technology, to run UNIX and DOS concurrently.

LOCUS TO EXHIBIT AT UNIX EXPO

UNIX EXPO will take place on October 20 - 23, 1986 at the Jacob K. Javits Convention Center in New York City. UNIX EXPO boasts the largest gathering of end-users and VARs specifically interested in UNIX solutions.

Locus Computing Corporation will be there. Look for us in booth number 163.

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and host systems can be allocated according to their strengths, improving the efficiency of the entire network.

MARKETS

The main vertical market currently targeted by Celerity Computing is Mechanical Computer-Aided Engineering (MCAE). Within that market, a possible use of PC-Interface is to provide services to PC CAD systems. The three major uses for CAD systems are MCAD, ECAD (Electrical Computer-Aided Design) and AEC (Architectural, Environmental, Construction). PC CAD systems are used in all three areas. They are currently best suited for 2D applications (electrical circuits, floor plans, and other 2D drawings). Drawings are inherently 2D, so most computer-aided drawing is 2D, and PCs (particularly the AT category) are sufficiently powerful to do 2D CAD well. This fact, along with the lower hardware and software costs of PC-based systems, has led to an explosion in the number of PC-based CAD systems.

APPLICATIONS

The extensive design and engineering support software available for PCs can now easily be complemented by the powerful modeling, simulation, and analysis software available for the Celerity Super-server: ABAQUS, ADAMS, ANSYS, COMPUFLO, CONCEPT, COSMOS, DYNA 3D, FIDAP, FIGURES, FLUENT, MARC, MENTAT, PATRAN II, SINDA, TOPAZ 3D, UAI/Nastran, and others.

Applications of this unique, powerful, and cost-effective system combination are limited only by the user's imagination.

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Over the last quarter, Locus has made a number of product deliveries to PC-Interface OEMs, and with a quality product in hand, OEMs have begun marketing PC-Interface heavily. Companies like Celerity Computing and Ridge Computers are discovering that PC-Interface is a significant differentiator for a UNIX system manufacturer. Within this newsletter is an article authored by Celerity Computing indicating how PC-Interface can be used to leverage system sales.

Locus prides itself in its ability to work with system manufacturers to meet their needs. Recently Sun Microsystems introduced PC NFS™. A well kept secret is that this technology was derived from Locus's PC-Interface. Sun was able to leverage our DOS/UNIX integration technology to shorten the time-to-market of this strategic product.

Judi Uttal



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