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Minicomputers

M09-066-**101**

Supermicrocomputer
Systems

Arix Computer Corp.: Vendor Profile

Corporate Headquarters
821 Fox Lane
San Jose, CA 95131
(408) 432-1200

Company History
Arix Corp., formerly Arete Systems Corp., manufactures UNIX computer systems for a range of applications including transaction processing, database management, and multiuser office automation. Founded in 1983, the publicly held company has grown from $1,000,000 in revenues in fiscal year 1984 to $85,000,000 in fiscal 1989. Arix employs approximately 400 people.

Arix supports a large number of communications standards, enabling its systems to exchange information with mainframes, minis, and super-minis; with workstations in local area networks; with international packet-switching networks; and with the IBM environment. The company is perhaps best known as a supplier of systems to Unisys Corporation.

Officers
Chairman of the Board, President and CEO: Robert Bartizal
VP, Finance and CFO: Carter C. McCorkle
VP, Sales: Chris Drahos
VP, Manufacturing: Dave Caplan

Product Line Overview
Arix manufactures two product lines: the Arix 800 Series and the System90. Arix systems are built around one or more tightly coupled CPUs. Its architecture is optimally designed for running database management systems, making use of shared memory.

The Arix 800 Series can be configured with up to three processors, while the system 90 can be configured with up to eight processors. Both families are compatible, promoting system upgrading and applications porting across Arix's entire product line.

Installed Base
Arix has shipped over 5,500 systems to date.

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Sales and Marketing Strategies

Arix systems are sold through international distributors, regional distributors, OEMs, VARs, and systems integrators, telecommunications companies, and to select volume end-users. Its largest customer is Unisys Corporation, who in turn re-sells Arix system in large quantities to end users.

The company is actively working to broaden its market base and, to date, has assigned more than 30 VARs in a variety of vertical markets. Arix has also instituted a VAR program, Arix Accord, which provides volume discounts, account and marketing support, training, seminars, and field service. In addition, Arix is expanding its international market share through its European subsidiary and agreements with international distributors. Under these agreements, Arix products are distributed in 25 countries. Arix is supplying its mid-range UNIX system to six OEM customers throughout the world.

Market Position

Because Arix is primarily a supplier of UNIX systems to OEMs and VARs, it does not compete directly with other UNIX vendors such as Altos,

NCR, IBM and Digital Equipment. However, since Arix supplies Unisys with its supermicrocomputer UNIX offerings, Arix does compete with these vendors. Additionally, it must compete with other telecommunications vendors as Arix supplies Pacific Bell with its Order Dispatch System.

Financials

For the first quarter fiscal 1990 Arix net sales were $18,304,000, as compared with $20,178,000 in revenue in the comparable period in fiscal 1989. Net income was $43,000, compared with first quarter fiscal 1989 net income of $1,041,000. In the second fiscal 1990 quarter the company posted a net loss of $5,400,000, or 71 cents per share, on revenues of $19,000,000. These results followed a sharp decline in sales to Unisys.

Service and Support

Maintenance is available through the Arix Accord program which provides field service.

Terms and Conditions

Arix systems are warranted for one year from date of shipment. ∎