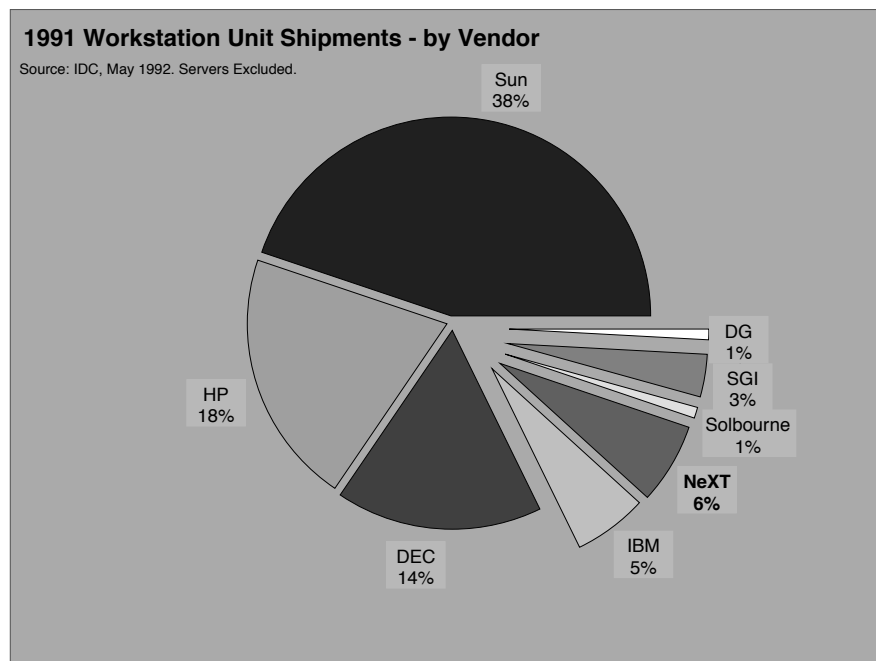


An Update on the Workstation Market

International Data Corporation (IDC) just released its final year end 1991 Worldwide Workstation/Workstation Server census numbers. The following summarizes workstation unit shipments, vendor market shares, installed base data, and the status of the business/professional workstation market segment. NOTE: This summary was prepared by NeXT Computer, Inc., and updated in August 1992.

Shipments and Market Share



- Over 481,000 workstations and workstation servers were shipped in 1991: 450,000 workstations and 31,000 workstation servers.
- Unit shipments grew 26.2% from 1990-91; total equipment revenues grew 16.2%. 1991 unit growth was slow compared to previous years' growth of 20% per year or more.

Reasons: recession, lack of under \$10k machines from HP & IBM, lengthening sales cycles, and the inability of most vendors to penetrate the business/professional market.

- Workstations sold outside the U.S. continue to represent over 50% of total shipments; only 15% of these foreign sold systems are supplied by non-U.S. based vendors.
- Average system price (ASP) **decreased** 7.2%. ASP for workstations (non servers) is \$16.7k.

- According to the IDC data, NeXT placed fourth in workstation unit shipments market share (Excluding workstations servers).
- **Notably, NeXT workstation shipments (non-servers) beat out IBM & SGI.** NeXT's market share was 5.6% for workstations.

Installed Base

- From year end 1990 to year end 1991 the workstation installed base grew approximately 43%—to a new total of 1,534,000. **The total estimated installed bases of SGI & IBM are each within 5,000 units of NeXT's installed base.**
- IDC estimates NeXT's installed base at 41,300.

Business/Professional Market Status

- Approximately one fourth (23%) of all workstations sold are used for business/professional (non-technical) purposes. However, IDC estimates that only about 6% of the current installed base uses workstations exclusively for business/professional; most run CAD or other technical applications as well. IDC contends that penetration into traditional “commercial” sites is therefore comparatively low.
- By 1995, approximately 500,000 units workstations sold will be sold for business/professional usage.
- Opportunity to sell workstations into commercial market is good; almost half of commercial customers surveyed by IDC cited factors (need for more power, true multitasking/networking, etc) that would cause their organizations to consider workstation purchases.
- IDC customer survey found that government and manufacturing were most pre-disposed to workstations—because their understanding of the benefits of workstations is greater.
- On Custom Applications: 80 - 85% of user applications in business/professional workstation market is internally developed. IDC opinion is that as more packaged software becomes available, this emphasis on internal development will decrease.