

MicroAge, Inc.

- FY95 Revenue - \$2.941 billion*
- 37 consecutive profitable quarters from ongoing operations (through Q1 FY96)*
- Systems Integrator & Master Distributor*
- Established in 1976 in Tempe, AZ*
 - Managed by co-founders*
- Public company*
- Fortune 500 company*



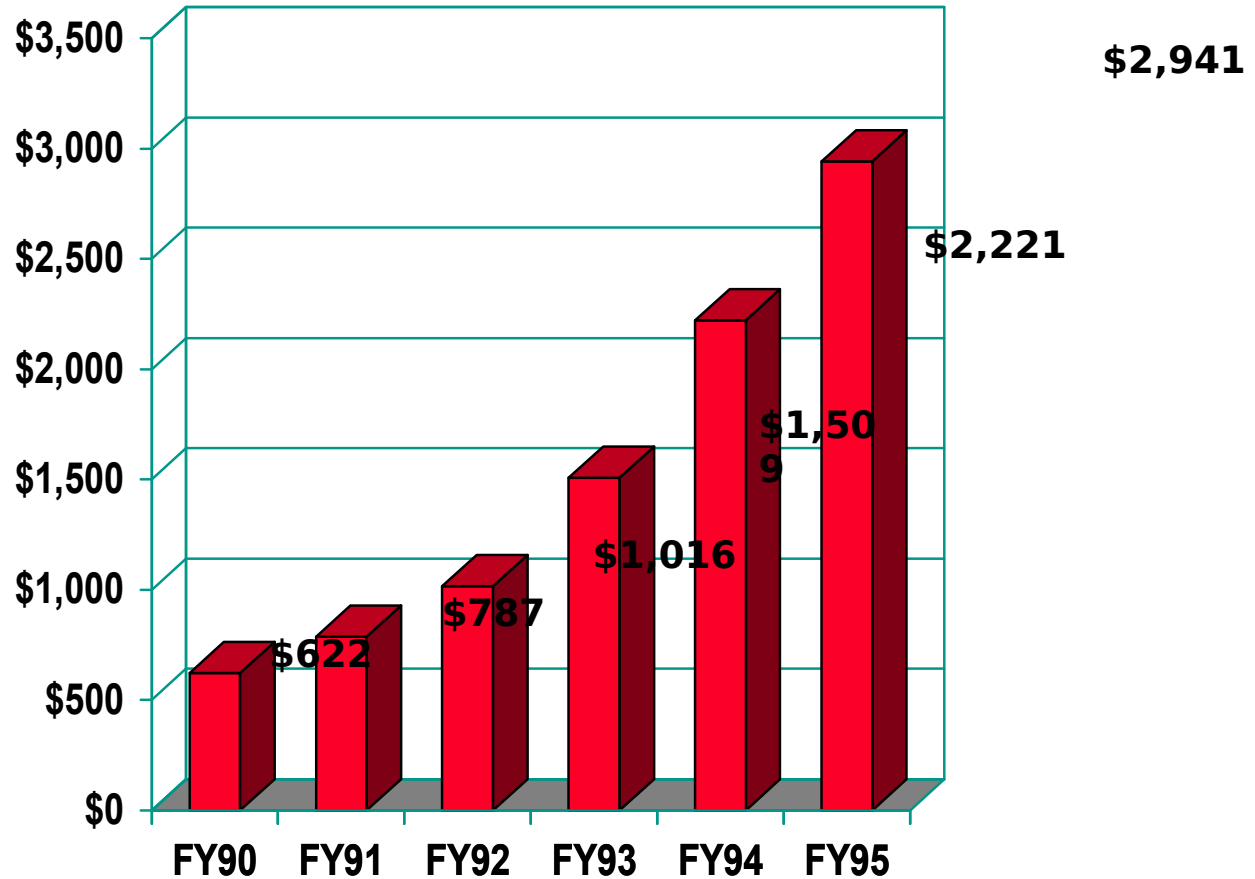
MicroAge, Inc. - cont'd.

- Organized in business units to focus on resellers' needs (MIS/MAS/MCC/MAT)*
- Pioneering EDI with customers, resellers & vendors*
- Selected by vendors for pilot programs*
- Advanced Systems Division (ASD), established in 1992, is dedicated to supporting UNIX resellers*

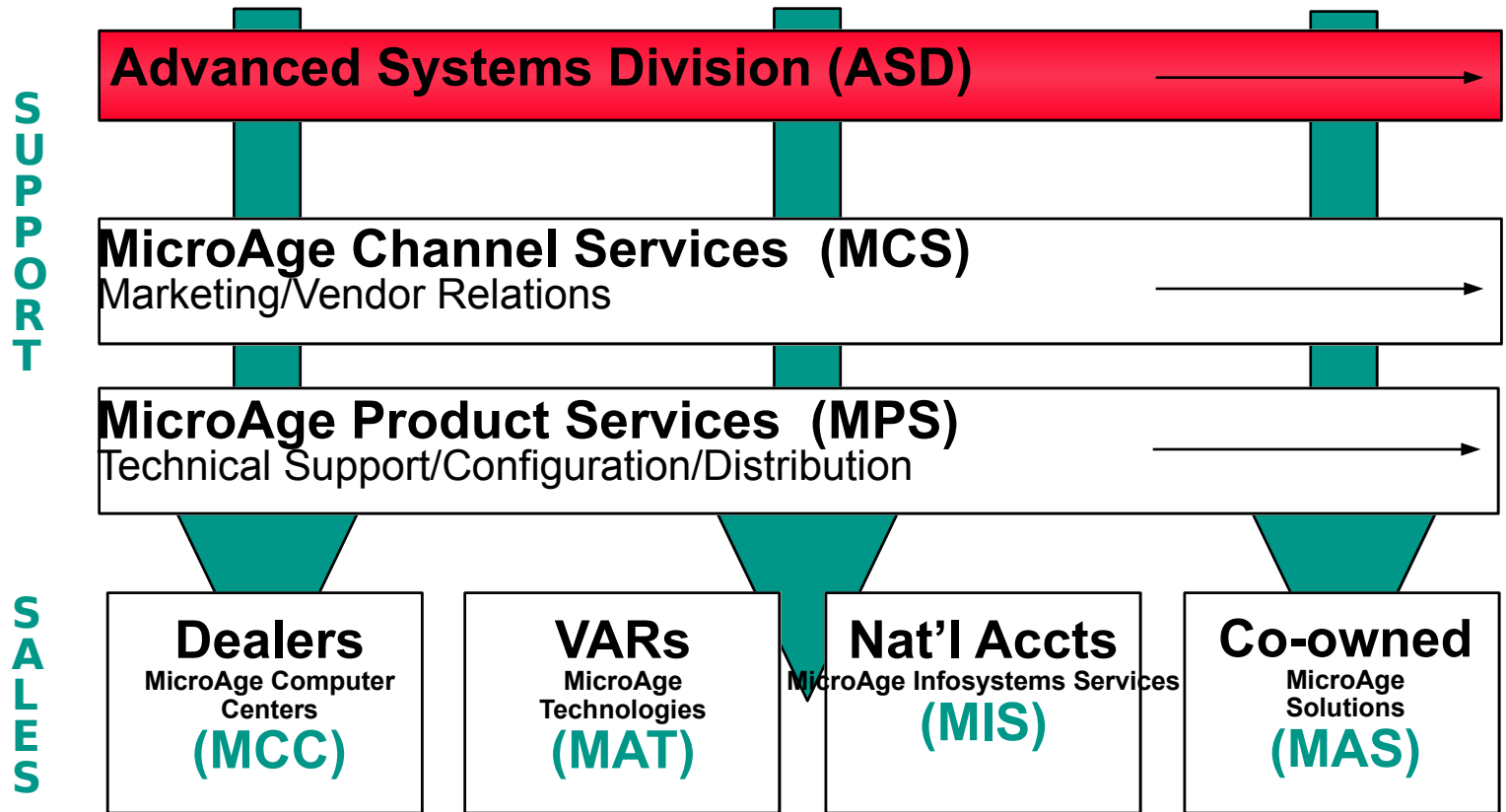


MicroAge Revenue

(\$ in Millions)



Customer Focused Business Units



Commitment to Quality

The MicroAge Way

At MicroAge we will perform error-free work 100 percent of the time for everyone we serve.

To do this, we must fully understand their requirements, as well as the processes needed to do the job right the first time.

Our success will come only when we conform to the requirements of those we serve.



Distribution Centers

Western Distribution Center

 *Tempe, AZ - 300,000 sq. ft.*

Eastern Distribution Center

 *Cincinnati, OH - 304,000 sq. ft.*

 *MicroAge currently stocks over 145 vendor lines and has more than 500 vendor relationships*



Quality Integration Center

ISO-9002 Certified

 *in FY95, configured 99.21% error free systems*

Tempe, AZ - 132,000 sq. ft.

 *staging, integrating & shipping*

Capacity to config 30,000 systems/mo.

Over 12,000 systems integrated monthly

 *integrate hardware & software*

 *asset management tags*

 *vendor-certified technicians*

 *light assembly*



Enterprise Technology Group

■ MicroAge Internet Group (MIG)

■ Internet-related projects & corporate web site

■ MicroAge home page - www.microage.com

■ ASD home page - www.mid.com/asd.html

■ CyberTech Times web site - www.mid.com

■ MicroAge Multi-Media Group

■ POWERdisc — a monthly CD-ROM contains pricing, data sheets, presentations & other info



MicroAge Events

Solutions

 annual reseller convention held in March in Phoenix, Arizona

 international partners & industry leaders attend

SuperNational

 summer reseller meeting

InfoTour

 multi-city vendor expo

 solutions symposia

 emerging technology



Financing Programs

- Net 30*
- Open Credit Terms*
- Inventory/AR*
- Headquarters Financing*
- Electronic Transfer*
- Leasing*
- Credit Cards*

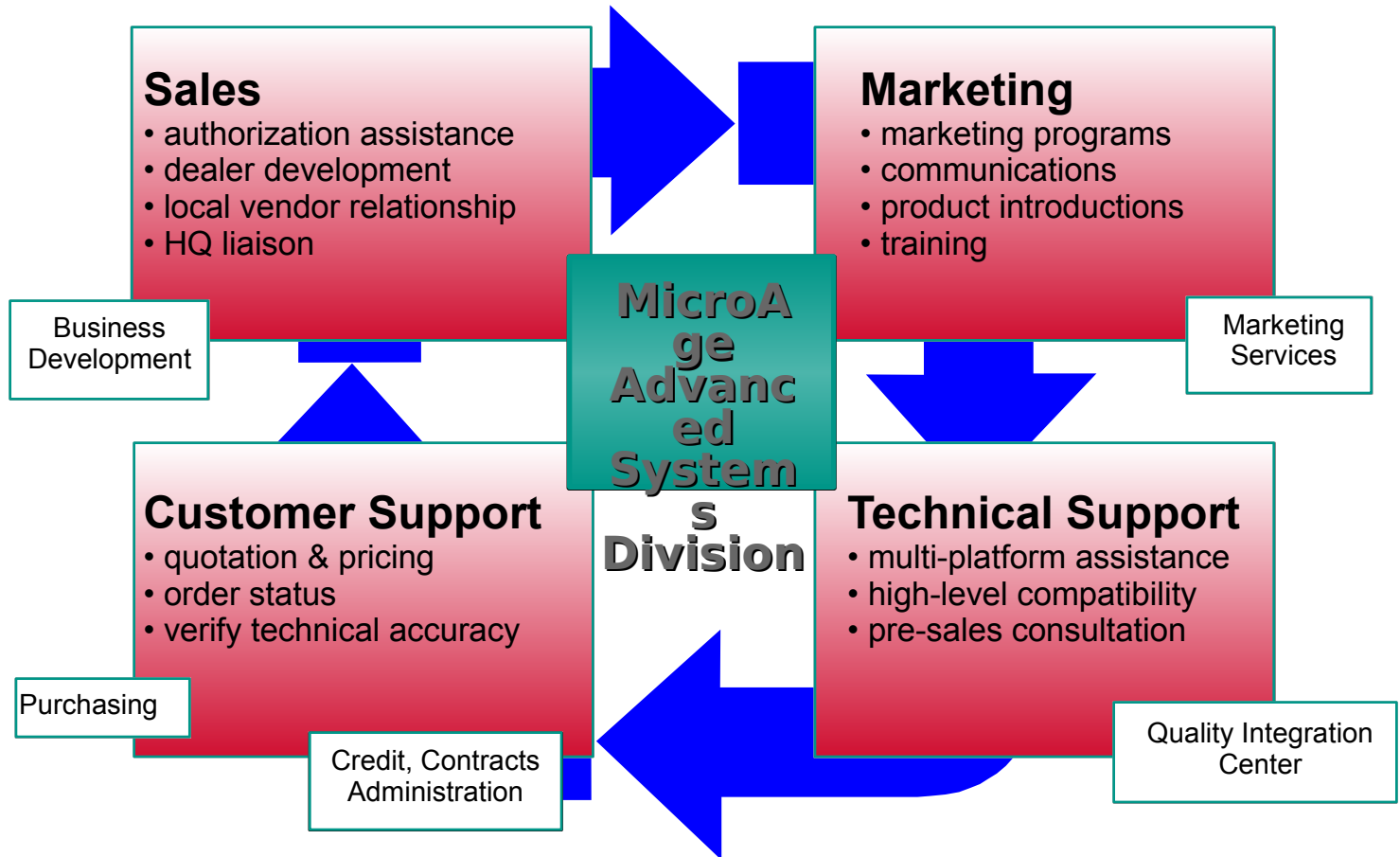


Advanced Systems Division

- ASD was established in 1992*
- Focused on UNIX resellers*
- Single point-of-contact for configurations, quotes and orders*
- Strong technical knowledge*
- Dedicated brand managers*
- Field-based sales support*
- Special pricing & stocking for strategic opportunities*



ASD Key Functional Areas



Advanced Systems Division

- Dedicated ASD Account Managers to provide quotes, configuration assistance, process & track orders and answer general product questions*
- Field-based ASD Area Managers work with resellers to leverage MicroAge and vendor opportunities including lead generation and sales training*



Advanced Systems Division

- ASD Technical Managers provide level-three consultation for configuration and compatibility issues*
- Dedicated ASD Brand Managers act as liaison between vendor and MicroAge providing timely product, program and price information*



ASD Products

IBM Mid-Range Systems

- ASD RISC System/6000*
- ASD Networking Products*
- ASD Storage Products*
- ASD Software Products*
- ASD AS/400 (application in process)*



ASD Products

Hewlett-Packard HP 9000

-  *Series 700 Workstations*
-  *Series 800 Multi-user Systems*
-  *HP 9000 Peripherals*
-  *OpenView*



Other ASD Products

 *Oracle* *SCO*

ASD Inventory

HP 9000

 stock series 700s & 800s

IBM RS/6000

 stock most popular configurations with single “bundled” part number

 also build-to-order from Austin

MicroAge can integrate RS/6000 & HP 9000 systems in Tempe QIC

 including client-specific or proprietary software

Special stocking for strategic reseller opportunities



Inside Sales Support

- [HVL] Reseller faxes config request to ASD Account Manager (single point of contact)*
- [HVL] Config to reseller - usually in 8 business hours*
- [HVL] Reseller reviews, approves and contacts ASD Account Manager to place order*
- [HVL] Account Manager places order & faxes reseller order status including:*
 - [HVL] date order placed*
 - [HVL] estimated customer arrival date*
 - [HVL] changes to customer arrival date*



Regional Sales Support

Field-based ASD Area Managers assist resellers:

- to develop relationships with vendor teams*
- act as liaison with MicroAge HQ & ASD*
- communicate new programs*
- provide training*
- assist with authorization/renewal process*
- leverage resellers' strengths within MicroAge network*



ASD Technical Support

- Technical Managers available for high-level technical consulting***
 - multi-platform*
 - competitive analysis*
 - high-level compatibility*
- Technical Managers work with configuration team for complex configurations***
- Trouble shooting during integration***



ASD Marketing Support

 ***Timely communication of new products, price changes & marketing programs***

 *FAXBlast*

 *RealTime/RealFAX (fax back service)*

 ***ASD Navigator***

 *Resource guide to ASD and vendors*

 ***Co-op Marketing Funds***

 *IBM - PartnerServe*

 *HP - MicroAge **Fund9000***

 ***HP 9000 Loaner Pool***



IBM Services & Support Manager

- Generate referral fees quickly & easily*
- Propose “all-blue” solution*
- Offering pre-sales consultation & custom proposals*
- We do the paperwork*
- Single point of contact*



Peak Service Program

A comprehensive reseller satisfaction program including:

- ☐ Formal orientation for new resellers*
- ☐ Pro-active follow up by reseller "Advocates"*
- ☐ Reseller survey twice each year to identify key areas for improvement*
- ☐ Reseller Advisory Council 2-3 times per year*



Ready-Set-Go Program

Ready >> In-stock inventory including bundled part #s for the most popular IBM RS/6000 configs

Set >> Integration at MicroAge ISO-9002 certified Quality Integration Center (QIC)

Go >> Our world-class distribution facility can ship your UNIX systems efficiently and on time

