

INTRODUCTION

ZyXEL develops and markets a complete line of Ultra High Speed modems with data, fax, voice and cellular capabilities including V.32bis/V.32 and V.42bis/V.42 modems, the fastest available for ordinary telephone lines. ZyXEL modems keep long-distance telephone costs down, provide fast remote control and allow universal compatibility, all while delivering information rapidly and accurately.

Established in 1988, the Anaheim-based company serves as the North America sales and marketing arm of Taiwan-based ZyXEL Communications Corporation. The company first entered the market with a high-speed data pump in 1990. This breakthrough in modern technology was followed by the successful introduction of a full line of high-speed V.32bis modems in 1991. Since that time, the company has continued to refine and enhance its product line. The result is a family of modem products that offer a complete array of standard and Intelligent features at low prices.

Providing the latest in state-of-the-art telecommunications equipment is a tradition at ZyXEL. Each product is backed by over five years of extensive research by the firm's Research and Development team. This allows the company to manufacture some of the world's most advanced, high technology communications systems and equipment.

Designed from the outset as universal modems, the ZyXEL product line runs in the DOS, Windows , Macintosh , UNIX and OS/2 environments. They are compatible with a host of popular communications and fax software packages and offer two-way fax capabilities. The ZyXEL product line is fully compatible on IBM PCs/compatibles, terminals with RS-232 interface, Macintosh, NeXT and Amiga computers, plus a wide range of connectivity systems, including asynchronous/synchronous systems.

ZyXEL modems have been successfully integrated into total communication networks at companies worldwide. The products' flexibility to address a diversity of user requirements stems from the modems' ability to perform a variety of tasks such as point-to-point intra-company, LAN-bridging, on-demand file interchange, telecommuting, and PC-to-mainframe.

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PRODUCT AND TECHNOLOGY OVERVIEW

V.32bis modems use an internationally recognized ITU-T (formerly CCITT) scheme for transmitting computer data over the regular dial telephone system at a rate of up to 14.4Kbps. The modems transmit data in both directions simultaneously by taking six bits, packing them into tone bursts, and sending 2,400 of these tone bursts in each direction every second.

All ZyXEL V.32bis fax/modems with voice come with ZyXEL 16.8Kbps Ultra High Speed. ZyXEL Plus Series modems boast speeds of up to 19.2Kbps and exceed in their performance over poor and unstable line conditions with their Line Probing techniques. The Plus Series offers advanced CELP voice capability with Speech Compression and increased throughput of up to 2,200cps.

ZyXEL modems offer enhanced fax capabilities including V.17-14.4Kbps and G3 fax with automatic detection of fax or modem calls. ZyXEL ZFAX software supports up to 1000 data, fax and voice mailboxes, while the Macintosh and Windows versions support up to 1000 voice/fax mailboxes - all on one phone line.

The entire line of ZyXEL internal, external, rackmount, cellular and portable modems feature Call-Back Security with Password Protection and as well as the ability to upgrade by firmware.

ZyXEL modems combine Auto Fall-Forward/Fall-Back with Fast Rate Renegotiation to increase throughput during unstable and poor phone line conditions. In addition, ZyXEL is first to support multiple fax interface. This allows BBSs and SysOps to receive fax and data on a single phone line. ZyXEL high-speed modems can even be configured to respond to distinctive rings for incoming fax or modem calls. The modems' remote configuration feature enables system managers to reconfigure the modem through dial-up lines. The modems also provide users with the ability to switch from data to voice during on-line operation.

Other standard features include Auto Dial/Answer or Manual Originate/Answer mode, Pulse or Tone Dialing, Call Progress Monitoring and Programmable Volume Control. On-board diagnostics include Analog Loop self test, Digital Loopback, and Remote Digital Loopback with self test.

ZyXEL Ultra High Speed modems support a wide range of ITU-T standards that support a host of protocols including V.42bis, V.42, V.32bis, V.32, V.23, V.22bis, V.22/BELL 212A, V.21/BELL 103 and EIA Class 2 G3 V.17-14.4Kbps send and receive fax capabilities for universal connectivity. They support the industry-standard AT Command Set and V.25bis autodial, thus ensuring compatibility with most popular communication and fax software packages.

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ZyXEL modems are designed to operate over Dial-Up or Leased Lines and allow users to

transmit data at high speeds over a serial interface. Reliable, error-free transmission is assured with DTE speeds ranging from 300bps to 76.8Kbps with industry-standard V.42 and MNP 4/3 error correction and V.42bis and MNP 5 data compression.

ZyXEL has developed a new technology that ensures reliable cellular transmissions at high speeds of up to 14400bps. With its unique data pump, The ZyCellular Protocol incorporates technologies that are used to strengthen the physical layer of the transmission. This unique design was developed by ZyXEL to combat the shortcomings of cellular communications which include hand-off, power level change and common noise interference.

ZyCellular modems will automatically determine the best operating speed, in spite of the adverse line conditions that exist in the cellular environment even after a connection is made.

ZyXEL has added another modem to its family - the U-1496P Portable/Cellular modem. The U-1496P is a full-featured portable modem that includes high speed, effective data throughput with data compression and digitized voice capabilities. The ZyXEL U-1496P is the only portable fax/modem with autoswitch for land and cellular communications. Now you can send messages using a ZyXEL U-1496P modem, a laptop or compatible computer, and a cellular phone with an RJ-11 interface (tip and ring) in remote areas where normal phone lines are not available.

ZyXEL modems are available with a five-year warranty (2 year for rackmount models).

AWARD WINNING
PC Computing Top 200 '94
PC Digest Ratings Report '94
PC Magazine Editors' Choice '93
Computer Shopper Top 10 '93
PC Professionell Editors' Choice '92/'93
5 NeXTWORLD Cubes '92

ZyXEL shined in a head-to-head modem evaluation conducted by Daniel Briere, president of TeleChoice, Inc. According to Briere, "ZyXEL's U-1496E PLUS fared the best across the broad spectrum of lines." (Briere, Daniel. "Test Underscores Differences in Modem Throughput." NETWORK WORLD. May 10, 1993.)

PC Magazine's David Stone said, in reference to ZyXEL, "They are now among the best performers in the batch." (Stone, David. "Life in the Fast Lane." PC MAGAZINE. June 29, 1993.) In BYTE Magazine's BYTE/NSTL Lab Report, July 1993, ZyXEL was awarded "Best Value" and "Best Two Way Communications Modems."

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MARKETING AND DISTRIBUTION

ZyXEL markets its high speed modem/faxes with voice through a wide dealer network

across the United States and Canada, as well as direct to the end-user in North America, Europe, Russia, the Pacific Rim, and a major share of the European and Asian markets.

Over 1,000 Resellers and Dealers have already joined the aggressive ZyXEL Reseller Program. The ZyXEL Reseller Program is a three-tier reseller program based on sales volume. All participants receive price protection, demo unit discounts, lead referrals and 24-hour RMA turn-around. ZyGOLD Resellers receive personalized service with designated Regional Representatives and an extended 45 day return policy. ZySUCCESS Resellers receive Co-op Marketing opportunities, 800 Tech Support, and Stock Rotations, plus the best price level on the ZyXEL product line.

MANAGEMENT

Gordon Yang--President. Mr. Yang is the founder and president of ZyXEL. He also heads the company's Machine Tool Division. Mr. Yang has an extensive background in general management in both the telecommunications and semiconductor industries. He is responsible for the Communications System Division which includes marketing, systems hardware and software development, new venture activities, investment analysis and new business development.

Susan Yang--General Sales Manager. Ms. Yang has been with the company since its inception and is responsible for contract management, international business and customer service. She is also responsible for general operations and management of the engineering and sales/marketing departments.

Munira Brooks--Marketing Manager. Ms. Brooks has extensive international marketing experience and has held similar positions with a number of firms in Europe and the Middle East. She heads ZyXEL's worldwide marketing operations and is charged with increasing the company's penetration in the data communications marketplace.

Nick Doshi--Technical Support Manager. Mr. Doshi has joined the company to perform product development, programming, system design and implementation duties. Mr. Doshi graduated with a Master of Science degree in Telecommunications and has an extensive background as a telecommunications analyst and designer.

Lou Magana--Controller. With a Bachelor of Science degree from USC and over ten years of accounting experience, Ms. Magana is responsible for accounting, borrowing, developing relations with credit facilities, coordination of annual audits and negotiations with banking and insurance companies. Ms. Magana is also responsible for human resources and employee welfare.