



TABLE OF CONTENTS

Click on any item in the Table of Contents list to make your reading selection. The icon above is a hyperlink to that site. Any blue text in the body of this newsletter is clickable and is a hyperlink to that site.

Letter from Eckhard Pfeiffer

Managing Three Trillion a Day

Bragging Rights

An Important Service Tip

Press Comments: Shannon, PC Week and Aberdeen Group

Workstation Q and A: Strategy, Upgrades, Alpha, Service

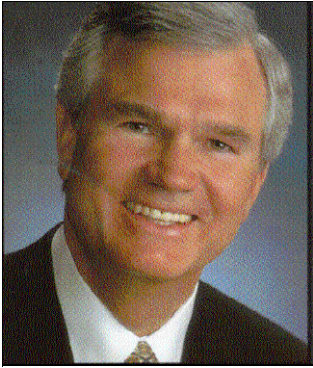
Compaq Committed to 64-bit Computing

Compaq Futures at DECUS in Los Angeles

Specials

For More Information

Letter from Eckhard Pfeiffer



To our Customers and Partners:

The joining of Compaq and DIGITAL is an historic moment for our companies and the computer industry. It is also a defining moment for our customers and partners because it puts us in an even stronger position to meet computing needs. Together we will provide the world's best computing solutions and innovative products and technologies, backed with global services and support.

Compaq is laying the cornerstone for a new world of computing—one that expands on our vision of standards-based computing... one that builds on the combined strengths of Compaq, DIGITAL, and Tandem... and one that offers you more choice, more power, and more freedom than ever before. Compaq is uniquely positioned to be the leader in this new world of computing, from the palmtop to the data center, where essentially all information is online and anyone can access, use, and share information from anywhere at anytime.

We are the largest manufacturer of computers in the world and the undisputed market-share leader in industry-standard computing through our Windows NT, SCO UNIX and NetWare solutions. Of course, we are committed to maintaining our lead in continuously available business-critical solutions by continuing our investment in OpenVMS and Tandem NonStop Himalaya, and using the technologies of these platforms to fuel the development of industry-standard enterprise solutions.

As critical as these products and technologies are, nothing is more important to our success than our ability to build and preserve strong and lasting relationships with our customers and partners. We now have expertise in business-critical vertical solutions, as well as a leading position in partner and services-led solutions. Our new global services operation is widely acknowledged as an industry leader in life cycle services, systems integration, and outsourcing. We can now provide a single point of contact for planning, design, integration, management, and support of IT infrastructures. Building on our strong industry partnerships and our global network of channel partners, our goal is to continually reduce the cost, complexity, and time required to implement the solutions that enable your business to grow and prosper.

I want to assure you of my commitment to a smooth integration of the two organizations. It is my personal goal to maximize your satisfaction in working with us during this transition period. Thank you in advance for your continued support.

Eckhard Pfeiffer
President and Chief Executive Officer
Compaq Computer Corporation

Managing Three Trillion a Day

From Eckhard Pfeiffer's speech June 12, 1998, at a press conference. How much is due to the DIGITAL acquisition, we do not know.

Delivering What It Takes for Customers to Succeed:

Compaq's family of continuously available, business-critical products support:

- 18 of the top 20 electronic funds transfer networks
- All of the top 20 wholesale payment systems in the United States
- 66 of the 68 largest stock exchanges
- More than 60% of the world's lotteries
- 90% of the world's CPU chips are manufactured using Open VMS

Compaq's high-end platforms manage almost \$3 trillion of the world's financial transactions each day, without fail. Compaq also has a leadership position in key segments of the manufacturing, financial services, and telecommunications industries worldwide. Through its platform strategy, Compaq will work to incorporate these assets into the open-standards world of Windows NT and provide interoperability and integration with customers' existing environments.

Bragging Rights

- The world's top 35 telecommunications companies now depend on Compaq
- Over 70% of cellular authentication traffic is routed through a Compaq server
- 9 out of 10 Internet service providers depend on Compaq
- The most popular sites---such as Microsoft, Amazon.com, America Online, and AltaVista--are powered by Compaq
- Compaq's expertise-led, non-stop solutions in the finance area handle over 3 trillion dollars per day

A Service Tip

If you are considering buying Compaq products and want to be assured that you will receive **DIGITAL** service, call us and we can arrange it at time of purchase. Buy the DIGITAL uplift service contract to continue the Compaq warranty and DIGITAL people will service the product from Day 1. Otherwise, regular service is through Compaq who currently subcontracts that out. The scuttlebutt is that eventually all service will be done by DIGITAL service people, but until then, hedge your bet.

Press Comments

"Pfeiffer is 'clearly bullish' on the 64-bit Alpha processor. I think Alpha's brightest days are ahead."

*Terry Shannon, Editor of Shannon Knows DEC,, quoted in
Computerworld, June 12, 1998*

"IT managers see potential in the new Compaq as a one-stop shop for their enterprise needs."
PC Week, June 15, 1998

"From Aberdeen's perspective, the "Digital Merger" has supplied Compaq with the technological know-how to play a key role in the upper echelons of technical computing and the Professional Services organization to support users at all levels of the enterprise. "

Aberdeen Group Profile, 1998

*The full text of this Profile is available at <http://www.compaq.com/products/workstations/index.html>
We were not able to copy it here due to restrictions. Choose the first article listed. This is especially valuable reading material for people concerned with Alpha decisions. See the information ¾ of the way down.*

Workstation Q and A

The following is covered with Compaq caveats, warnings and subject-to-change clauses as noted in the first two pages of the white paper, but here is what Compaq is saying about workstations in general. See <http://www.compaq.com/products/workstations/index.html> for the terms and conditions of the white paper and its full text.

“Additional information and answers will be forthcoming as Compaq’s new Workstation Division organization takes shape and our strategies become more tightly defined.”

Q. How will the Digital merger affect the new Division’s product strategy?

A. Individually each company has been focused on product strategies that capitalize on the workstation market shift towards NT. The merger affords the new Compaq the opportunity of taking the best attributes of both companies to deliver an extensive, multi-line product and services strategy in partnership with or key ISV and channel partners. Under the merged organization, we will offer NT workstation product line that ranges from the most affordable desktop workstation systems, to the world’s most powerful Alpha-based systems, all under the brand of the Compaq Professional Workstation family. With more trained NT certified professionals than even Microsoft, world-class service and support, and comprehensive NT and UNIX interoperability capabilities, Compaq’s Workstation Division is poised to deliver compelling value to workstation customers worldwide.

Q. What type of users/customers do you anticipate will choose to buy Intel based systems vs. Alpha based products?

A. Users who have a current install base of Intel workstations running NT will want to leverage the investment they’ve already made in third party SW and HW, support and training, etc., and continue to purchase high performance Intel systems. In addition, our research has shown that a number of customers have made – or are in the process of making – the strategic architectural decision to move to Windows NT –based Intel workstations from RISC/UNIX machines. These users have made this move for a number of reasons, including the availability of a wide range of software applications and third party hardware for Intel-based machines. Intel-based workstations provide an excellent combination of high system performance with the benefits that industry standard systems bring in terms of price, application availability and total cost of ownership.

A number of workstation users however, require systems that provide the best application performance available – period. These users are extremely sensitive to application performance – particularly in specialized application areas where reducing the time it takes to complete the task can be measured in terms of financial savings and/or deadline completion. Other customers are interested in utilizing a mix of NT and UNIX workstations within their environments. UNIX workstations may be required for particular specialized applications within an overall EDA design flows for instance. The XP line of products delivers Alpha-powered performance and the choice of utilizing either NT or UNIX allowing customers the performance they need in the application environment that best meets their needs.

Q. How will your new workstation products be branded – what will they be called?

A. New workstations from Compaq will use the Compaq Professional Workstation brand.

Q. What does this mean for Digital’s (Intel) NT workstation products?

A. The last planned Digital-branded workstation will be launched June 1998. (This will be the

Digital Personal Workstation 400i.) After the introduction of this product, no new Digital-branded products will be introduced. However, existing Digital IA/NT workstation systems (I-Series) launched prior to the merger along with the 400I will continue to ship under the DIGITAL brand until End Of Life (EOL). All EOL products will be serviced and have spares available for a minimum of 5 years.

Workstation products introduced after the 400I will be branded with the Compaq "Professional Workstation" brand. Also, Compaq will invest in Digital's "PowerStorm" graphics brand, and will introduce new products using this brand name.

Q. Can I expect to see the Alpha 2164 (EV6) in future workstation products from the merged corporation?

A. Yes, in fact, you can already purchase an Alpha 21264 upgrade to an existing Alpha-based workstation at a "not-to-exceed price" in a specified timeframe. More broadly, the merged corporation fully intends to have Alpha-based products, including the industry-leading Alpha 21264-based products, in its new multi-line product strategy.

Q. What kind of upgrade path can I expect for my existing equipment?

A. You can expect industry-leading enhancements or follow-on products to all products you currently own. For the existing Alpha-based workstations, for example, there is already a program in place that allows a customer to purchase an Alpha 21264 upgrade to an existing Alpha-based workstation at a "not-to-exceed price" in a specified timeframe. Similarly, for customers who have purchased a PowerStorm graphics accelerator, plans are in place to have a complete line of compatible, even higher performance, PCI-or AGP-bus, Open GL-compliant accelerators in the new product line.

Q. What are your plans to support customers still using VMS on Digital workstation?

A. We will continue to support OVMS on the currently shipping DIGITAL Personal Workstation au-Series system. As planned by DIGITAL before the merger, support for OVMS on the workstation family will continue until the year 2000. After that time, customers will be given a range of options that includes migration to NT, migration to an AlphaServer running OVMS or use of a custom solution that will be available to them on a contractual basis for an indefinite period of time.

Q. Digital has a powerful set of graphic options in their PowerStorm Graphics. What are Compaq's plans to integrate these capabilities into the product line?

A. Graphics in an area where the strategies of Compaq and Digital are very complementary. Compaq has been working with key industry providers such as 3D Labs, ELSA, and Evans & Sutherland to source 3rd party graphics adapters and insure through testing and certification, that they meet the demanding requirements Compaq places on technology partners in terms of quality, cost and performance. Digital was also pursuing this path with many of the same partners while providing additional added value in the 3D graphics area with their outstanding DIGITAL PowerStorm Graphics family of 3D adapters. Moving forward, the combined company will continue to work intensely with the industry, investing appropriately to deliver a range of entry 2D/3D, multi-monitor 2D, and high performance PowerStorm 3D products.

Q. What is the new Division's manageability strategy for workstations moving forward?

A. We will continue to support the existing Compaq Workstation Management Solutions strategy for all future Intel based workstation systems. Alpha-based systems will continue to support DMI and will migrate to support Compaq management frameworks in the future.

Q. What is “the New Compaq” going to do to keep Customers of Digital like myself as on of its own?

A. Compaq is doing some very specific work to assure existing Digital customers that the merged company will honor prior agreements, so that current Digital customers remain Compaq Customers.

The plan is to do the following:

- Provide a path forward for all Digital products in the merged company's integrated workstation and graphics product roadmap;
- Allow ample time for customers and partners to select, test, qualify and certify new products;
- Continue to support existing/shipping Digital products until these new products are certified by customers and partners;
- Give ample notice to customers and partners for products going “end-of-life”, and specifically allow time for final orders;
- For any “EOL products”, continue to provide add-ons, upgrades, peripherals and options as specified;
- Assure that all EOL products will be serviced and have available spares for 5 years at least beyond the EOL date;
- Continue providing technical support for these products.

Q. What will happen to the warranty on my existing equipment, and who will service it?

A. MCS (Digital's Multivendor Customer Services division) will honor all warranty and service contracts obligations that are in place.

Q. What will happen to all pending orders?

A. All orders currently in the system will be filled. Furthermore, customers will be able to place new orders through their existing sales representatives and channels.

Q. Will my existing Digital special pricing remain the same as it has been?

A. All customer contracts regarding special pricing will be honored until the expiration of the contract.

Q. Who do I call for technical support on Digital products after the merger?

A. The same number you call today.

Compaq Committed to 64-bit Computing

Improved performance, cluster options, and configuration flexibility combine with aggressive pricing
To strengthen DIGITAL AlphaServer offerings from Compaq.

Compaq has announced significant enhancements to its DIGITAL AlphaServer family of high – performance, 64-bit systems, which it recently acquired through its merger with Digital Equipment Corporation.

These changes are key elements in Compaq's imminent rollout of DIGITAL AlphaServer systems based on the next-generation Alpha 21264 (EV6) family of 64-bit processors, the world's fastest processor technology.

The DIGITAL AlphaServer family addresses the needs of Internet service providers (ISPs), high-performance technical computing, data warehousing, and enterprise applications with the following enhancements:

- Price reductions of as much as 27 percent on DIGITAL AlphaServer 800, 1200, and 4100 systems
- High-performance 50-nanoseconds memory availability on all AlphaServers 4000 and 4100 1 GB and 2 GB memory configurations, and memory price cuts of as much as 40 percent
- Factory-integrated and tested two-mode cluster solutions, available with high performance RAD storage
- Reduced server prices, resulting in improved TPC-C price/performance and unsurpassed 15,100tpmC at \$72/tpmC for the four-CPU AlphaServer 4100 5/600
- New M Series cabinetry, which simplifies pedestal and rackmount configuration for all AlphaServer 800, 1200, and 4100 Systems

For additional information go to:

<http://www.digital.com/alphaserver>

Compaq Futures at DECUS in Los Angeles

Keynote addresses by Compaq executives focus on product and service strategies – and a strategic vision for the future.

What impact will the new Compaq have on the IT industry?

What are Compaq's plans for growing its product and service business? And how will your investments in DIGITAL technology be protected?

At DECUS '98/Los Angeles, you'll hear the answers to these and other questions as key executives from Compaq address the DECUS audience in a series of keynote presentations focused on:

- Compaq's strategic vision for assuming IT leadership in the new millennium
- Compaq's product strategy for meeting the enterprise computing needs of current DIGITAL customers
- Compaq's plan for engaging existing customers and growing its customer base
- Compaq's plan for leveraging its significantly expanded service capabilities

Specials

1. Subscriptions and such

You can get a *Safety and Comfort Guide*, an application to industry specific newsletter *Compaq Compass* and directions to *Clip* a newsservice run by Compaq at their website. Choose "Inside Compaq"

2. A free eclipse screen saver is available at

<http://www.compaq.com/products/serversolutions/saver.html>

3. Free monitors

Buy certain models of Compaq Deskpro EP and receive a V75 17" monitor free!

Buy certain models of Compaq Deskpro EN and receive a V55 15" monitor free.

See our website at <http://www.welborne.com> for specifics. Offer good through August 31 (Monday) while supplies last!

4. Check out other specials for AltaVista, CyberPatrol, DIGITAL, and others at the website.

For More Information

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<http://www.aberdeen.com>

Their article on the Compaq/ Digital Merger can be accessed at:

<http://www.compaq.com/products/workstations/index.html>

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