

MicroAge®

MicroAge Computer Centers, Inc.



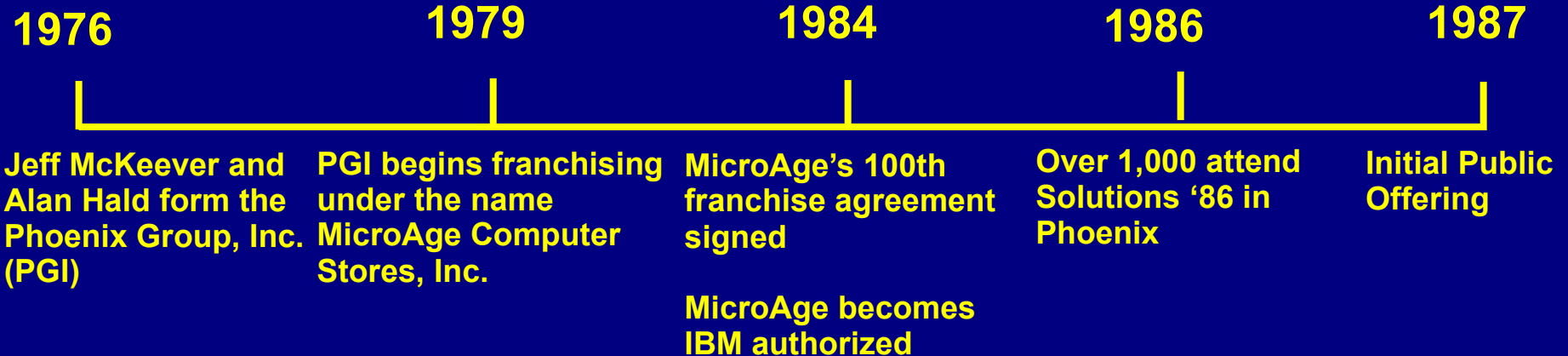
July 1, 1995

MicroAge...A Strong Partner

- Stability
- Experience
- World-class capabilities
- Strong partnerships
- Commitment to Quality

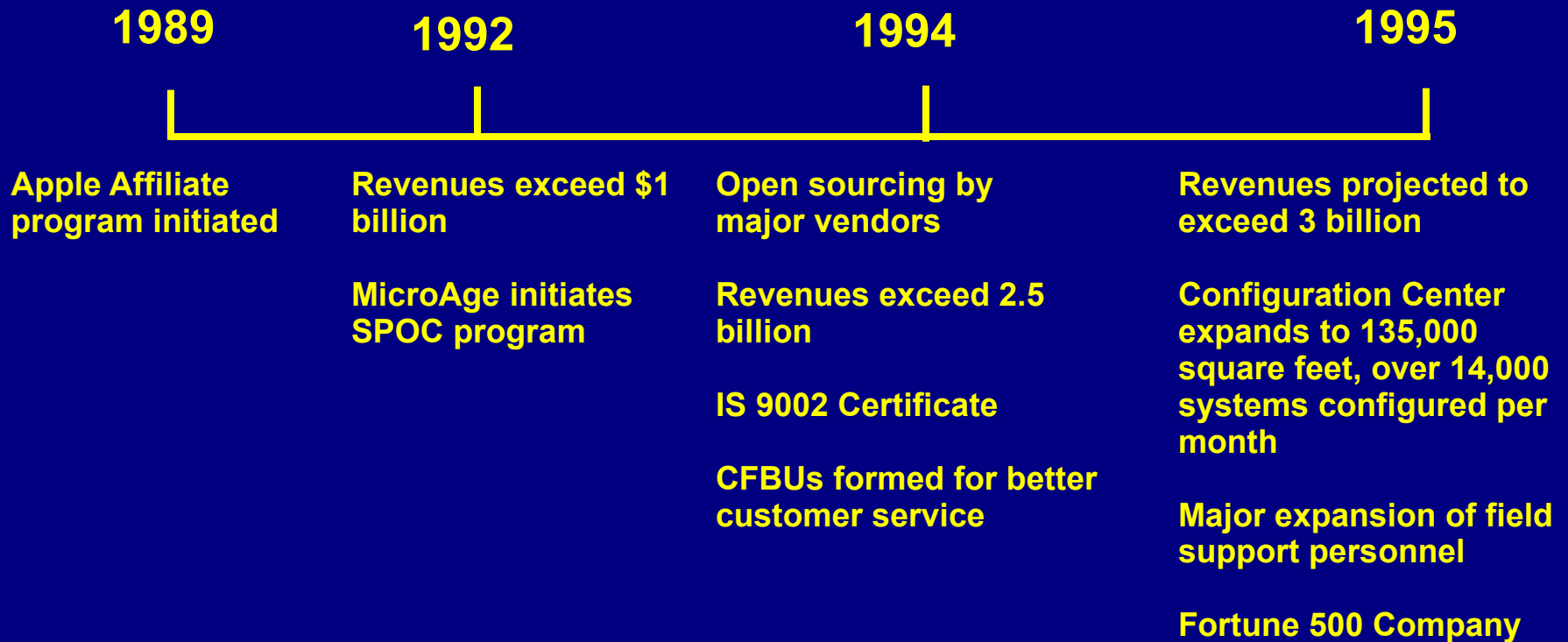


MicroAge History

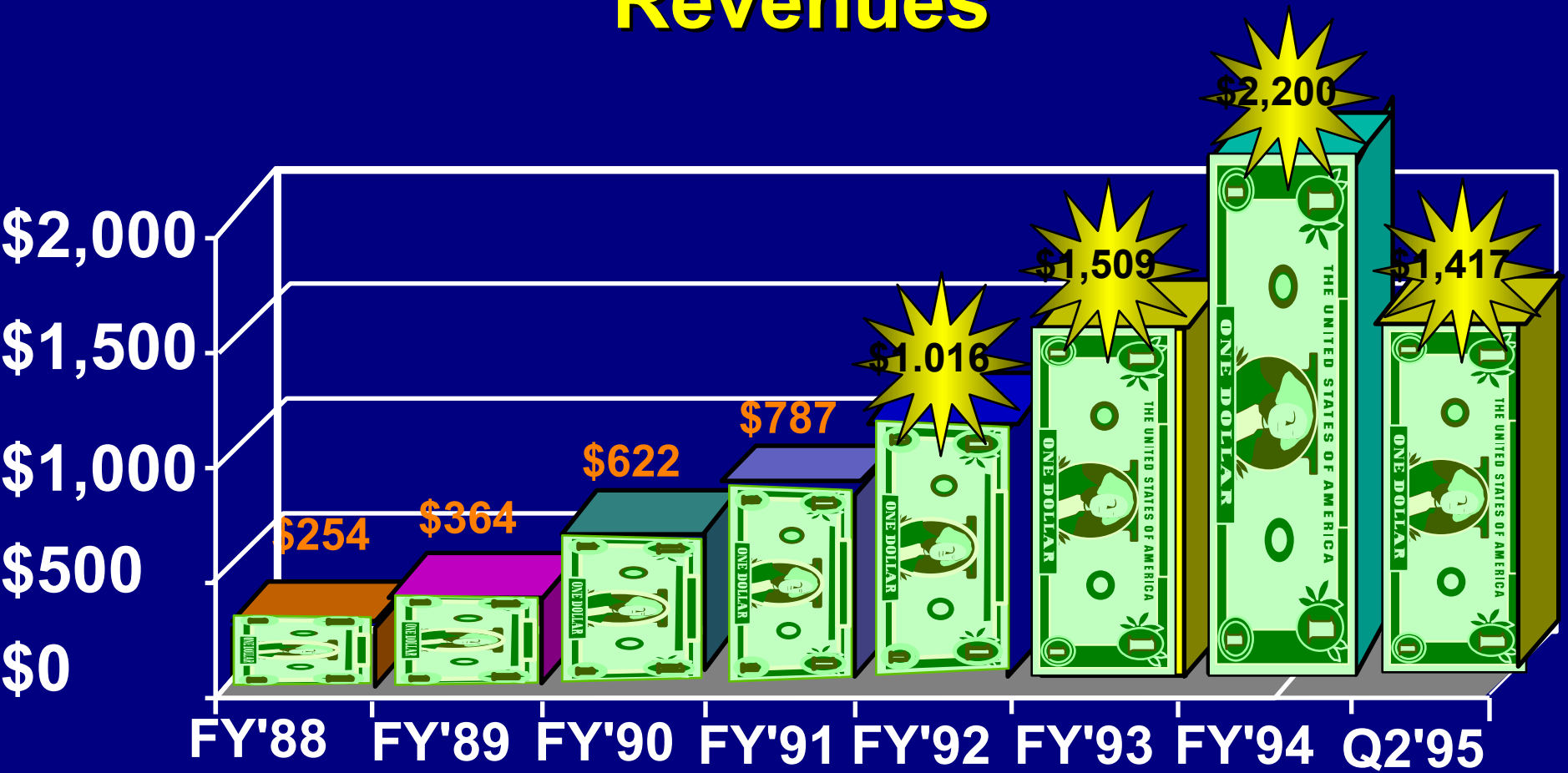


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MicroAge History (cont.)

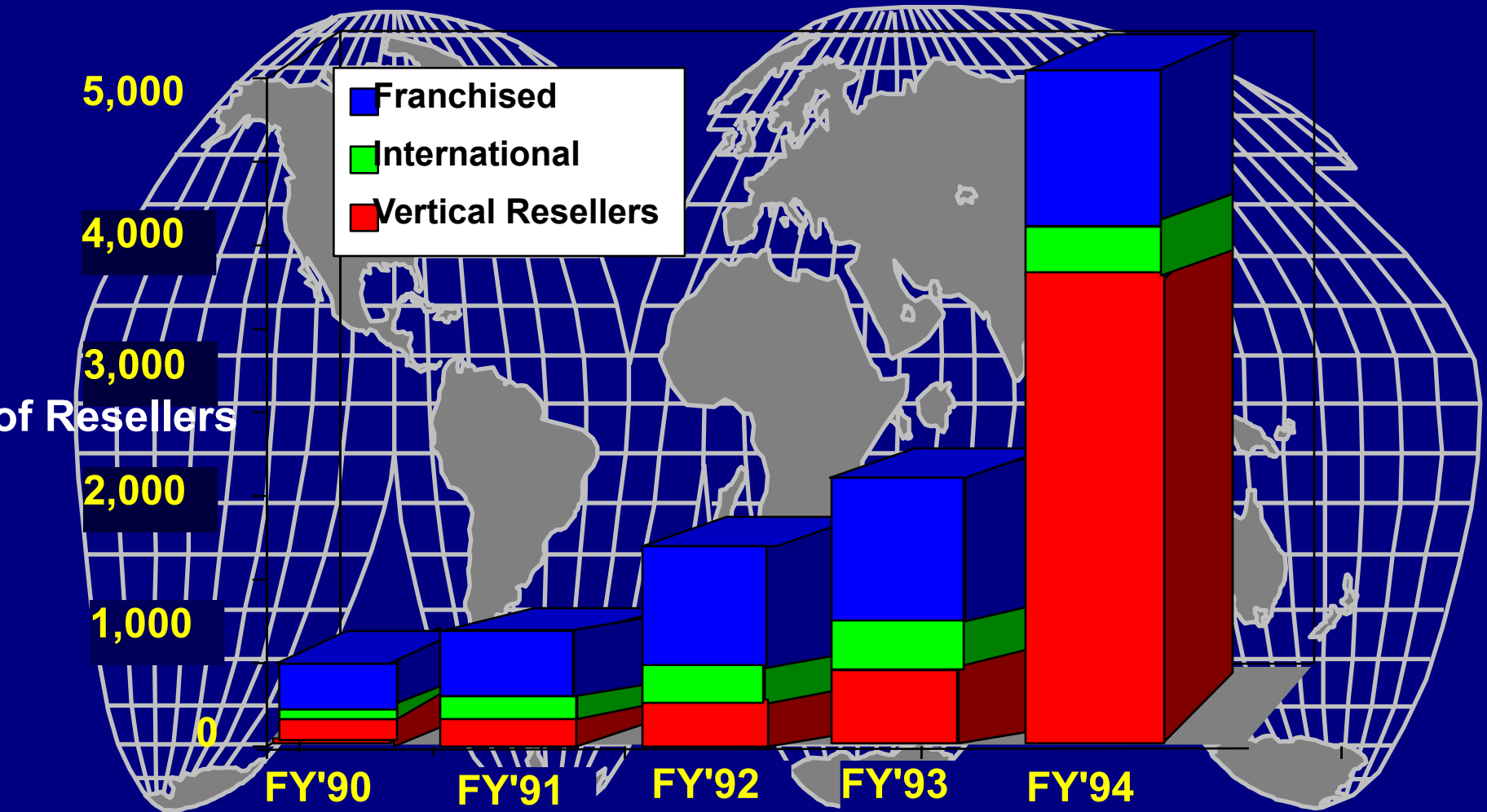


Revenues



*in millions

The MicroAge Network





MicroAge Channel Services- MCS

Product Purchasing | Vendor Relations | Marketing



MicroAge Computer Centers, Inc. - MCC

Large Reseller Accounts

MicroAge Solutions - MAS

MicroAge Owned Locations

MicroAge Technologies - MAT

Specialty and Smaller Reseller Accounts

MicroAge Infosystems Services - MIS

Large End-User Accounts | International Solutions



MicroAge Product Services - MPS

Distribution | Outlet Store | Configuration | Sourcing

MicroAge Customer Support

CUSTOMERS







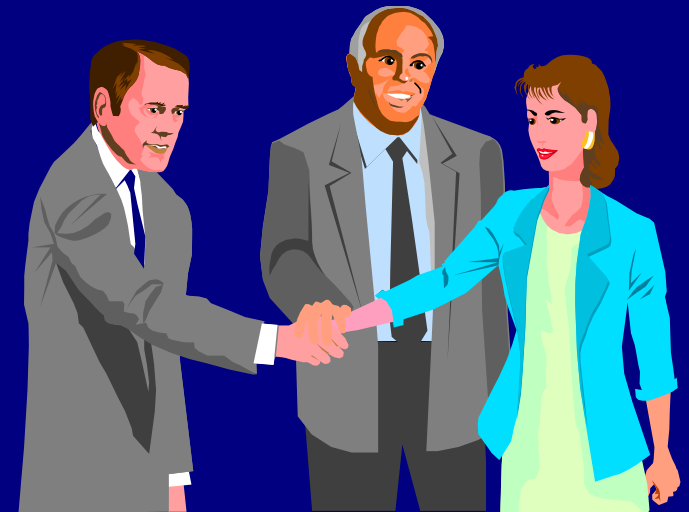
Customer-Focused Business Units

July 1, 1995

What is MicroAge Computer Centers?

We help resellers to:

-  Give timely and effective product fulfillment to customers
-  Lower overall cost of doing business
-  Grow market share
-  Find ways to add value for customers



The MCC Commitment

At MicroAge Computer Centers, our daily mission is to understand and meet our resellers' requirements, while providing the industry's best service in a total quality environment.



Three Types of Dealers

Partnering/Outsourcer

P.O. Price Shoppers

Primary Affiliation

Three Types of Dealers (cont.)

A Partnering/Outsourcer Says:

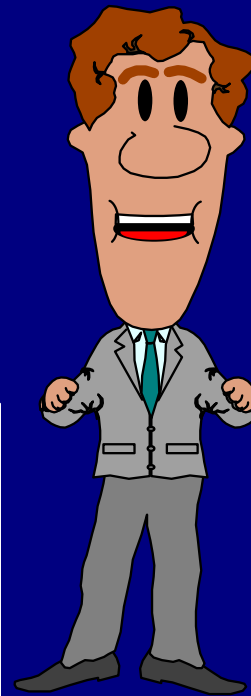
A lot of things can happen to inventory... and they are all bad.

If I can outsource customer financing to my Master Reseller, I will.

I have to convert my fixed costs into variable costs.

He who gets it there fastest and in the most cost-effective fashion, wins.

I want to spend my time doing what I do best - selling and supporting my customer on a face-to-face basis.



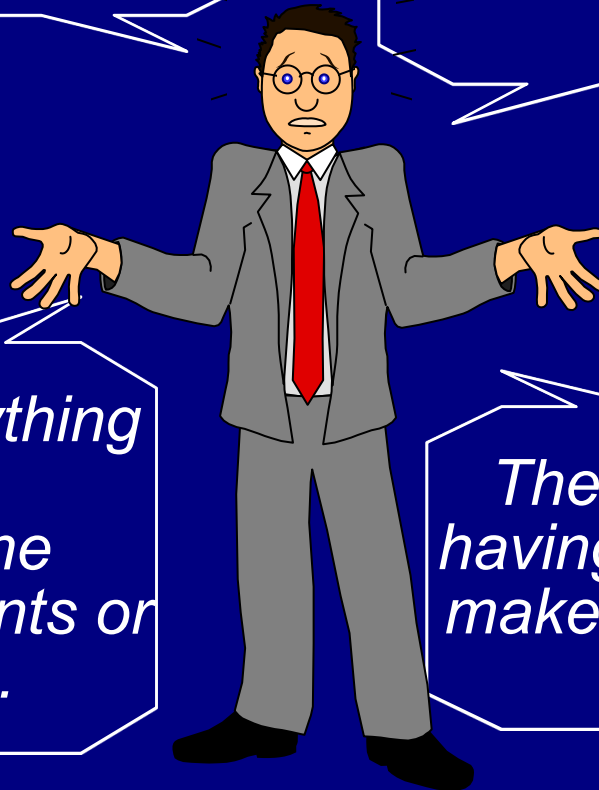
I don't want to spend all my time and energy in logistics management.

Three Types of Dealers (cont.)

A P.O. Price Shopper Says:

I make my margin on the sourcing side by beating up suppliers on every order.

If I can save several dollars on an item by making ten phone calls, I will.



I don't outsource anything to anybody... I don't want anyone involved in my accounts or my performance.

There is little value in having primary affiliation, make 'em all fight for my business!

Three Types of Dealers (cont.)

A Primary Affiliate Says:

Aggregating my volume with one primary source will avail me a good price.

Having a primary affiliation allows my company to learn how to do business intimately with my chosen aggregator and makes my life easier.

I may selectively outsource on big deals.

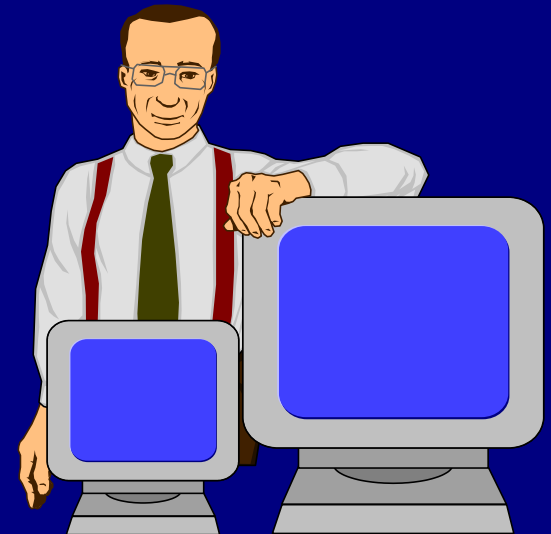


I believe that product sourcing, receiving, staging, configuring and delivery are my core competencies.

I want to do business with one supplier, but I will second-source.

Product Fulfillment/Distribution

- NVL Product availability**
- NVL Speedy delivery**
- NVL Competitive prices**
- NVL Product returns efficiency**
- NVL Product information**
- NVL Technical support**

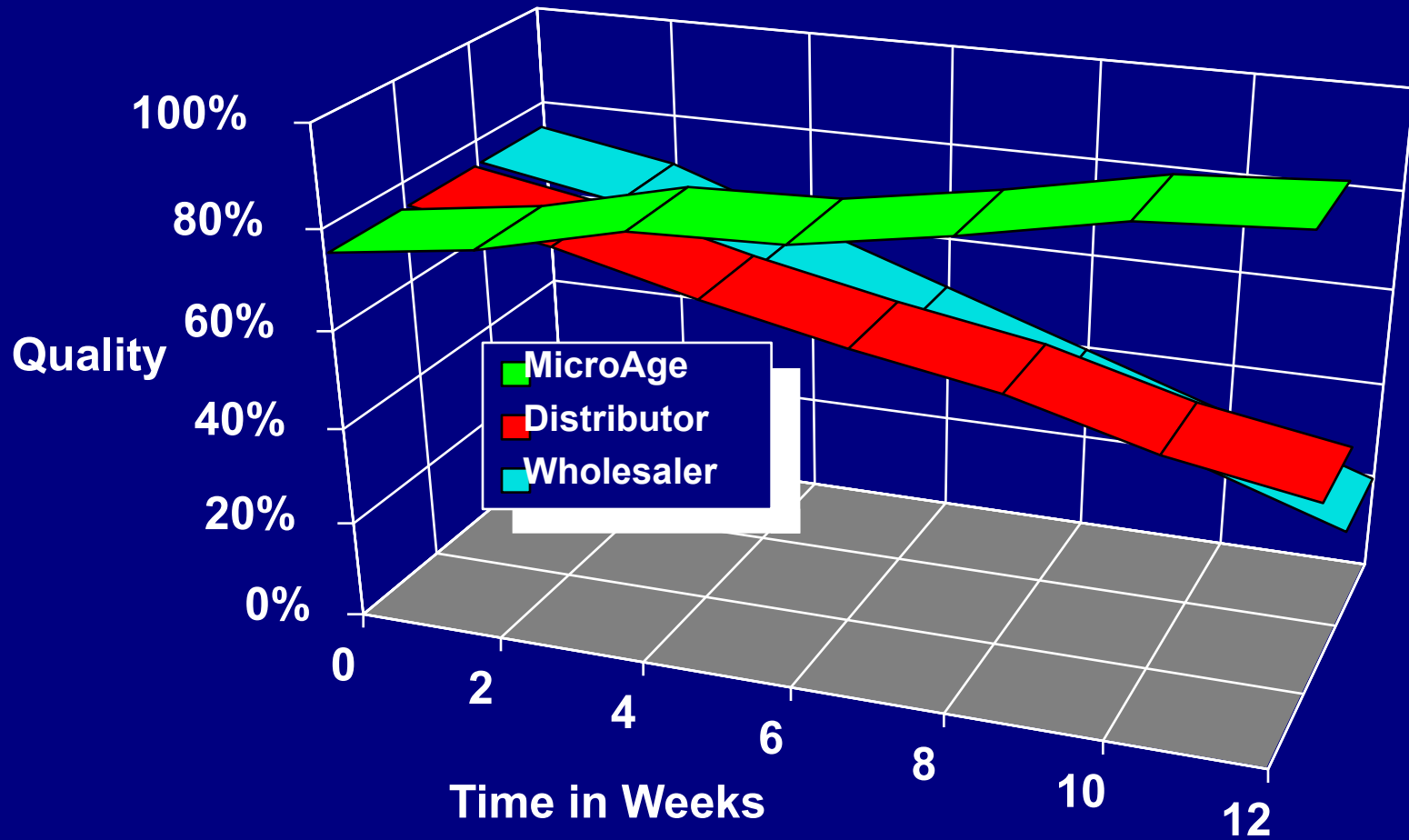


Cost Reducing Services

- NUL Configuration**
- NUL Sourcing**
- NUL SmartShip**
- NUL Global Support**
- NUL Advanced Technical Support**
- NUL End User Help Desk**
- NUL Headquarters Finance**
- NUL 20/20 Brain Trust**
- NUL MicroAge Preferred**



Clark's Theory of Channel Relativity



Professional Computer Dealers' Hierarchy of Needs

Price

Availability

Reduced Inventory

Lower Operating Costs

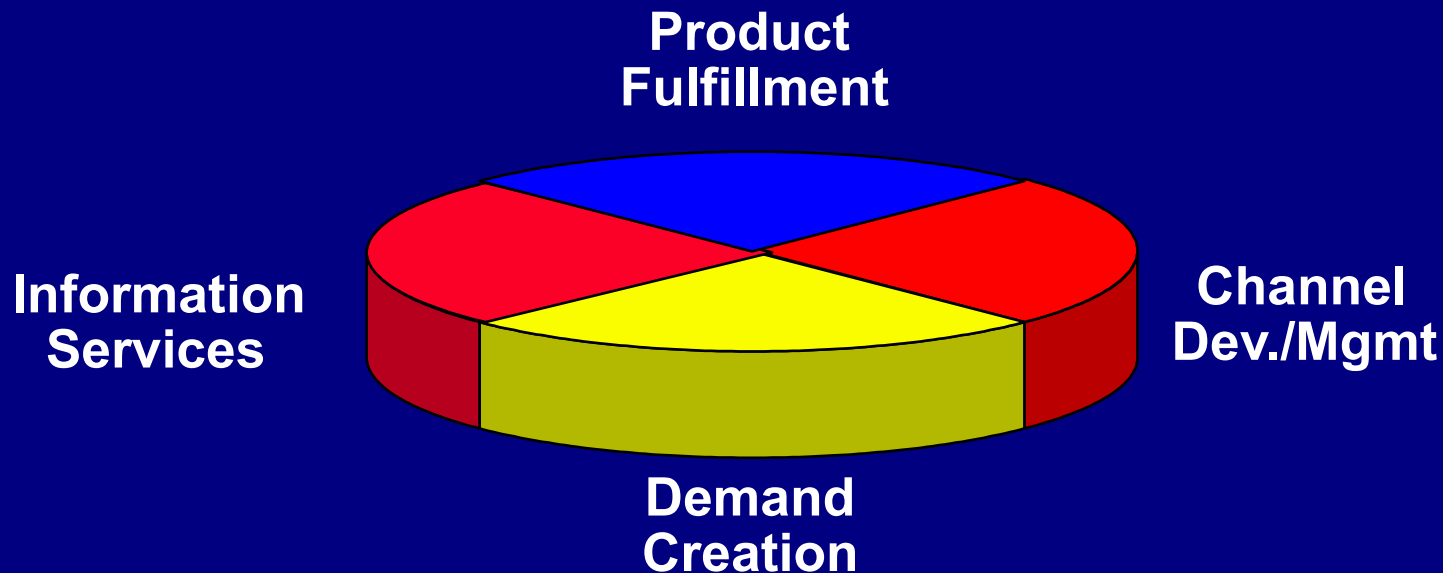
Business Expansion Opportunities



The Differences are Real

Core Capabilities

Energy and resources are spent only on activities that build on the company's core capabilities.



The Differences are Real (cont.)

Financial Strength

MicroAge has grown solely on the basis of its own internal resources rather than relying on buy-outs or acquisitions to fuel its growth.

- Low cost structure
- Excellent access to capital
- *Money* magazine award



The Differences are Real (cont.)

Award Winning Company

Superior execution of our capabilities drives customer satisfaction.

■ Highest rating in 1993 CRN “Preferred Distributor Study”

■ ISO 9002 Rated Configuration Center

■ Lighthouse Award for Quality and Excellence

■ Fastest growing National Master Reseller

■ 33 Consecutive profitable quarters

■ A Fortune 500 Services Company



At MicroAge We Always...

NUL Add value to everything we do

NUL Respect our relationships

NUL Act with integrity

NUL Make things happen

NUL Do it right the first time

NUL Have fun!



Commitment to Quality - The MicroAge Way -

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

To do this, we must fully understand customer 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.



Why Partner with MicroAge?

 Enhance your organization's profile and service offerings

 Improve your performance and market share

 Impact your bottom line



MCC Pricing: Circa 1993

Dealer Cost Plus

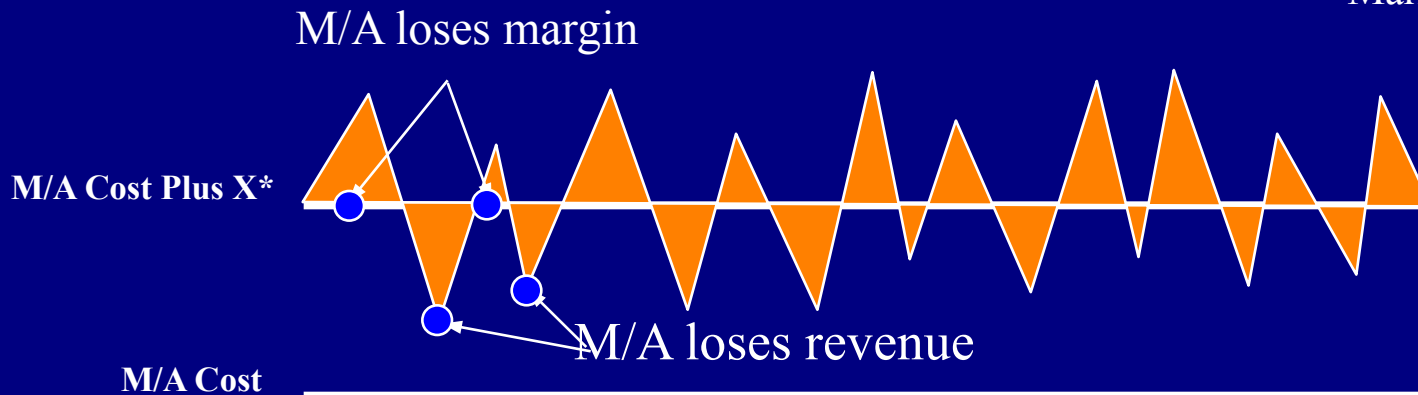
Range: 3.25 to 6.00

MicroAge Cost

Advantage: MicroAge reduced cost-plus to most dealers

Disadvantages: "Cherry Picking"

Distributors'
Market Price



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MCC Pricing: Circa 1994

IBM, CPQ, HP, APL

Dealer Cost Plus

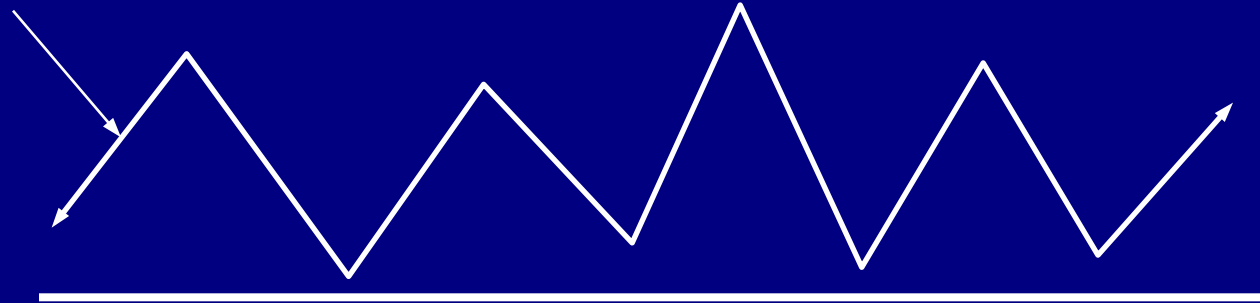
M/A Cost



Complementary Products

Dealer Market-Price

M/A Cost

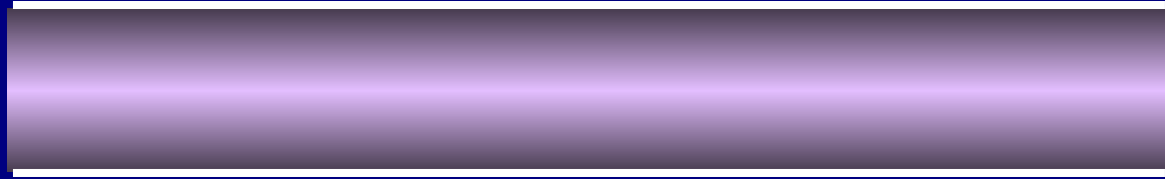


Disadvantage: Worked well until Wholesale/Distributors gained access to Primary Products

MCC Pricing: Circa 1995

Dealer Cost Plus *IBM, CPQ, Hewlett Packard*

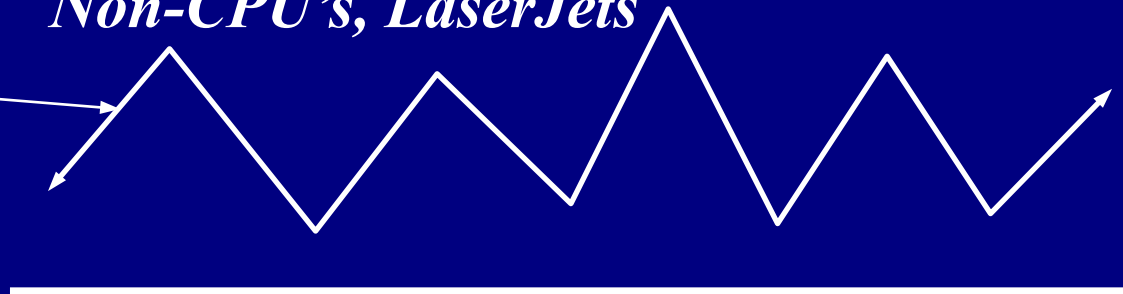
M/A Cost



IBM, CPQ, Hewlett Packard
Non-CPU's, LaserJets

Dealer
Market-Price

M/A Cost



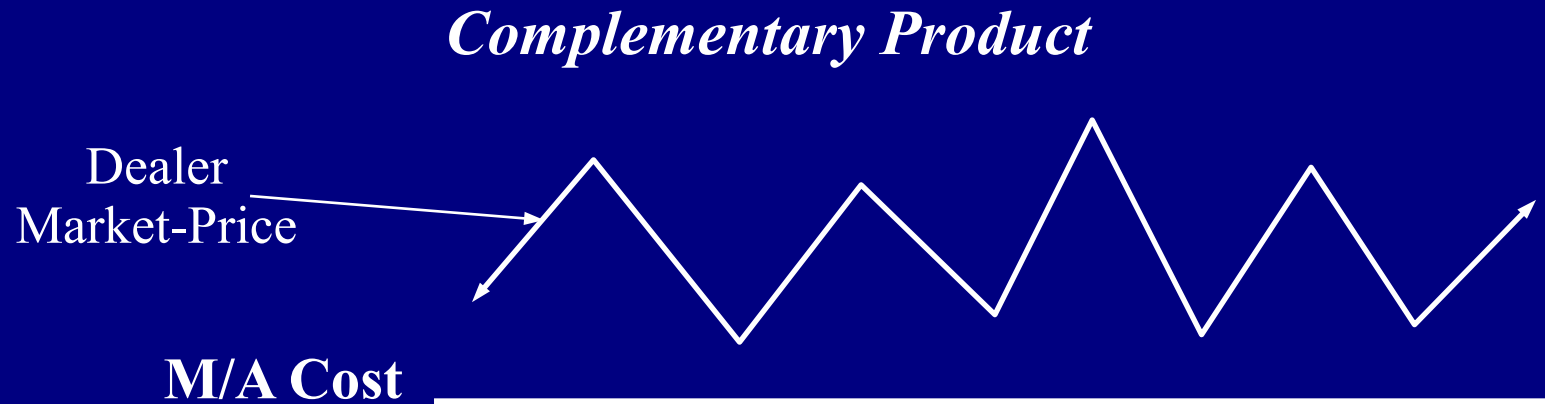
Apple

Dealer cost plus
or market less

M/A Cost



MCC Pricing - Circa 1995



Disadvantages:

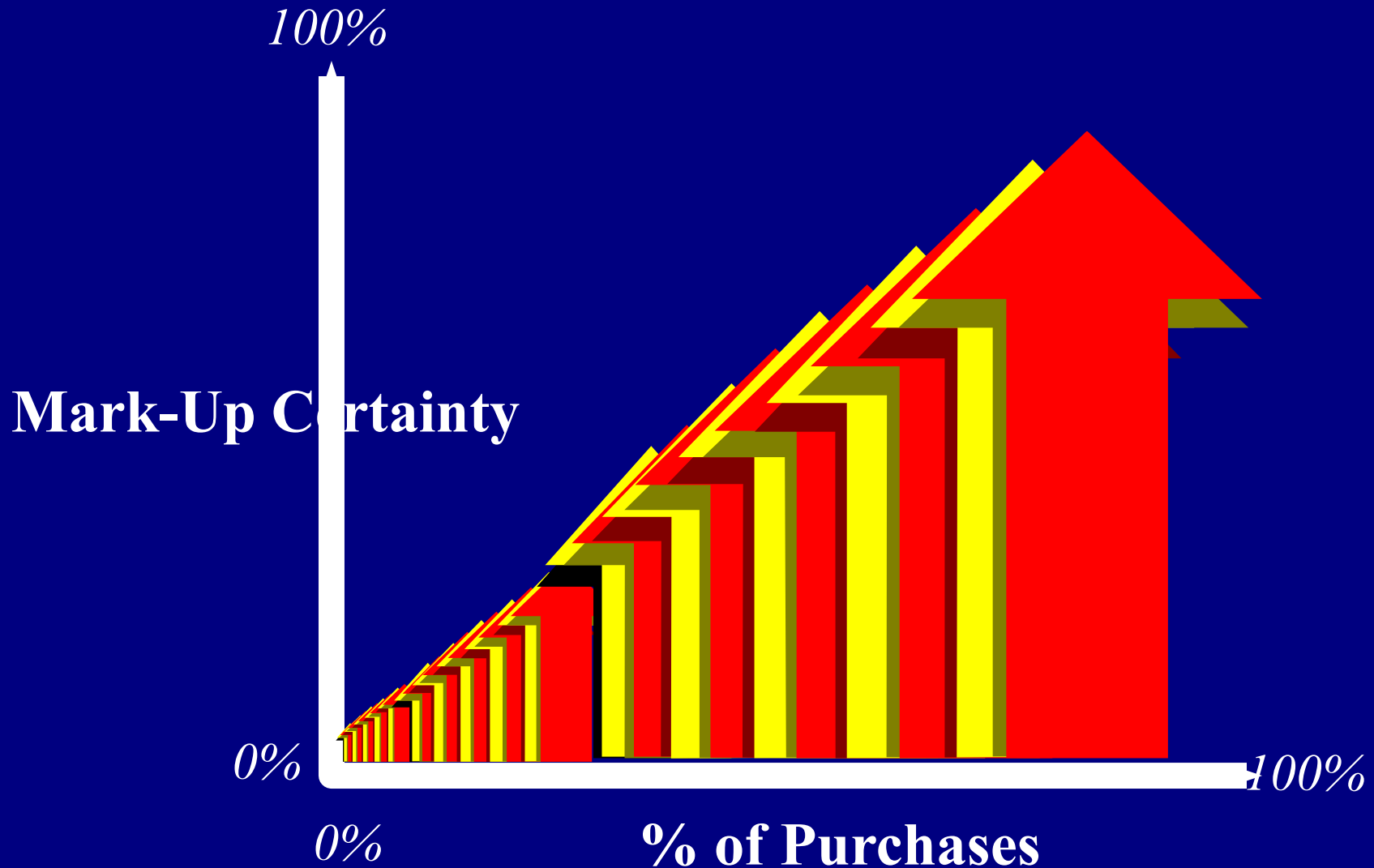
1. Confusing
2. Forces Partnering/Outsourcer and Primary Affiliator to price-shop
3. Dealer has limited certainty about price

MCC Pricing - The New Paradigm

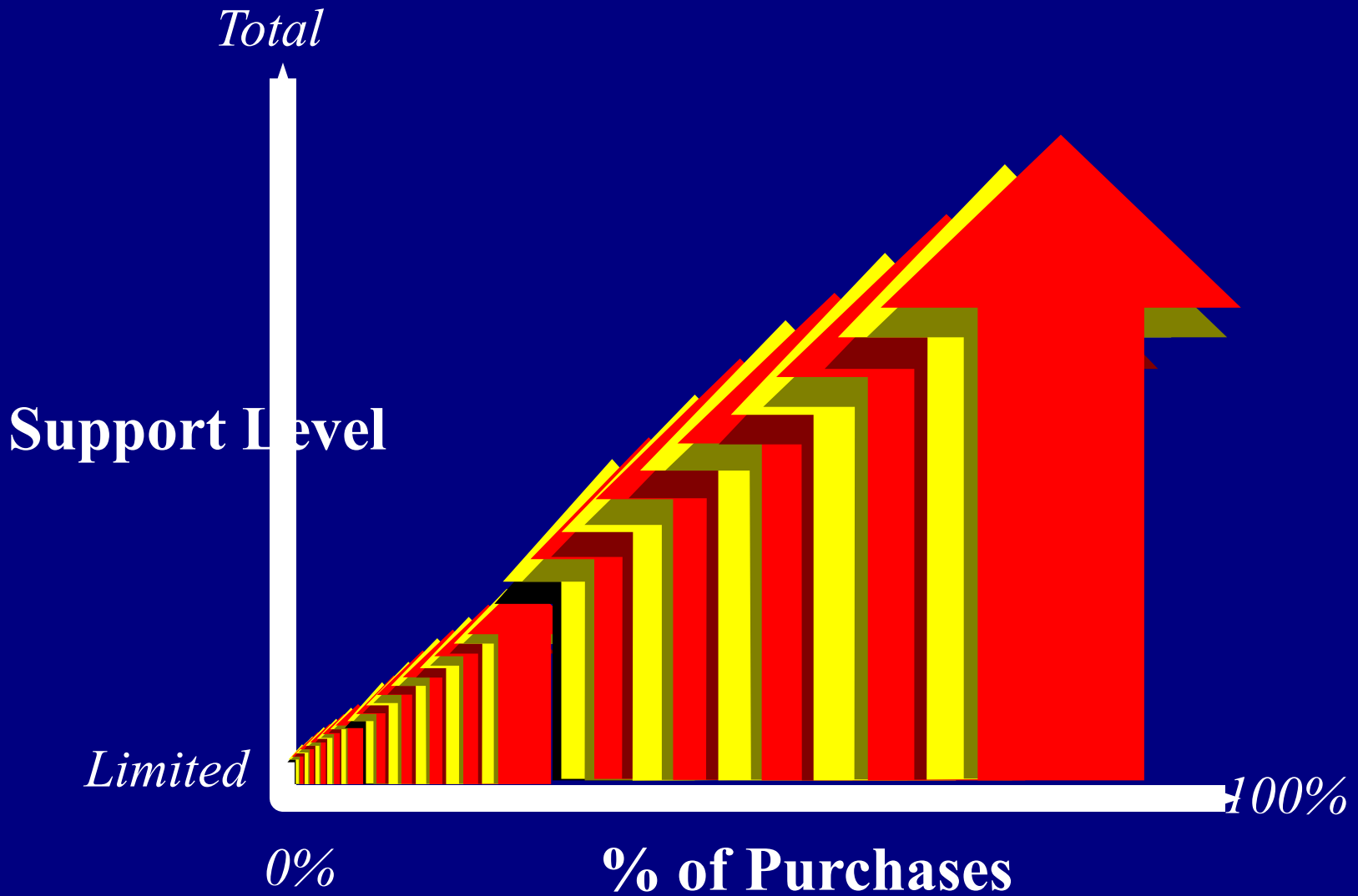
- Develop cost-plus pricing model for those dealers who buy everything from MicroAge
- Develop market pricing model for shoppers



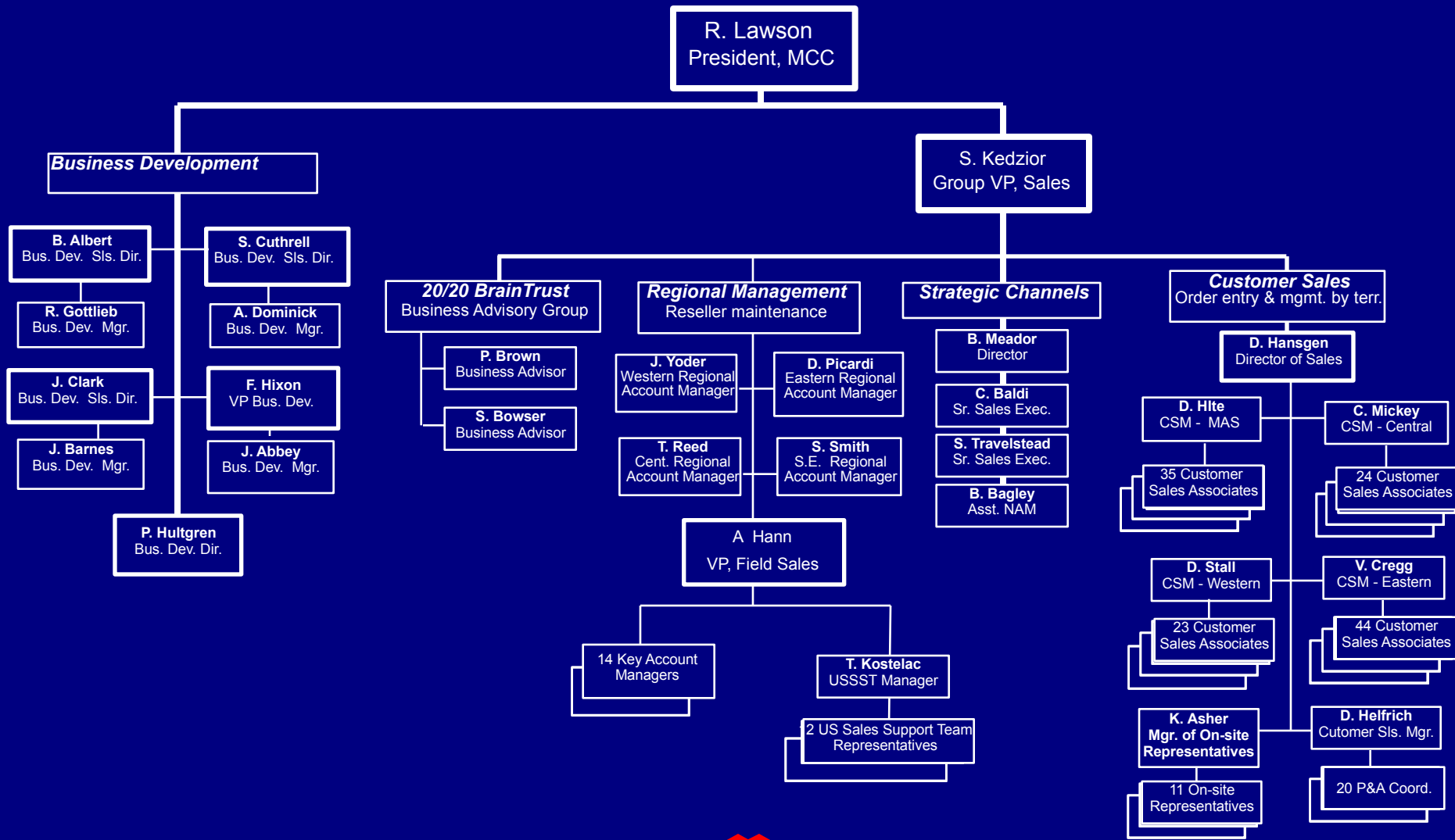
MCC Pricing Philosophy



MCC Support Philosophy



MCC Sales Force



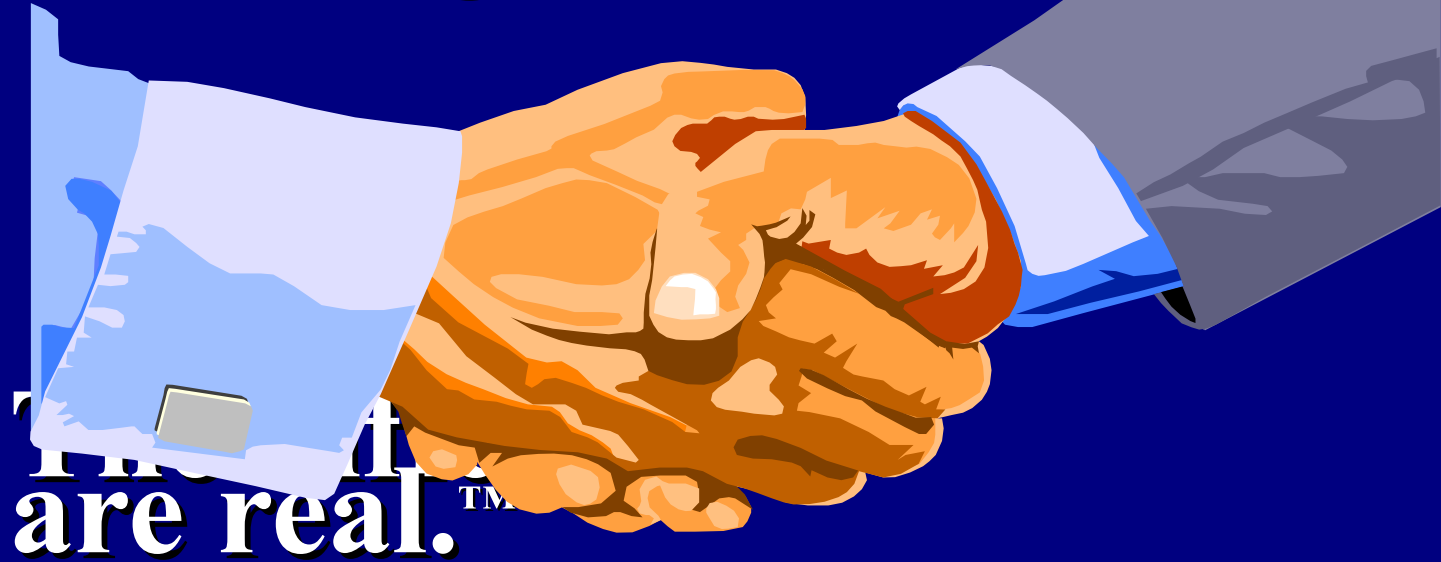
A Team of Champions

With our champion *Single Point of Contact* philosophy we serve our accounts better because we work harder to develop and maintain strong relationships with each and every one.



July 1, 1995

MicroAge...



...
are real.™



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