



Times

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June/July 1981

Step Up And Claim Your Computer...

Our Loan-To-Own program gives every one of us the chance to use and enjoy – and eventually to keep, free of charge – an Apple. Apple is the only company anywhere to have such a program.

"We want as many Apple employees as possible to use, profit from, and enjoy our product," says President Mike Markkula. "And we gain a lot of useful feedback on equipment and software performance."

Since systems became available in late April, more than 250 Apple employees have received them. To participate, you must meet the program's employment and software skill requirements (see inside, page 5).

"We're prepared to give every employee a system," reports Sunnyvale Support Center

Manager Steve Acers. "As long as we keep up with growing customer demand, we'll have systems ready for all new Loan-To-Own applicants."

In order to qualify for our Loan-To-Own program, you must be able to use one or more functional programs, such as Apple Writer or Apple Plot.

Every Apple facility around the world either does now or soon will offer classes designed to help you learn the qualifying programs. Because classes are popular, you must sign up well in advance.

At the Dallas manufacturing facility, knowledgeable employees have been donating their time, teaching classes after work. The first classes were full within an hour after the sign-up sheets

were posted, reports Mary Williams in the Dallas personnel office.

Self-paced instruction packages will also be available at all locations. Students will be able to work at their own pace, flipping through stand-up binders. So far, the Training Department has prepared binders for "Meet Your Apple" and "Introduction to Financial Modeling."

"When we know which programs most managers want, we'll expand our offering," says Training Director Joe Shepela. "Many employees find that self-paced, hands-on training is faster and easier than a formal class."

Many locations also offer loaner systems, so you can learn software and earn your Loan-To-Own system

at home.

The first participating employees report that they are already enjoying the benefits of having a personal computer. "When I got my system, one of the first things I did was my taxes," says Bryan Gordon of CAD Services. "I had already put my returns on file and edited them, so I saved myself a lot of time and trouble!"

Home systems improve productivity, too. "Now I don't have to cart home my office system when I work at home," explains Kathy Krueger of the Peripherals Finance Department. "And at home I have time to study the manuals and really learn how to use the Apple!"



...And Join The Fourth Wave



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Apple Expo Was The Hit Of The Season



APPLE'S OWN DISPLAY BOOTH drew a large crowd at the Expo trade show, which featured more than 30 vendors of Apple-related products and services.



LIGHT-WEIGHT HEADPHONES allowed guests at the Apple Pic seminars to hear their own speakers without interference from adjacent meetings.

A P P L E

Times

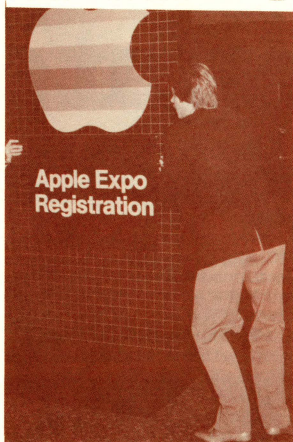
The Apple Times is published bi-monthly, by and for the employees of Apple Computer Inc.

Our staff is growing steadily, but we still need volunteers from all of our many locations. You don't have to be a writer to help out. We especially need people to let us know what's going on in the various departments and facilities, so we can address the interests of people throughout the company.

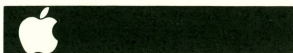
If you have an idea for an article or a column - or if you would like to write a story - contact Sue Luttner at (408) 996-1010, ext. 2110.

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RESOURCEFUL EXPO ORGANIZERS managed to hold general admission day in New York City, despite a fire adjacent to the Statler Hotel. The opening was delayed for a half hour while registration tables were moved away from smoke and water.



The Money Keeps Rolling In

Apple finished the second fiscal quarter of 1981 with sales and net income 3.3 times greater than second quarter 1980 results. We more than doubled our research and development expenditures and significantly increased our marketing budget for the quarter.

The second quarter performance produced a record profit participation pool of \$497,000. Profit sharing checks for the quarter amounted to about 13 percent of each eligible employee's quarterly pay, or 1.7 times a weekly paycheck.

Sales for the second quarter of 1981 rose to \$78.8 million from \$23.6 million in 1980. Net income was \$9.2 million, and earnings per share (net income divided by the number of shares of common stock outstanding) were \$.16, compared with \$.23 million and \$.06 in 1980.

We are planning to expand the Carrollton, Texas, manufacturing facility by 180,000 square feet during the next year. We will also add 40,000 square feet to our plant in County Cork, Ireland, this month, and we will open a 75,000-square-foot manufacturing facility in Singapore next month. 🍏

The Word Is Out

Volunteers with our Speakers Bureau will have an opportunity to polish their presentation skills in a public speaking workshop early this summer. Bureau coordinator Mary Ann Cole suggests that new volunteers contact her soon so they can take advantage of the training before meeting the public.

The Speakers Bureau is open to anyone who is willing to talk with the public about our company and its products. Mary Ann says she receives about a dozen requests a month from schools, clubs, and business groups asking for demonstrations or short talks. She tries to match the requests with the interests and specialties of the volunteers.

Mary Ann stresses that volunteers do not have to be technical people or computer experts. In fact, she says, nontechnical groups often prefer to hear the story of Apple from people more like themselves. "Especially if you usually spend all day sitting at your desk, the

Speakers Bureau is a good chance to get out and try something different," she adds. Mary Ann needs volunteers at all U.S. Apple locations, because speaking requests come from all over the country.

Karen Hostetler, a volunteer from Treasury, says she was skeptical of her abilities as a public speaker when she first joined the bureau. But, she says, she found her presentation to the Financial Managers Association this spring surprisingly easy. "The audience and I both enjoyed it," she reports. "They were interested in what I had to say, and they asked a lot of good questions."

Marketing Services has equipment and a large collection of slides available to members of the Speakers Bureau. The upcoming workshops will help novice speakers with questions of content, style, and technique. For more information, contact Mary Ann Cole at (408) 996-1010, ext. 2116. 🍏



Apple Shines At NCC



THE IEEE-488 INTERFACE CARD, a new product shown at NCC in Chicago, was demonstrated by Apple II Product Marketing Manager Mike Connor. The configuration used in the NCC demo - in which the card controlled a spectrum analyzer and a plotter - was also used to measure and analyze Apple II radio frequency emissions for the FCC.



CHARLIE KELLNER demonstrated the alphaSyntauri™ keyboard to music-loving crowds at NCC. Charlie, an Apple programmer, designed the hardware and wrote the software for the keyboard, which drives a music synthesizer through an Apple II Plus. ™alphaSyntauri is a trademark of Syntauri Corp.



MAIL LIST MANAGER allows Apple III users to maintain a mailing list tailored to their specific requirements. Product Manager John Santeler demonstrated Mail List Manager, which he describes as powerful, flexible, and simple to use.



Apple Pluses (The Benefits Of Working At Apple)

As an Apple employee, you are eligible for a number of unique benefits – such as the Loan-To-Own and Equipment Purchase programs – as well as an unusually generous set of insurance, profit sharing, and vacation benefits. The specific programs described here are the policies in the United States. Details vary according to local laws and customs in Europe and Canada. All programs are under regular review.

Purchase Program:

Apple offers all employees discounts on computer equipment and software. You may purchase one system at a 70% "personal use" discount, unless you prefer to participate in the Loan-To-Own program described below. You may also purchase up to two systems per year at a 30% discount for family and close friends. Other Apple products are available at the same discounts.

Loan-To-Own:

If you do not take advantage of the personal use discount, you may borrow a system for home use under the Loan-To-Own program. After one year, you automatically own the equipment.

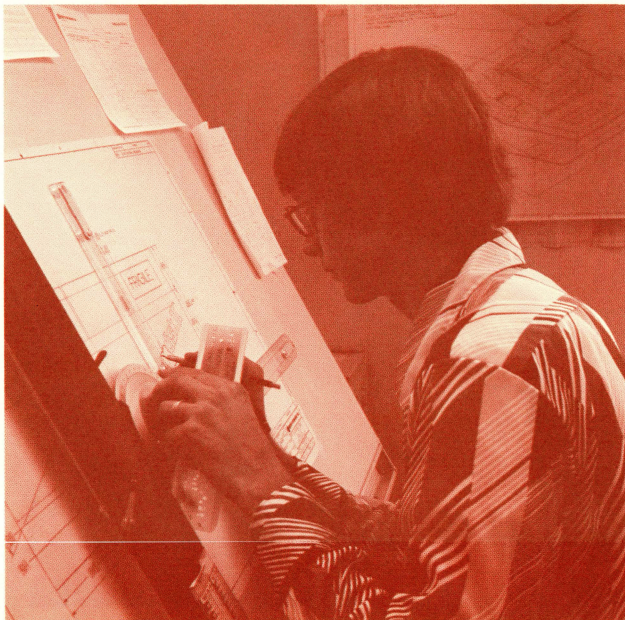
"This concept has been with us since the beginning... Our policy is to share the rewards and the profits of the company with the employees who are making it happen?"

– Executive Vice President Ken Zerbe, discussing the Employee Stock Purchase and Profit Sharing programs

Profit Sharing:

Apple's Profit Sharing Plan distributes a share of each fiscal quarter's profits among employees, if the company exceeds a 15% pretax profit margin during the quarter. You become eligible to join the program after you have worked two full fiscal quarters at Apple; your first possible payment would come after the third quarter.* Your share is proportional to your salary's percentage of the total salaries of all the people participating in the program. Officers and directors of the corporation are excluded from the profit sharing pool. The size of the payment varies, depending on our performance during each quarter. For the third quarter of 1980, for example, no profit sharing payments were distributed; for the first quarter of 1981, each eligible employee received a payment equal to about two weeks of take-home pay.

*Beginning July 1, 1981, profit sharing eligibility will begin immediately after six months of employment.



Continuing Education:

After six months of full-time employment, you are eligible for reimbursement of tuition and textbook costs for work-related courses approved by your manager and your personnel liaison. Two courses per semester/quarter may be reimbursed; reimbursement is prorated, based on your grade in the class. You must receive at least a C or equivalent grade in an undergraduate or lower level course, at least a B in a graduate level course. Reimbursement is made after completion of the course.

EAC Credit Union:

Apple is affiliated with the EAC Credit Union, which offers Apple employees a payroll deduction savings program, various types of loans, and a legal consultation service.

Recreational Discounts:

Discount cards are available in the Human Resources Department for recreational facilities near Apple's home offices and throughout the United States.

Car Rentals:

Discounts on car rentals are available throughout the world from U.S. car companies.

Legal Services:

EAC has arranged with a major law firm to provide Apple employees with legal consultation services for any legal questions. The initial interview is free, and reduced rates are available for subsequent consultations about the same problem.

Stock Purchase Program:

Apple common stock is made available for purchase by employees every six months, at a cost equal to 85% of its fair market value on the first or last day of the period, whichever is lower. (Fair market value is the average of the low and high bids received for stock on a given day.) You may join the plan by filing a "subscription agreement" prior to the start of an offering period. The agreement will authorize payroll deductions of up to 10% of your salary for the purchase of Apple stock. You're free to withdraw at any time prior to the end of the offering period, and your money will be refunded.

Medical:

Permanent employees working 30 or more hours per week receive free medical coverage. Dependent coverage is also available at \$3.65 per week. Coverage begins on your first day of work at Apple.

Some basic medical charges are covered at 100% without a deductible, including \$200 per calendar year towards diagnostic x-ray and laboratory expenses and \$125 per year for employee physical examinations.

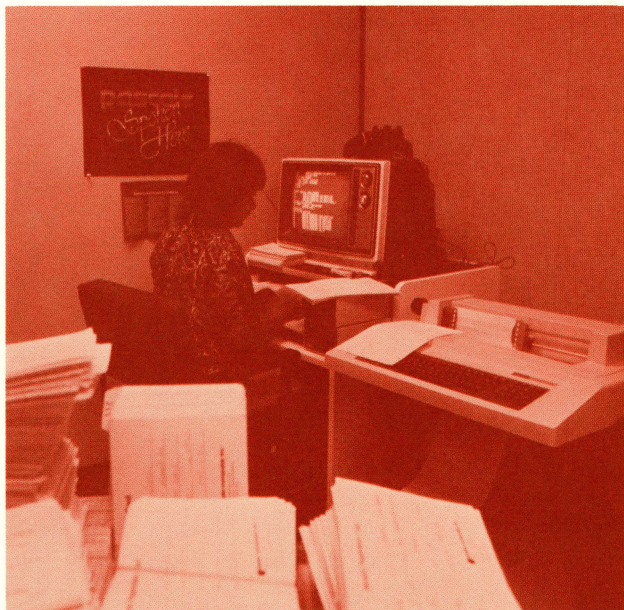
Hospital semi-private room charges up to \$5000 are paid in full, with additional charges covered under Major Medical.

Your insurance pays for unlimited prescriptions at participating pharmacies, with a \$2 deductible per prescription. You can get a list of participating pharmacies from the benefits coordinator in the Human Resources Department.

(continued on page 4)

"We have the most incredible collection of people that I have ever seen. And they're working very, very hard!"

– Chairman of the Board Steve Jobs





Apple Pluses (The Benefits Of Working At Apple)

For additional Major Medical expenses, insurance will cover 80% of the first \$2000, then 100% of any excess expense for the balance of the calendar year. There is a \$50 deductible per calendar year (\$150 per family), and a \$50,000 maximum benefit for mental or nervous disorders.

Health Maintenance Organizations:

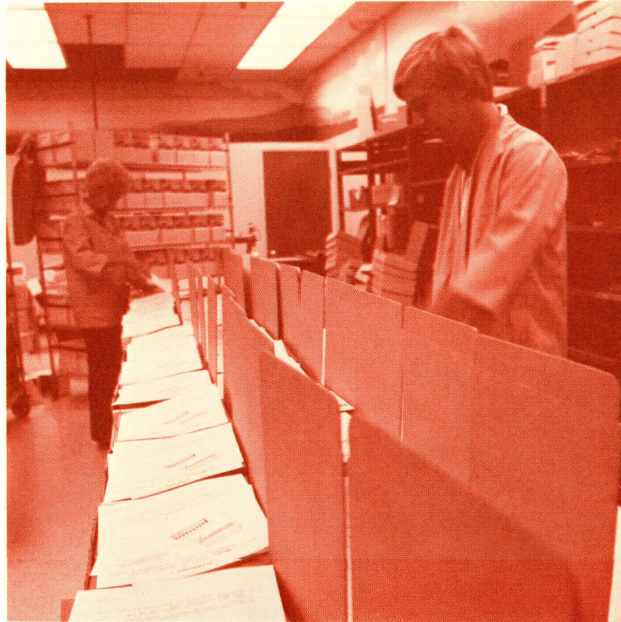
Health Maintenance Organizations (HMOs) are prepaid health programs, which usually charge higher monthly premiums but lower fees for health services. Some Apple locations offer them as alternative health care programs. You may enroll in one of these programs, where provided, if you work at least 30 hours per week.

Dental:

Coverage is divided into four types, each with a different payment schedule:

- preventive charges are covered at 100%, with no deductible;
- basic charges – including fillings, oral surgery, root canal work, and gum treatments – are covered at 80%;
- major charges – including gold inlays, crowns, installation and adjustment of dentures, and bridgework – are covered at 50%;
- orthodontic charges are covered at 50%, with a \$1000 lifetime maximum benefit.

Dental expenses carry a \$25 deductible per calendar year (\$75 family maximum), with a maximum benefit of \$2000 per calendar year.



Vision Care Plan:

This plan pays the costs specified on its payment schedule for most eye care services. A list of ophthalmologists and dispensing opticians who will accept these amounts as full payment is available in the Human Resources Department.

Life Insurance and Accidental Death:

If you earn \$1200 or more per month, you will be covered at a rate of twice your annual

earnings, rounded to the next highest \$1000, to a maximum of \$200,000. If you earn less than \$1200 per month, your coverage amount equals your annual earnings rounded to the next highest \$1000. Dependents are automatically covered at \$1000 if you sign up for dependent medical coverage.

Disability:

Short-term disability benefits provide 60% of your weekly base salary, to a maximum of \$154 per week for up to 39 weeks. Long-term disability coverage provides income replacement for 66-2/3% of your monthly earnings, to a maximum of \$2500 per month.

Sick Leave:

Employees accumulate one day of sick leave per month, to a maximum of 20 days. Full-time employees are eligible for sick leave immediately. Part-time employees receive prorated sick leave, and cannot take sick leave until they have worked at Apple six months.

Baby Bonus:

To help defray the expense of having and caring for a baby, Apple will pay you a \$500 bonus upon the birth of a new child.

Holidays and Vacation:

Permanent employees working at least 20 hours per week receive paid time off for seven legal holidays, plus the day after Thanksgiving and the week between Christmas and New Year's. Vacation days are accumulated at the rate of one day per month of employment, up to a maximum of 30 days. You can take vacation after six months of work at Apple.

"We just released the second fiscal quarter's financial results: \$78.8 million. That's over \$300 million per year annualized! Now look at the other companies doing around \$300 million. They all have many times the number of people that we do. Therein lies the key to sustaining our Apple culture. If we continue to recruit and retain the very best people and keep the productivity very, very high, we will be able to spend time with everyone. Couch calls it 'management by walking around!' I call it common sense"

– Chairman of the Board
Steve Jobs
(April, 1981)



Second Employee Stock Plan

When the current offering period under the Employee Stock Purchase Plan ends on June 12, nearly a thousand of us will own slices of the Apple pie.

The second offering period available to employees every six months at 85 percent of its fair market value on either the first or the last day of the period, whichever is lower. (Fair market value is the average of the low and high bids received for the stock on a given day.)

The second offering period will run from June 27, 1981 to December 25, 1981. You may allocate up to 10 percent of your total compensation for stock purchase.

Subscription agreement forms for the second offering period, distributed in early June, are due in Payroll by June 23. The form authorizes weekly paycheck deductions, which will be applied to the purchase of stock at the end of the offering period.



A Talk With Ann Bowers

Vice President for Human Resources Ann Bowers joined Apple in July, 1980. She has been charged with the responsibility of integrating and upgrading our benefits package – a challenging job during a year when the number of employees more than doubled, and 22 new locations were opened in the U.S. and Europe.

How competitive are our benefits with those of other companies?

In keeping with our status as a fast-growing, hard-driving company, we are committed to providing an aggressively competitive compensation package. We have pulled together an unusually generous set of “standard” benefits – like health and dental insurance – as well as some extraordinary programs that just wouldn’t happen anywhere else.

Apple prides itself on being a creative company, and that attitude has helped us design some unique programs. For example, we wanted to give each employee a real opportunity to use and understand our product. That commitment gave us a chance to make a creative marriage of philosophy and policy, in the form of the Loan-To-Own program.

What’s the philosophy behind our benefits package?

There are several parts of the package, which I think need to be dealt with separately.

First, the profit sharing and stock purchase plans are designed to encourage every employee’s participation in the productivity of the company as a whole.

Having both of these programs in a company this young is very unusual, but we want everyone to be aware of and concerned with how we are doing. And when we do well, we want everyone to enjoy a piece of the action, above and beyond his or her normal salary.

The catastrophic coverage programs – such as health and accidental death insurance – are necessary because catastrophes do happen. I think we have a very good package now, and we will continue to offer new benefits as the field evolves.

Within the limits of practicalities and legalities, our goal is to offer people choices whenever possible. A step in that direction was to offer the Kaiser and HMO health plan options. Not everyone is interested in these programs, but some people wanted them, so we offered the choice. Similarly, we are trying to come up with a program that will let people invest their profit-sharing payments into a deferred-tax fund of some sort, because some people have asked for that option.

Our holiday and vacation benefits tend to run well ahead of industry norms. We do want

people to take their vacations, because it’s better for everybody if employees take some time off when they need it. We will be reviewing the policies continually to see if there’s anything creative we can do with them.

How about employee development?

What we’re looking at right now – and asking each manager to help us with – is defining the skill needs in each group and providing the necessary training. For example, if you are a good engineer, but you have trouble planning your time, that’s a training need that we can take care of.



Right now we have a pilot program for training technicians in the Peripherals group, and we’re just releasing our first assembly skills program in Dallas. We’re also starting a series of time management workshops for area associates. The overall thrust of our programs right now is productivity. We want to teach people the skills they need to use their time and tools more effectively.

What channels are available for employee input into personnel policies?

Talking with your manager and your personnel liaison is the best way for you to share your ideas. We are looking for ideas all the time – and they bubble up from the most amazing places. We are very interested in hearing from folks about the kinds of problems they are having, because then we can look for solutions.



CPR Classes Open To All

The safety officers at the Northern California and Carrollton, Texas, facilities are organizing CPR (Cardiopulmonary Resuscitation) and first aid classes, open to all employees who want to learn emergency aid skills.

For information on scheduling, contact Tom Kearney in the Bay Area, (408) 996-1010, ext. 8464, or Charlie Brown in Texas, (214) 245-9330, ext. 217.

Apple Loan-To-Own Qualifications & Procedures

Qualifications

If you’ve been a permanent, full-time Apple employee for 60 days and have never bought a system at the 70 percent employee discount, you may qualify for Loan-To-Own by either:

1. Learning to use any two of these programs:
Apple Writer
Apple Plot
File Cabinet
Controller
Desktop PLAN™
VisiCalc™
Pascal Text Editor
Tax Planner
or
2. Learning to use one of the above programs and writing one of your own.

Self-paced instruction packages and in-house training classes are available to help you prepare for the qualifying tests.

Procedures

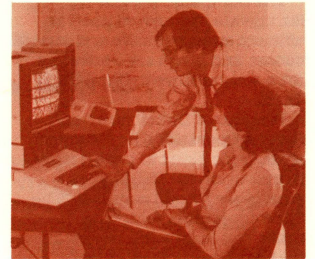
Once you have mastered the necessary skills, you should demonstrate your proficiency and have your Loan-To-Own Authorization Form approved first by a manager, designated site expert, or member of the Training Department, then by a director or vice president.

Then forward a COPY of your approved Authorization Form to your Company Store or nearest Regional Support Center. Employees must pick up their own systems.

If you are not near a Company Store or Support Center, mail your Authorization Form original to the nearest Support Center, keeping a copy for your files. They will ship the system to you.

What You Get

Each Loan-To-Own system includes a 48K Apple II Plus, a



PRODUCT TRAINING CLASSES were popular at the Northeast Area Sales and Distribution office even before the Loan-To-Own program. Sales Manager Robert Washburn tutors Customer Service Specialist Vivian Goguen in Apple Writer.

Disk II drive with controller, and a 9- or 12-inch, black-and-white monitor.

Under the Employee Purchase program, you may buy additional peripherals for your Loan-To-Own system at a 70 percent discount, although you may not purchase a second system at that discount. You may still buy two systems a year for family and friends at a 30 percent discount.

If you’ve already bought a system at the once-only “personal use” discount, or participated in the Engineering Systems program, you aren’t eligible for the Loan-To-Own program unless you donate your current system to a nonprofit organization. Loan-To-Own systems are on loan for your own use and must not be sold during the loan period.

The system is yours – with the compliments of Apple – one year from your Authorization Form approval date. If you leave Apple during the loan period, you may either buy the system at the employee discount or return it.

™Trademarks of Personal Software Inc.



THE FIRST LOAN-TO-OWN SYSTEM was loaned to Jan McCormick, an area associate in the Manufacturing Division.

Company Store Slated For Expansion To Dallas

The Company Store in Sunnyvale has proved itself an efficient employee sales and service center, and plans are underway for a second store in Carrollton, Texas.

Director of Distribution and Service Operations Roy Weaver says Apple plans to have a store in operation for Dallas-area employees by mid summer. "The Carrollton manufacturing operation is growing so rapidly that we already have enough employees there to justify a store," he says.

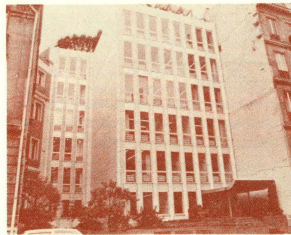
The original Company Store in Sunnyvale opened last October, and sells Apple systems and software at discounts to employees.

"The Company Store was conceived as a way to meet the demands of the long-standing Employee Purchase plan," explains Sunnyvale store manager Kathleen McEnroe. "And now with the Loan-To-Own program in full swing, our customer base is growing daily."

Employees at Apple facilities outside of the Santa Clara Valley and the Dallas area can also take advantage of reduced prices for employees by ordering directly from Apple. Contact your nearest Distribution Center for pricing information and order forms. — KM



STORE COORDINATOR Kathleen McEnroe estimates that The Company Store in Sunnyvale distributes \$200,000 worth of equipment and programs each month. Her biggest problem is keeping the necessary inventory on hand in the 300-square-foot store.



PARIS OFFICES opened in early March as Apple's European marketing and sales headquarters.



Have We Got A Deal For You!

To thank us for our help at the National Computer Conference in Chicago last month, Syntauri Corp. is making a one-month offer to all Apple employees: with this coupon you may order one alphaSyntauri™ keyboard music synthesizer and software at a special discounted price of \$1075, plus tax and shipping. (Suggested retail price is \$1424.)

To use this instrument, you need an Apple II or II Plus, one Disk II drive with controller, a video monitor, game paddles, both Integer and Applesoft BASIC, a Mountain Computer MusicSystem interface, a stereo amplifier, and speakers.

To purchase a system at this discount, mail this coupon, with your name, employee number, and deposit or payment, by July 17, 1981, to:

Syntauri Corp.
3506 Waverly
Palo Alto, CA 94306
attention: Lenore Wolgelenter, Dept. 17

You may either prepay the entire amount or send a \$100 deposit with your order. The keyboard will be shipped to you within 3 weeks by United Parcel Service, C.O.D. The balance must be paid upon delivery.

For more information, write to Syntauri Corp., or call them at (415) 494-1017.

They Loved Apple III At Expo

The Apple III passed a major test at Apple Expo.

"A lot of dealers were skeptical at first," admits Apple III Product Manager Steve Bareilles. "We had to convince them that our problems with the III were behind us."

The Apple III had been delayed several months by various problems, including ICs shaken loose during shipment and defective clock/calendar chips.

Citing improved delivery and operation records, Bareilles, Barry Yarkoni, and John Santeler went before the dealers to spell out the details of the III's enhanced performance. But the Apple III itself gave the most convincing demonstration. "We took 26 Apple IIIs off the line with us to Expo," explains Bareilles. "They worked right out of the box!"

A hands-on Apple III workshop ran at all the Expos, giving dealers and the public first-hand experience on the computer. In addition, the Apple III team introduced the new Mail List



Doggone

Tired of getting up to let the dog out in the middle of the night? Bob Carroll, one of our sales reps based in Charlotte, North Carolina, has come up with a creative way to bring some of the joy back to puppy ownership.

After Bob got his Pomeranian pup, Bridgette, he was losing a lot of sleep to the houstraining ritual. So, after some brainstorming with his users group, Applications, he designed what he's sure must be the world's first computerized dog door.

"I installed a Mountain Computer Apple Clock™ in slot 3 of my Apple II. Then I programmed the computer to send a signal to a switch device that powered a motor that opened the back door for 2½ to 3 seconds to let Bridgette out at exactly 2 a.m. The door opened again at exactly 2:15 to let her back in," explains Bob.

Bob admits his device was not an immediate success. Although the dog took to the system readily, his door frame suffered from the first few slams by the electric motor. But after some mechanical adjustments, Bob had both a dog door and a superb security system. Now, he says, once the door is shut and the timer set for Bridgette's escape, nothing short of a Sherman tank can force the door open! — GN

Manager software, and announced plans to introduce an IEEE-488 card, a serial card, and a universal parallel interface card by the end of the year. "Dealers were particularly impressed with Mail List Manager," says Bareilles. "They felt its flexible formatting and sorting capabilities put it ahead of other mailing list programs." Several Apple Expo vendors told the Apple III crew that they are planning to release their own Apple III software packages and peripherals this year.

The reaction at Expo was perhaps best summed up by one dealer who said: "My customers have been asking for the Apple III — I think you've turned the corner on it." — TD



Service Network Branches Out

Until last month, Marketing Applications in Cupertino fielded virtually all dealer support telephone calls, as well as a steady stream of calls from users, software authors, and hardware designers. Typically, only two out of ten inquiries related to the original purpose of the Marketing Applications group — technical support for dealers.

At its own request, Marketing Applications is now off the hook.

Our expanded Regional Service Center Network is now in full-scale operation, with new centers in Charlotte, N.C.; Boston, Mass.; Irvine, Calif.; and Don Mills, Ontario, Canada. There are now seven regional centers, including locations in Carrollton, Tex.; Sunnyvale, Calif.; and Zeist, Netherlands.

Apple dealerships certified as Level I Service Centers are equipped to diagnose most hardware and software problems. The purpose of the regional, or Level II, centers is to provide dealers and users with advice for advanced troubleshooting.

The new structure is intended to encourage Apple owners to consult their dealers — not Apple — for advice. "The last time your car broke down, did you call Detroit? Germany? Japan? Or did you call your dealer?" asks Marketing Applications Manager Jim Hoyt. "The dealer is the best and most accessible technical resource." —