APPLE COMPUTER INC.
Preliminary Confidential
Offering Memorandum

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APPLE COMPUTER INC.

Preliminary Confidential
Offering Memorandum

150,000 shares of Common Stock at $
per share with a par value of $0.00 per share

The information contained herein is deemed confidential by the company, has not been released publicly and is disclosed for the sole purpose of evaluation by a potential purchaser of the company's Common Stock. Any estimates or projections as to events that may occur in the future (including projections of income, expense and net income) are based upon the best judgment of company management as of the date of this prospectus. Whether or not such estimates or projections may be achieved will depend upon the company achieving its over-all business objectives, including availability of funds resulting from the sale of the shares offered herein.

The shares are offered to a limited number of individuals qualified as sophisticated investors, and as a private placement without registration under the Securities Act of 1933 in reliance upon specific exemptions under that act relating to transactions not involving a public offering or solicitation. Transfer of the shares is subject to all of the requirements of the Federal and California Securities Act.

THE SALE OF THE SHARES WHICH ARE THE SUBJECT OF THIS OFFERING HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA. THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL. THE RIGHTS OF ANY PARTY TO THIS OFFERING ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED. THE COMMISSIONER OF CORPORATIONS DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF THESE SECURITIES.

SUMMARY OF PROPOSED OFFERING

Number of Shares Offered

The maximum number of shares offered will be 150,000 shares at $ per share with maximum proceeds to the company of $ Apple retains the option to close the offering at 100,000 shares at $ per share with proceeds of $

Risk Factors

Operating History: Apple Computer Inc. is a new company which has not established a long history of operation upon which to base opinions of accuracy of forecasts, financial projections or operations efficiency.

Manufacturing: Apple has experienced extreme difficulty in obtaining its custom injection molded cases. There is no assurance that this problem will be solved through establishing additional sources of supply.

Cash Flow vs Rapid Growth: Apple management expects that rapid growth and potential market fluctuations may present severe cash flow management difficulties.

Management: Apple Computers' Management team is young and relatively in-experienced in the high volume consumer electronics business.

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INTRODUCTION AND SUMMARY

Apple Computer Inc. began as Apple Computer Co., a partnership, in January of 1976. The company was operated from Los Altos, California, supplying Apple I, a single board hobby computer, until January of 1977. Apple I was successfully accepted among the then embryonic computer hobbyist community and several hundred systems were sold. During the latter part of 1976 it became evident to the two founders that a much larger and more profitable market would come into existence as small computers moved from the hobby market into the home (consumer) market. By January of 1977, a third member was identified who also supplied $250,000.00 initial financial backing, and the company was incorporated; a second, more consumer oriented product, Apple II, was defined, and production and marketing plans were laid for 1977.

Shipments of Apple II began in late May. By the end of September, cumulative revenues were $756,391 with a net retained earnings of $48,882 . Three new mainframe products and new peripherals had been defined and scheduled for introduction from October '77 to June '79, over 180 authorized dealer locations had been signed up and stocked, and a separate European distribution company, Eurapple, had been structured and staffed.

The current business plan indicates the company's revenues for fiscal 78 will be in excess of 13 million with earnings of 2 million. Capital needs will be approximately 3 million* which the company intends to raise from a combination of equity financing, profits, and long term debt.

PRODUCT AND MARKETING PLANS

THE MARKET:

The Personal Computer Market is defined to include all computers, related peripherals and software to be sold for non-business uses. Non-business uses are defined as uses not specifically economically justified in a strictly business environment, e.g. a computer sold specifically to keep inventory and financials for a one owner hardware store would be defined here as a business use. A computer sold to a doctor for use at home to maintain and update a personal diagnostics data base which he may or may not use, promote, charge for in his practice is defined as part of the personal computer market.

* Note: An additional 2 million will be needed by 2nd quarter FY 79 to pay deferred '78 income taxes.

The market for Apple's products is young, growing rapidly (approximately 250%/yr), diverse in character, highly dependent on new technology, and subject to the whims of the general consumer. It is generally true that new technology is applied in the consumer market long after it has been developed and used in the military or industrial/commercial markets. Such is the case with computer technology.

The average consumer today is aware of the benefits and problems that extensive use of computers has brought to the business world, but has very little concept of the functions he can perform or the resultant benefits to be obtained from operating his own, personal, home computer. Some of these benefits are listed below:

personal pleasure and enjoyment
increased variety of entertainment
time saved
money saved
better financial decisions
increased leisure time
complete security of personal information
elimination of wasted paper, energy and storage space
increased personal comfort
improved standard of living
increased learning efficiency
increased knowledge of computers and related technology
protection from fire, theft, and personal injury
non-verbal communications ability
reduced pollution

The following table provides a perspective of the relative size of the personal computer market as compared to other consumer oriented electronic products. (See Table I)

Apples' overall strategy for attacking (developing?) this market is to simultaneously maintain a posture of both product and quality leadership.

As is the case with all new markets, the advantage of being first is immensely important, and may result in:

1. Large market share.... 35% long term.

2. Competition edge - competitors must copy and therefore lag in product availability and cost.

3. Greater ability to determine proper new product directions through more extension customer contact and feedback.

MARKET SIZE BY PRODUCT TYPE

Table II forecasts the personal computer market place segmented into mainframes and peripherals. Units, retail selling price and total dollars are included for both. The technique used to forecast the value of the peripherals market consists of estimating the aged dollar expenditure for existing and future products as a percentage of the original purchase price. For example, an average 1976 system such as an IMSAI 8080 will have approximately two times its purchase price spent for peripherals over the useful lifetime of the system. Apple management has estimated that this ratio will increase to 2.5 through 1985 and then begin decreasing again. This occurs because of the embryonic nature of the market and its expected rapid growth. Initially, large numbers of various peripherals will be developed and offered for sale as "add-on" items. As the market develops some of these devices will become standard items sold with every mainframe. As these "standard" items are determined, they will be incorporated into the mainframe, thereby, reducing the ratio of peripheral to mainframe dollars. In addition, as the market matures, we expect that several specific applications or groups of applications will become large enough segments of the market that systems specifically tailored to these segments will be offered, again incorporating various peripherals into the mainframe. Each of these factors was considered in estimating the ratios shown in Table III. Table IV shows the total peripheral sales for the personal computer market as estimated by Apple Computer Incorporated.

The personal computer market (non-business) may be segmented as follows:

Hobby Market - computer technology used on a personal basis in the home by a relatively sophisticated person who is capable of designing, constructing and programming his own equipment. This market began developing in 1975 as a result of the development of the single chip microprocessor.

Entertainment Market - The first truly large market ($\approx$ $500 million in 1978) is currently comprised of video games such as pong, hockey, etc. The application of microprocessor technology to this market provides the user with the ability to create his own games (both audio and video) and expand's the users horizon to creating computer color graphic displays and computer generated music. Apple expects to

participate only in the "top end" of the video games market and to be a dominant factor in the color graphics and music markets.

Programmable Personal Calculator Market - This market is comprised of the current users of products similar to the TI SR-52 and the HP 67/97 calculators. Apple estimates the market to be in excess of $100M in 1977. Our products offer increased capability and more care of use features than any of the portable products currently available. It is felt that Apple products although truly portable, are not sufficiently small in physical size to gain a dominant share of this business. We do not intend to expend a major effort to penetrate this business, but expect that the advantages of our product will capture the top end.

Educational Market - The institutional education market for computers is estimated at $150M annually today with essentially no participation (≈.6%) from small (less than $5000.00) systems. It is expected that governmental sluggishness will prevent an extremely rapid change over to small systems, resulting in a growth from about $1M in 1977 to approximately $35M in 1982.

Home Market - The major distinguishing characteristic of the true home computing market is the relative lack of technical, mathematical or scientifically related interest of the user. In addition, due to a general lack of knowledge of the benefits offered by the computer, most potential customers of 1980 do not have even the slightest desire to purchase one today. It will therefore be necessary to educate the market regarding the benefits derived from ownership. (See Page 2 for a partial list) It is forecasted that indeed, by 1985, a household using a computer will have significant advantages over one that doesn't. Some examples of these are:

1. Better financial decision and controls with complete privacy.

2. Better security from theft and fire.

3. Better environmental control with attendant energy cost savings.

4. More free time for any purpose, leisure or profit.

5. Better educational opportunity, especially for school-age family member.

6. Lower cost communications.

7. Immediate access to all family records, financial, medical, educational, etc.

8. Increased family interaction through the entertainment aspects of the machine.

The process required to develop this market will be expensive and time consuming. Simply communicating with 75 million households is an expensive proposition, let alone educating each one about the benefits of owning a computer. Apple's limited experience with existing products indicates that a minimum of two hours of one-on-one disucssion is needed to convince "Joe Average" that he needs a computer. Mass media such as radio, TV and consumer magazines will be employed to accomplish much of this "educational" goal.

Tables V and VI delineate the relative sizes of the five market segments as defined above; Figure 4 illustrates graphically the growth of each segment. Table V also projects Apple's market share of each segment.

Fig. 1
Market Forecast
Main Frames

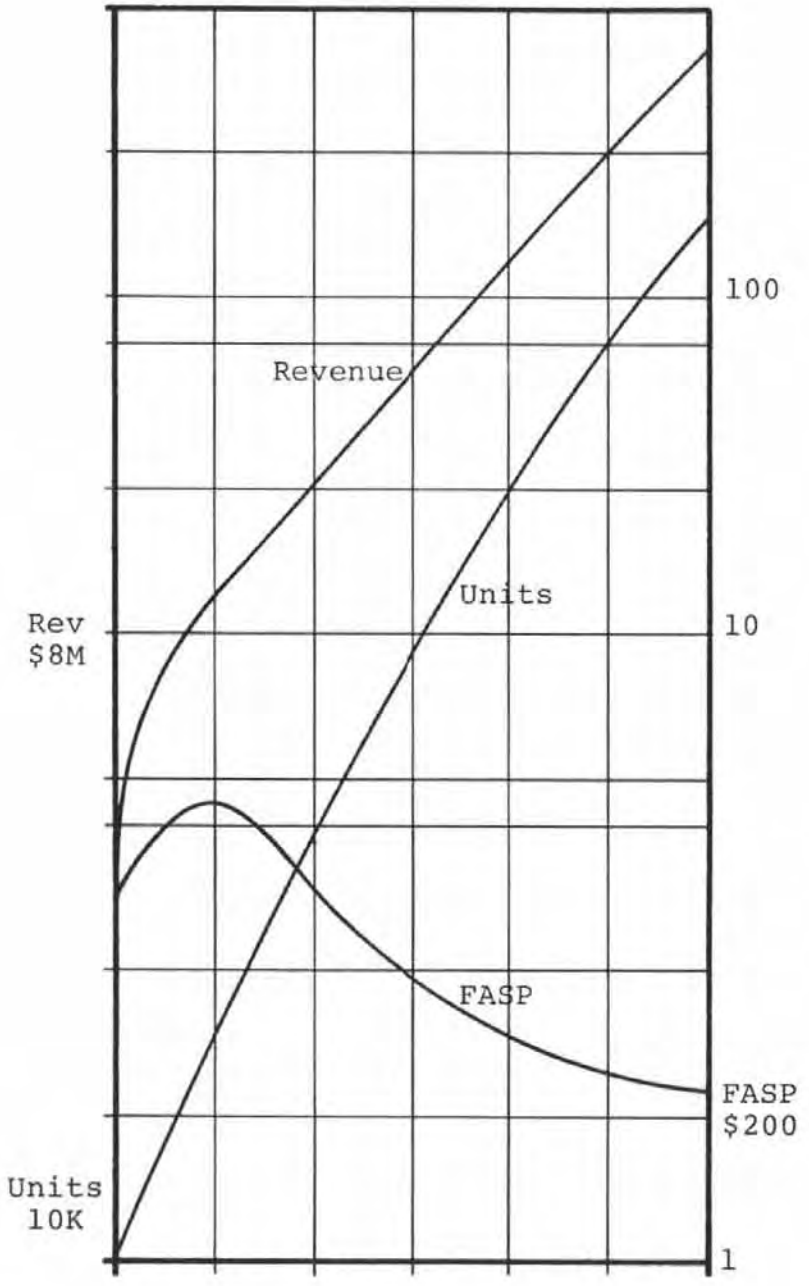
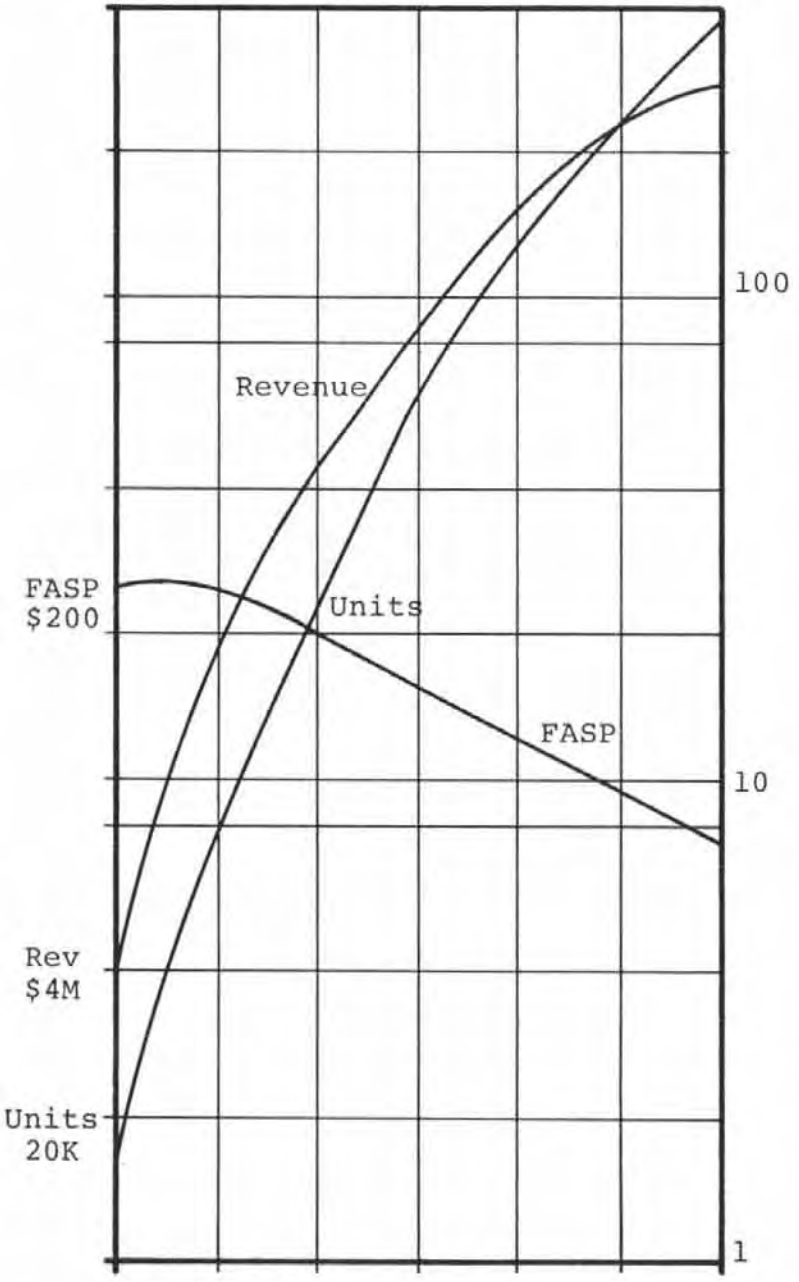


Fig. 2
Peripherals
Market



PERSONAL COMPUTER

MARKET

TOTAL REVENUE

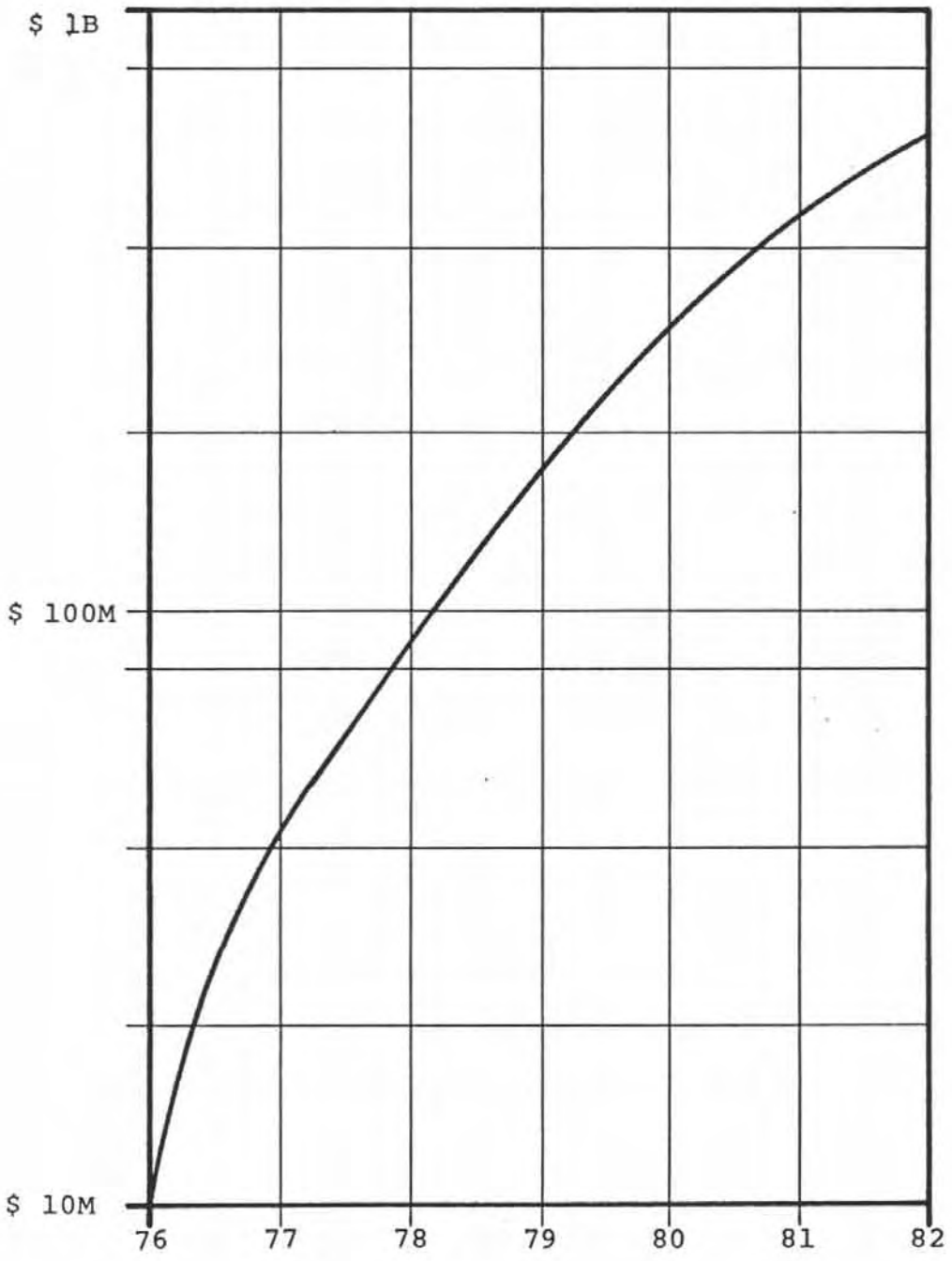
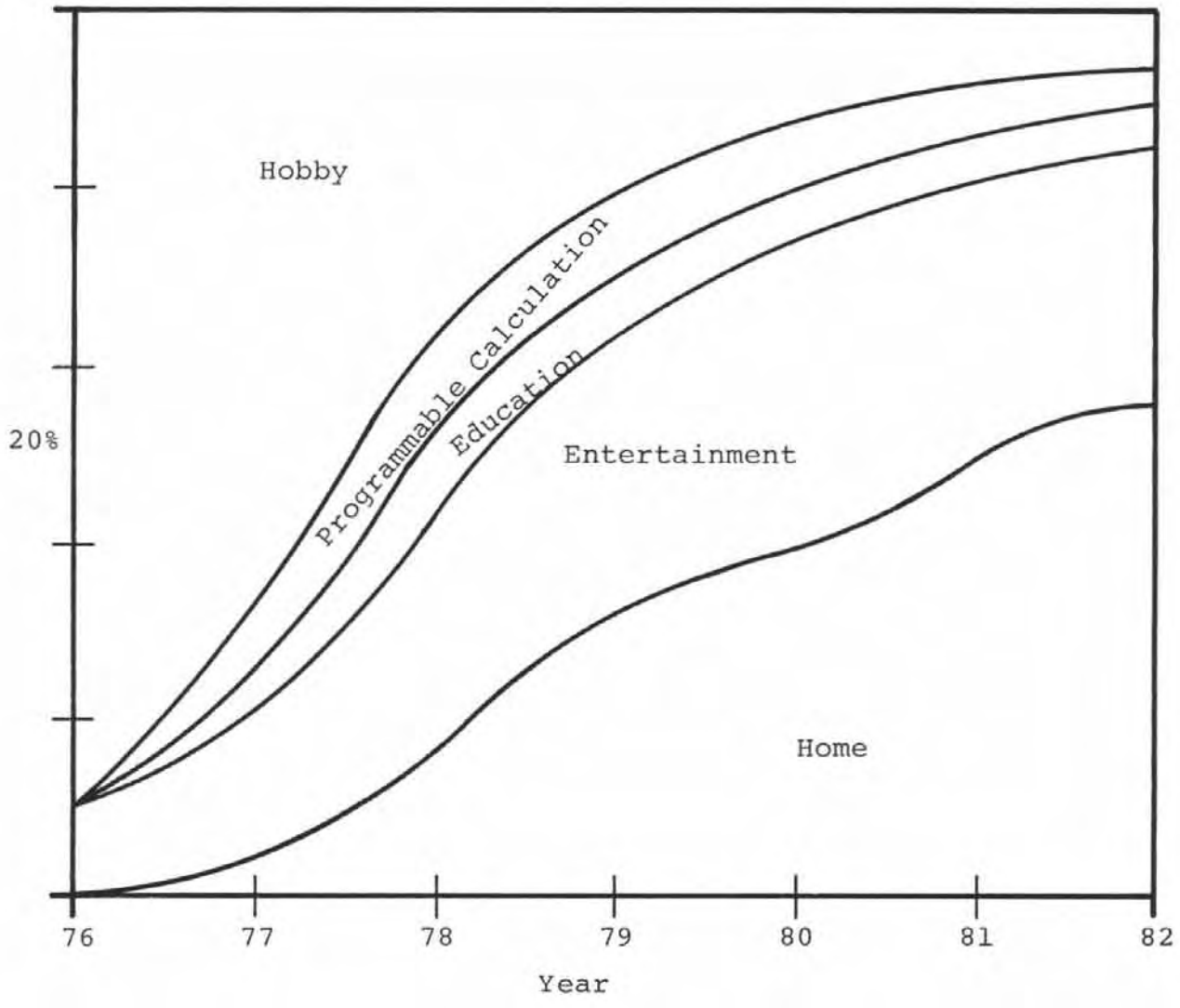


Fig. 3

Fig. 4

Market Segments as
a % of total
Market



PRODUCT PLAN

Mainframes

Apple II - (Manufacturing cost≈$400.00 to $300.00)

A single board computer based on the 6502 microprocessor. The system includes a structural foam injected molded case, a high efficiency switching power supply and a typewriter style keyboard. A complete operational system requires an additional display device, CRT, printer, LED, LCD, etc., and an optional magnetic tape bulk storage device.

The most common system configuration is an Apple II, a common home color TV an inexpensive (≈ $20.00) RF modulator, and an audio cassette tape recorder.

With the above configuration, the user may store programs and data permanently on tape or conversely. retrieve them. These programs may be either written by the user or purchased from Apple Computer Incorporated. Typical applications include home financial analysis, home environmental controls and color video games.

Apple II has several features which are not characteristic of competitive products. The most important of these are:

1. Color graphics capability in two modes.
   a) 40x48 Array in 15 colors
   b) 280x192 Array in 4 colors
2. Four Analog-to-Digital inputs for controllers, sensors or game paddles.
3. Fast, extremely powerful, BASIC programming language in Read-Only-Memory (ROM).
4. Eight peripheral connectors for maximum ease of expandability.
5. Quiet, cool, fan-less operation.
6. True portability in size and weight (less than 11 pounds).
7. Minimum parts count and fully socketed board for maximum reliability and ease of service.

Combined, these features put Apple II approximately 12 months ahead of current competitive entries.

Apple II A - (Manufacturing cost≈$300.00 to $225.00)

Functionally equivalent to Apple II with 6 color High Resolution graphics and full floating point BASIC in ROM. Maximum cost reduced implementation accomplished mainly by:

1. lower cost keyboard
2. soldered-in components
3. lower cost case
4. high volume materials purchases

Apple IIA pricing will be announced in January 1977 at the Consumer Electronics Show in Las Vegas. The product will be sold as a $995.00 ensemble including cassette recorder and color TV monitor.

Apple IIB - (Manufacturing cost $250.00 - 150.00)

Functionally equivalent to Apple IIA with improved floating point BASIC, and somewhat reduced flexibility. FCC approved for use with any standard TV. Drastically reduced component count through the use of 1 to 3 custom LSI chips. "Cartridge" type peripherals such as music synthesizer, voice recognition system, telephone interface, etc. Specific jacks for modular peripherals such as the Apple printer and Floppy Disc. Completely redesigned case.

Apple II B will be announced at the June '78 CES. First shipments are planned for September '78. The retail price will be between $600.00 and $700.00 at announcement.

Apple III - (project leapfrog)

Currently defined to incorporate all features of Apple II B plus significantly improved programming language, built in printer interface, built in bulk storage (Bubble memory?), and major advance in input technology. Voice and character recognition are both being considered as built in features. Possibility of UHF very short range transmitter for wireless display capability depending on FCC approval.

Ultra low cost LSI design.

PERIPHERALS

OCT '77	1. Hobby Board - prototyping board for computer hobbyist.
NOV'77	2. Printer Board - a general purpose parallel printer interface board.
NOV'77	3. Model 33 Teletype Interface - a cable with a potted DIP connector on one end and a teletype connector on the other end. For use with 20 mA current loop teletypes.
NOV'77	4. Terminal Board - 100 and 300 baud serial interface board for telephone communications via standard acoustic couplers.

DEC'77	5. RS232 Serial Printer Board - General purpose serial board with software selectable speed up to 9600 Baud.
DEC'77	6. PROM Programmer & Personality Board - 2716 PROM programmer with personality sockets.
JAN'78	7. Telephone Interface Board - Hard wire touch tone generator with operating system to automatically dial, send messages, and answer using standard Bell system phone lines.
JAN'78	8. Printer - low cost electro-resistive printer ($250.00 retail) High speed, 40 or 80 characters per line, 4" wide print out.
JAN'78	9. Color TV Monitor - 13" diagonal picture tube direct video input jack, $300.00 retail price.
JAN'78	10. Audio Cassette Recorder - Panasonic RQ309, $40.00 retail price.
1st Half '78	11. Clock and Calendar Board - Battery operated time and date, firmware date calculation.
1st Half '78	12. Isolated Power Control Board - Provides convenient control for 24 VAC to 110VAC solenoids, small appliances, etc.
1st Half '78	13. Voice Recognition System - Designed and manufactured by Heuristics Inc., 64 word vocabulary.
1st Half '78	14. AC Remote Control System - Designed and manufactured by Mountain Hardware, Inc. Uses standard 110 VAC house wiring for RF transmission of control and polling signals. Remote receiver has relay isolation for solenoid and small appliance control.
1st HALF '78	15. PAL & SECAM Conversion Board - Designed and manufactured by Eurapple. Converts Apple II video output to PAL or SECAM standards for Europe, Arabia and other countries.

1st Half '78	16. 220 VAC Power Convertor - Step down transformer with various plug configurations, converts European 50 , 220 VAC line voltages to Apple II compatible supply
1st Half '78	17. IEEE Interface Board - For interfacing laboratory instruments.
UNSCHED.	18. Bar Code Reader
UNSCHED.	19. Optical Character Reader
UNSCHED.	20. Music Synthesis System
UNSCHED.	21. Voice Synthesis System
UNSCHED.	22. Light Pen
UNSCHED.	23. Acoustic Coupler

Memory

MAY '77	1. 4K Byte Add-In memory
MAY '77	2. 16K Byte Add-In memory
JAN '78	3. Floppy Disc
JAN '78	4. Floppy Disc Memory - Dual density mini-floppy with minimal operating system.
1st Half '78	5. Software Controlled Cassette - Inexpensive substitute for floppy disc where speed is not important (15 sec max access). Retail price $350.00.

Accessories

MAY '77	1. Vinyl Carrying Case
MAY '77	2. Misc. Cables & Power Cords
MAY '77	3. Apple II Operators Manual - Final version in December '77.
MAY '77	4. Game Paddles
1st Half '78	5. Joy Sticks

MARKETING PLAN

Merchandising

Due to the broad scope of the marketplace, no single merchandising tool can provide adequate overall coverage. Apples' strategy is to use several avenues to reach both dealers and potential customers.

Media - our current advertising program will be increased to run in computer hobby books, consumer electronics books and other consumer and professional periodicals such as Scientific American. At least 3 separate ads will be produced for this purpose. Final media selection will be based on market trends and 1977 responses.

Co-op Advertising - a budget of 5% of sales will be allocated for individual dealers' use in support of local advertising and merchandising programs. Apple will provide (at Apples' expense) some materials to dealers for this purpose.

Point - of Sale - Posters, free software, brochures, display racks, personal visits, and seminars will all be used to assist dealers in selling Apple products.

Public Relations - major efforts will be directed toward obtaining massive editorial coverage through editor visits, industry show participation, such as CES, and free support of radio and TV coverage. (We have already been featured on both NBC and ABC news specials in California and Texas. We also received nearly 5 minutes of air time on CBS.

In addition, our Marketing System Evaluation Program will be continued. This program provides editors and other key figures with a "loaner" system for their use and evaluation. Five systems have currently been allocated for this purpose.

Direct Mail - a semi-monthly publication will be produced similar to the HP Personal Calculator Digest. It will be in a slick magazine format, 4 color cover, 2 color interior with one or 2-4 color interior pages. The piece will be mailed to all Apple owners and dealers and as a response to ad inquiries.

The contents of the book are as follows:

I. "Testimonial" letters to the editor

II. Product data sheets

III. A minimum of one application note

IV. A minimum of one documented program listing

V. Updated listing of the Apple Software Bank

VI. New products

VII. Updated dealer listing

Each issue will be a "special" issue on one of the major application areas such as home finance, utility controls, or entertainment.

The overall expenditure required to support this program is $500K during calendar 1978.

Distribution

During 1977, Apple was successful in establishing 180 authorized dealers across the United States. Of these, approximately half are a chain of highly successful consumer electronics retailers - TEAM ELECTRONICS. TEAM is a subsidiary of Dayton Hudson Corporation, a large retailing organization. This is Apples' first step (in distribution) toward the eventual true home market. Careful consideration was given to several alternative channels such as Sears, Wards, etc. with the conclusion being that Apple could not possibly support a program of that magnitude, nor can any of our competitors. It is our strategy to "build" our way into the market by laying a sound foundation each step of the way. TEAM was a logical first step since they operate only about 100 stores, are more competent at selling a complex product than the average sales person at a major department store, and were willing to commit to a formal, two day training program prior to any location physically handling the product. We have already held the first of 3 training meetings with the owners, managers and sales personnel from 24 stores in attendance.

During 1978 we will continue to distribute through our existing channels. Depending on the relative success of the TEAM outlets, we will decide whether or not to sell Apple IIB through the larger department store chains.

Our main strategy in distribution is to insure that each customer establishes a positive on-going relationship with the local Apple dealer. This would be impossible to do through mail order houses, direct mail, or through existing department store organizations.

Another reason for this choice has to do with service. One of our competitors claims that his product will be serviceable by any local TV repairman. Based on the average competence level of today's TV repairman, it is Apples' opinion that this technique simply will not succeed! Our approach is to service Apple products at local dealer locations. Since the dealer wants to sell future peripherals, he has a stake in seeing that his customer remains satisfied. Apple is in the process of setting up a Warranty Service Center Authorization and Training Program, which will result in many existing dealers also becoming authorized warranty service stations. The program will be fully operational by February '78.

Competition

The current competitors may be grouped into three categories:

1. Hobby Manufacturers

2. Small Business Manufacturers

3. Personal Computer Manufacturers

The first group is characterized by products which were designed to be sold as kits. Examples of this type are Southwest Technical Products, Inc., Processor Technology, Inc., and Cromemco Inc. Companies like these have dominated the hobby market until recently when several assembled products were announced by manufacturers such as Apple.

Because of the "penney pinching" nature of the average computer hobbyist, and the product and business management strategies of the companies participating in the market, no one company has gained a dominant market share. It is highly likely that Apple will. Since this becomes a small fraction of the overall market by 1982, no major effort will be expended by Apple to satisfy the on-going needs of the kit building hobbyist.

Because of the applications development ability of the software oriented hobbyist, Apple will continue to service his needs.

The small business manufacturers are lead by MITS, Inc., now a division of Pertec, and IMS, producer of the IMSAI 8080 system. Both of these companies have set their courses strongly in the direction of small business, and away from the consumer. Average prices for installed systems of this type range from $10,000 to $20,000 dollars. We do not expect to compete with them directly.

The last category is characterized by manufacturers such as Commodore Business Machines and Tandy Corporation. These two machines will be our major competition during 1978. Apple expects at least three additional and probably stronger competitors by the end of 1978. The most likely are Atari, Texas Instruments, and RCA.

Tandy - TRS 80

The system configuration is divided into four separate elements; a CRT monitor (poor quality black and white), a power supply, a recorder, and a keyboard with cabinet which also houses the main computer board. The unit includes a 4K byte BASIC in ROM which is entirely unsuitable in todays market. The keyboard has no n-key rollover making rapid typing impossible. There are no provisions for direct connection of analog devices such as game paddles or resistive sensors, and the system lacks a speaker for audio effects. Tandy claims that a floppy and printer will be available in the future but makes no commitment as to when. Advantages of the system are:

1. Up to 16K bytes of memory may be installed directly.

2. Some "canned" software has already been developed for it.

Overall, it is a very poor second after the PET.

Apple IIA will definitely outsell the TRS 80 "hands down" regardless of the large number of potential retail locations in the Radio Shack chain.

Commodore - PET

The PET computer is similar to the TRS80 in that it has a black and white display only,has no speaker or provision for analog inputs, and sells for the same $600.00 price.

The important differences are:

1. PET has a calculator style keyboard- completely unacceptable for data entry or major programming efforts.

2. The PET BASIC is much more powerful than the Tandy machine and resides in 12K bytes of ROM.

3. The CRT and cassette are built in.

4. PET is limited to 8K bytes of RAM internally. Note: The PET uses 4K static RAMs from MOS technology. The retail price for 4K bytes is $200.00 over twice the Apple price for 4K bytes of dynamic RAM.

5. PET has an IEEE interface port.

6. PET has 64 graphics characters for use in graphic displays.

Both systems are severely limited in expandability when compared with Apple II or Apple IIA. Commodores current cost projection for PET through the end of the year is $360.00. Commodore has publicly stated that their software will be developed mostly by users, not by Commodore.

The current strategy for distribution of the PET machine is to sell through the major department store chains. Apple expects that this effort will be plagued by both service and support problems. Neither the department stores nor Commodore has an organization capable of answering the questions that will be generated by the sale of several thousand machines. Apple's strategy in this regard is to "let Commodore hang themselves" during the first half of 1978, while we build an organization competent to train department store personnel (through experience with TEAM) and to train competent service personnel (through the dealer warranty training program). At the same time the Apple Software Bank will grow to nearly 700 canned programs. In June of '78 we will be ready to properly support a major department store type of distribution channel, will be announcing Apple IIB, and will already have the broadest product line with 18 peripherals and 2 main frames. This combination of events should put us in a position to become a "favored" supplier to the Sears', Wards' and Penney's type of stores in time for Christmas of '78.

Surely both Tandy and Commodore will revise and update their products by June '78, but it is expected that Apple IIB will be as far ahead of PET II and TRS 80II as our current product is ahead of PET and TRS 80.

Apple expects more formidable competition from Texas Instruments and Atari. It is likely that each will obtain at least a 20% market share within 18 months of their entry into the market. It is impossible at this time to obtain reliable information on either product or strategy from either company.

An estimate of market shares vs time is given in Table VII.

	1978	1980	1982
APPLE	18%	35%	35%
ATARI	0%	15%	25%
T.I.	0%	15%	25%
COMMODORE	10%	10%	___
TANDY	5%	5%	___
ALL OTHERS	67%	20%	15%

TABLE VII

Market Share-Estimate

OPERATING PLAN

STAFF

A.C. Markkula, Chairman of the Board and V.P. Marketing
MSEE, BSEE University of Southern California
MTS - Hughes Aircraft Co. - 4 Yrs.
Marketing Mgr. - Fairchild Semiconductor - 4 Yrs.
Marketing Mgr. - Intel Corporation - 4 Yrs.

M.M. Scott, President
BSPH, California Institute of Technology
Engineer, Beckman Inst. - 2 Yrs.
Marketing Mgr. - Fairchild Semiconductor - 4 Yrs.
Marketing Mgr. - National Semciondcutor - 2 Yrs.
Director Hybrid Operations - National Semi. - 4 Yrs.

S.P. Jobs, V.P. Operations
Attended Stanford and Reed College
Engineer - Atari - 2 Yrs

S.G. Wozniak, V.P. Engineering
Attended University of Colorado and University of California at Berkley
Engr. Tennant - 1 Yr.
Engr. Electroglass - 1 Yr.
Engr. - Hewlett-Packard - 3 Yrs.

F.R. Holt, Chief Engineer
BSc. Ohio State University
Engineering Mgr, R&D Hickock Elect.- 9 Yrs.
Assistant Chief Engineer, MB/Gilmore - 2 Yrs.

Dr. W.B. Sander, Staff Scientist
BSEE, MSEE and PhDEE, Iowa State University
Design Engineer - ITT Gilgilian 2 Yrs.
Senior Engineer - Tasker Industries - 6 Yrs.
Department Manager, Fairchield R&D - 13 Yrs.

Gene Carter, Director of Dealer Marketing
AAS Milwaukee School of Engineering
Sandia Corporation (AEC) 6 Yrs
Fairchild Semiconductor - MOS Marketing Mgr.
and Linear Marketing Mgr. - 3 Yrs.
National Semiconductor - MOS Marketing Mgr. - 1 Yr.
IC Marketing Manager, 4 Yrs., Director of Marketing
1 Yr., Director of Microprocessor Mkt. 2 1/2 Yrs.

APPLE COMPUTER INC.
INCOME STATEMENT
1977

	Adjusted Total 1977	Year to Date Adjustments	Total 1977	Sept. 1977	Aug. 1977	July 1977	June 1977	May 1977	Apr. 1977	Mar. 1977	Feb. 1977	Jan. 1977
Gross Sales	756391		756391	141677	257492	198310	117789	22067	1000	862	6899	10295
Returns & Allowances	46011	39855	6156		4870	1286						
Net Sales	710380		750235	141677	252622	197024	117789	22067	1000	862	6899	10295
Std COS	350327		350327	70429	119962	90653	55032	6362	350	325	3968	3246
Other COS	291513		291513	29798	58007	39247	51838	46640	21681	32348	9544	2410
Total COS	641840		641840	100227	177969	129900	106870	53002	22031	32673	13512	5656
Oper Profit	68540		108395	41450	74653	67124	10919	-30935	-21031	-31811	-6613	4639
Est Taxes	19568	-17664	37322	18238	19084							
Net Profit	48882	22191	71073	23212	55569	67124	10919	-30935	-21031	-31811	-6613	4639

APPENDIX A

APPENDIX B

APPLE SOFTWARE BANK & POLICY

Redington
10-5-77

ROUGH DRAFT

Apple Computer Inc., referred to in this paper as APPLE, has developed a way of increasing the availability of APPLE software and in extending the usefulness of the Apple II computer system. APPLE would like to introduce it to all present and potential Apple users. It is called the APPLE Software Bank. This paper describes the APPLE Software Bank, the APPLE Software Policy, the two bank sections: User supported software and APPLE supported software, the Software Bank Contributor's Guide, and what this bank will do for the user.

APPLE SOFTWARE BANK

The APPLE Software Bank is a repository for all APPLE programs, procedures, and related documentation. The enormous amount of mail that has been received from Apple users has been the inspiration for establishing this software bank. This mail has consisted of numerous software and product suggestions and many exciting, clever and useful programs. Apple Computer Inc. has created this software bank with the user in mind.

APPLE Software Policy

The foundation of this bank is the APPLE Software Policy. Policy as used here means a method of action to guide and determine present and future decisions concerning APPLE software. As a process the APPLE Software Policy has several steps. They are:

1. Apple Computer Inc. encourages interested users to develop software for the Apple computer.
2. APPLE encourages its users to submit their developed software: APPLE will then carefully survey its potential utility with the Apple computer system and then make it available to all Apple users.
3. Apple Computer Inc. encourages its users who contribute software by awarding them with an

ROUGH DRAFT

II. APPLE Program Cassette - a recorded program on a high quality low noise APPLE tape cassette.

Some of these steps may be omitted or expanded depending upon the nature of the software involved.

Contributor's Guide

Apple Computer Inc. is developing the APPLE Software Bank Contributor's Guide. This manual will explain the process, step by step, in submitting a program to the software bank. More information on the Contributor's Guide will be available after October 24th, 1977.

Any questions, suggestions and programs may be mailed to:

APPLE SOFTWARE BANK
Apple Computer Inc.
20863 Stevens Creek Blvd., B3-C
Cupertino, California 95014
(408)- 996-1010

The APPLE Software Bank will afford Apple users more effective utilization of their Apple Systems. The chances are that someone, an Apple user or Apple Computer Inc., has already written software for a particular application to satisfy a need that is similar if not identical to another users need; this software, if existing will be available through the software bank. The bank will save time. As a result of the APPLE Software Bank, the user will have easy access to a large number of programs and applications information. The user will be able to contribute almost any kind of software. The APPLE Software Bank has been created to increase the usefulness and enjoyment of the Apple II system and is available to all Apple users.

ROUGH DRAFT

APPLE SUPPORTED SOFTWARE

Apple supported software is the second bank section. It will primarily contain all software written and supported by Apple Computer Inc. And, it will contain contributions considered to be outstanding by APPLE's Software Development Lab personnel.

All software available through this section will be fully documented and supported by Apple Computer Inc. Programs in this section will contain:

I. A PROGRAM BOOKLET

A. PROGRAM DESCRIPTION - a mini-essay on what the program is intended to do.

B. PROGRAM INSTRUCTIONS - how to load and use the program on the Apple II System.

C. PROGRAM LISTING - a hardcopy listing of the program that is annotated with appropriate comments explaining program concepts.

D. PROGRAM FLOWCHART - an APPLE flowchart diagram showing schmatically the flow of the program.

E. PROGRAM MODIFICATION - a list of suggestions for changing certain variables and/or parts of the program to meet specific user needs.

F. GLOSSARY - a list of words and their definitions that are used in the program.

ROUGH DRAFT

APPLE Product Gift Certificate in appreciation of their contribution. The value of the certificate will vary depending on the value of the contribution and or an honorarium for an outstanding programming contribution

This policy provides a means for easy contribution, access, and distribution of software to all Apple users through two bank sections.

USER SUPPORTED SOFTWARE

The first bank section is User Supported Software. Software; programs, tapes, and listings, available through this section will be supported and maintained by their contributors. APPLE will periodically publish a User Software Listing for all user contributed software. Each software listing will contain:

I. Contributor's Software List - a listing of the name and mailing address of each contributor along with a listing of all of the software they have authored and submitted.

II. User Contributed Programs
   - A. PROGRAM NAME- the name given to the programs by their contributors and a reference number designated by APPLE.
   - B. PROGRAM ABSTRACT- a brief description of the software. It will answer the questions:
     - i) what the software is intended for.
     - ii) what are its limitations, if any.
     - iii) what are its system requirements (program language, minimum memory size, etc.,).
   - C. ACQUISITION OF SOFTWARE- describes;
     - i) how an interested user can obtain a list of a particular program.
     - ii) how, for how much, where, and by whom to obtain a specific program listed in the user supported software bank.

		PROGRAM STATUS			
		PRELIMINARY VERSION		PRODUCTION VERSION	
ENTERTAINMENT	SOFTWARE NUMBER	TAPE	DOC	TAPE	DOC
Breakout	B2T-001E-104-TB	Yes	-	11-1-77	11-1-77
Startrek	B2T-002E-116-TB	Yes	-	11-1-77	11-1-77
Biorhythm	B2T-003E-104-TB	Yes	-	11-1-77	11-1-77
Chess	B2T-005E-X16-TB	No	-	-	-
Pong & Handball	B2T-006E-104-TB	Yes	-	3-1-78	3-1-78
Etch & Sketch	B2T-007E-104-TB	Yes	-	11-1-78	11-1-78
Coloreater	B2T-008E-104-TB	Yes	-	2-1-78	2-1-78
Mastermind	B2T-010E-104-TB	Yes	-	1-1-78	1-1-78
Fortune Teller	B2T-011E-104-TB	-	-	3-1-78	3-1-78
Space War	B2T-012E-116-TB	9-26-77	-	11-1-77	11-1-77
Towers of Hanoi	B2T-013E-104-T	No	-	3-1-78	3-1-78
FINANCE					
Checkbook	B2T-001F-116-T	Yes	-	11-1-77	11-1-77
Home Finance	B2T-002F-M16-T	-	-	1-1-78	1-1-78
Loan Amortization	B2T-003F-M16-T	-	-	12-1-77	12-1-77
LEARNING & EDUCATION					
Hangman	B2T-001L-104-TB	Yes	-	11-1-77	11-1-77
Color Math	B2T-002L-104-TB	Yes	-	11-1-77	11-1-77
Learning Math	B2T-003L-104	-	-	1-1-78	1-1-78
How to Program in BASIC	B2T-004L-104	-	-	-	-
MISC.					
4K Color Demo/Breakout	B2T-001M-104-TB	Yes	No	No	No
Startrek/Hi-Res	B2T-002M-104-TB	Yes	No	No	No
Color Graph Demo	B2T-003M-104-TB	Yes	No	No	No
Renumber/Append	B2T-004M-104-TB	Yes	No	11-1-77	11-1-77
Hi-Res Demo	B2T-005M-116-TB	Yes	No	2-1-78	2-1-78
Music	B2T-006M-104-TA	-	-	1-1-78	1-1-78
Bouncer	B2T-007M-104-TB	Yes	-	2-1-78	2-1-78
Applesoft BASIC	B2T-008M-116-TB	9-30-77	-	12-1-77	12-1-77
UTILITY					
Kitchen	B2T-001U-104-TA	-	-	1-1-78	1-1-78
WORK & BUSINESS RELATED					
Mailing list	B2T-001W-	-	No	12-1-77	12-1-77
Calendar	B2T-002W-	-	No	1-1-78	1-1-78
Telephone directory	B2T-003W-	-	No	1-1-78	1-1-78
Hi-Res Text Graphics	B2T-004W-	-	No	1-1-78	1-1-78

KEY

YES means available
NO means not available
- means in development
XX-XX-XX means estimated date of availability

APPENDIX C

(EURAPPLE ORGANIZATION)

Apple Computer, Europe (Eurapple) represents a large potential market but it has requirements of its own.

First, the television system in Europe is two-display, 625 lines instead of the 525 lines of the U.S. Second, the main power is 220V, 50Hz instead of 110V, 60Hz. Third, the connecting hardware-plugs, jacks, coax connectors-between electronic systems is dimensioned differently than in the U.S. Fourth, the variety of languages, at least two, French and German dictates to translate technical information, manuals and literature. The computer language itself, BASIC, can remain in English since it is treated as mnemonics. And last, the ways and means of doing business locally, the export-import procedures, the selection, appointment and support of local distributors require a group of people who have had experience in marketing technical products in Europe or more generally abroad.

For all these reasons, Apple had originally decided to delay the European market a year or two, and concentrate its engineering, marketing and cash flow resources to the domestic market.

In April, 1977, Apple was approached by Andre Sousan, who had recently resigned from the position of corporate V.P. of engineering and board member of Commodore Electronics Ltd., the operating subsidiary of Commodore International. Andre Sousan had disagreements with Commodore on product and management philosophy. He was familiar with Apple, in 1976 when Apple was operating in a garage he tried to interest Commodore in the new approach Apple had in the personal computer market.

Mr. Sousan offered Apple the opportunity to set up the European operations, finance personally the required engineering changes that would need to be made, the implementation of a European operations group, and later merge these operations with Apple Computer when both companies would be at a productive level. This was accomplished when Mr. Sousan set up Eurapple as a distributor for Apple to all European Countries and more generally for all countries that have a television system similar to the European version. Eurapple purchases from Apple, maintains its own engineering and manufacturing for the add-on converters between Apple II and the European TV receivers, its own product inventory and its own sales and marketing group.

Mr. Sousan holds a doctorate in physics from the University of Paris, a master in Electronics from the Superior School of Radio-electronics in Paris. He was in Europe five years for Texas Instruments as marketing manager and assistant to the European V.P., then was scientific director for Thomson-CSF engineering operations, with Europe and US technical responsibility. He then moved to Vice President, European operations for Varadyne before joining Commodore in 1971. At Commodore, he traveled extensively to Europe and to the Far East, both for product marketing and manufacturing engineering purposes.

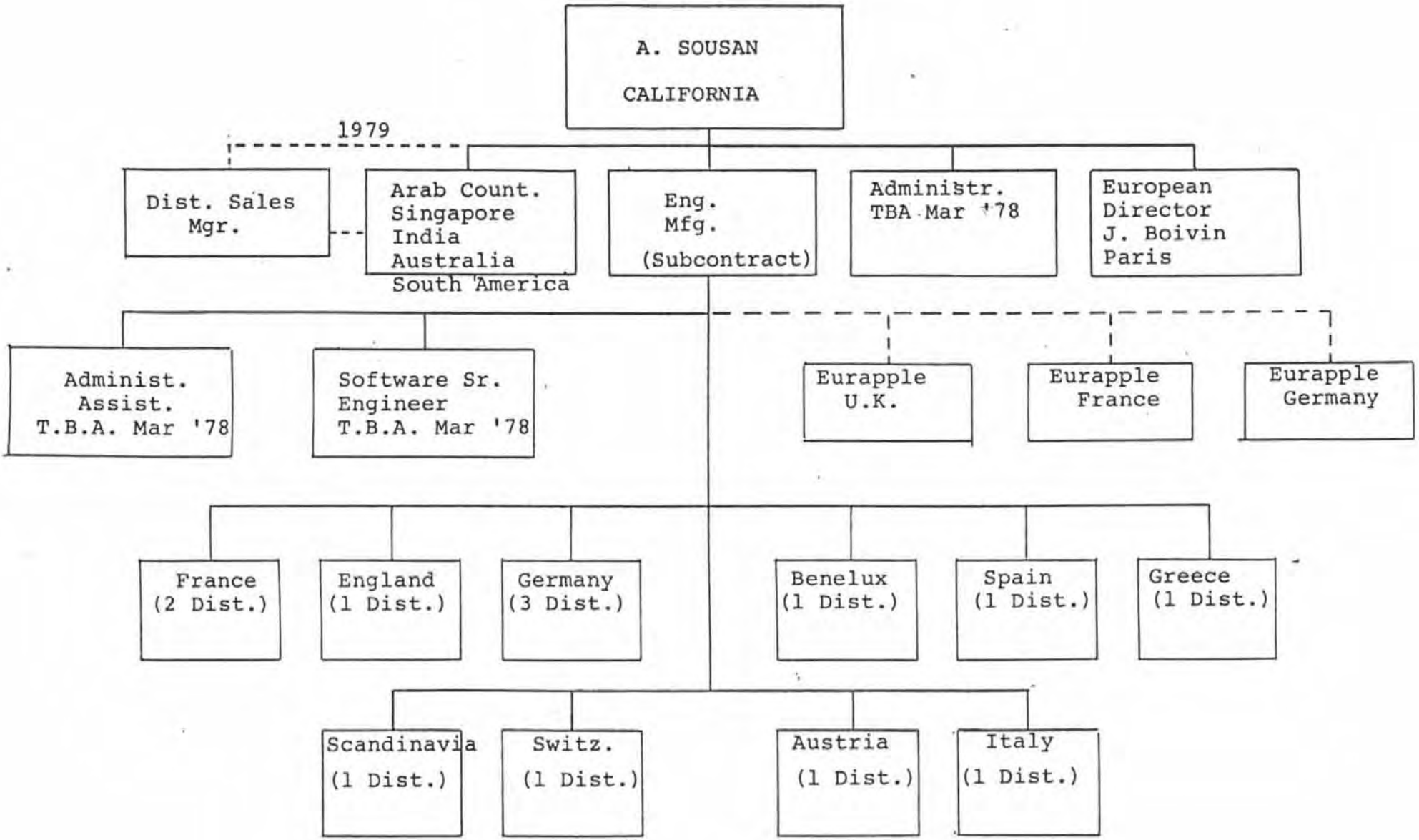
Eurapple has appointed a resident European director, Jacques Boivin who was with Thomson CSF as an electronic engineer and then was with European subsidiary of Wang, with European marketing responsiblity. Jacques is located in Paris but travels constantly throughout Europe.

The first step of Eurapple has been to implement a distributor network in Europe and at the same time promote the Apple II. Apple II is currently demonstrated in all major electronics shows this fall/winter season; the Sicob in Paris, Systems 77 in Munich, EuroMicro in Amsterdam, data fair in London, and the US department of Commerce sponsored computer show in London in January.

At this show, Mr. Sousan will make the final selection between 4 companies who have confirmed a strong interest in distributing Apple II respectively in England and 4 others in Germany (which needs 3 distributors, North, Central and South). Eurapple will have a hospitality suite in London at the same time as the show to more efficiently conduct its business.

Eurapple has already sold, since it began shipping in September, approximately 20 systems in Eurpoe and has approximately 50 systems backlogged as of this date. Eurapple has appointed 2 distributors in France, one in the Benelux, one in Spain, one for all Arab countries, one in Australia, one in Singapore and one in India. All these distributors have extensive capabilities in marketing computer equipment, including programmers and service technicians. As an example, the Arab countries distributor is the Atari licensee for video games and has paid for the re-design of Apple II through Eurapple to make Apple II display its characters in the Arabic language. The head of this company in Egypt is a computer sciences major from Stanford University.

ORGANIZATIONAL CHART FOR EURAPPLE



JUDGED BACKLOG

	OCT		NOV		DEC	
	Order	Prob	Order	Prob	Order	Prob
Dealers	67	82	74	99	68	109
Hi Tech	40	40	50	40	40	40
Allied	40	20	40	20	40	20
Team	36	36	24	40	24	50
Eurapple	10	10	20	20	30	30
Computerland	59	50	90	60	90	80
Computer Sotre	10	10	12	25	12	30
Direct		5		10		15
Subtotal	262	253	310	314	304	374
Additional Orders resulting from:						
F.P. Basic and Peripheral Availability		25		35		50
Total		278		349		424

7/27/77
ALS/st

APPLE PRODUCT DEVELOPMENT PROGRAM

1. Competition based development

   1.1 Does competition have features that would make our product sell better? (e.g. floating point basic, floppy, etc.) Identify those features. Do we have the resources to add them, in house or subcontract? Schedule.

   1.2 Does competition sell a comparable product to ours at a lower price? Identify.

   1.3 If competition product is identified as comparable to Apple II, does competition deliver? If yes, how and when do we plan to meet the price?

   1.4 If competition product is identified as generally comparable to Apple II but less performance or features, does this justify price difference? List all differences (e.g. color, expandability, etc.) Go over differences one by one. Can a dealer be sold on price difference because of them? Can user be sold? Ask marketing. Define market portion that will belong to competition because of features/price difference combination. Evaluate lost sales accordingly. Is it worth it? If not, how and when to remedy?

   1.5 If we agree to lower price models to meet competition, how to restructure our expenses to assign engineering budget? Do we do all of engineering in house or part on subcontract? Do we attempt private label with customer development or any other possible source of additional funds?

2. Innovation based development.

   2.1 Do we have unique ideas that will make our product a favored buy with regard to competition? Can we patent those ideas? How and when do we implement them?

   2.2 Do we have better ideas that will save cost on our product? (independently of the normal engineering/purchasing cost reduction program) How and when do we implement them?

   2.3 Do we keep a close look to technological developments (new micro architectures, new memories, etc.) and evaluate how and when they may impact our product?

3. Market based development

   3.1 Do we have the right product configurations for the existing markets? (Software - peripherals - packaging, etc.) Do we have to modify anything?

   3.2 Do we anticipate market evaluations that will call for new configurations? Do we prepare for them and when?

APPLE COMPUTER INC.
INCOME STATEMENT
1977

	Adjusted Total 1977	Year to Date Adjustments	Total 1977	Sept. 1977	Aug. 1977	July 1977	June 1977	May 1977	Apr. 1977	Mar. 1977	Feb. 1977	Jan. 1977
Gross Sales	756391		756391	141677	257492	198310	117789	22067	1000	862	6899	10295
Returns & Allowances	46011	39855	6156		4870	1286						
Net Sales	710380		750235	141677	252622	197024	117789	22067	1000	862	6899	10295
Std COS	350327		350327	70429	119962	90653	55032	6362	350	325	3968	3246
Other COS	291513		291513	29798	58007	39247	51838	46640	21681	32348	9544	2410
Total COS	641840		641840	100227	177969	129900	106870	53002	22031	32673	13512	5656
Oper Profit	68540		108395	41450	74653	67124	10919	-30935	-21031	-31811	-6613	4639
Est Taxes	19568	-17664	37322	18238	19084							
Net Profit	48882	22191	71073	23212	55569	67124	10919	-30935	-21031	-31811	-6613	4639

Standard Costs

Apple II	4K	16K	
Mother PCB	$137.09	$137.09	(includes sub assy)
RAM (Bytes)	21.20	144.00	($18 ea. for 16K)
Power Supply	51.15	51.15	(includes sub assy)
Case Assy.	102.32	102.32	
Ship Kit	11.00	11.00	
Total Mat'l	$332.76	$445.56	
+1% Burden	3.23	4.46	
Labor +OH	34.11	34.11	($5.95/hr.@ 270%)
Total Mfg. Cost	$360.10	$484.13	

Average Std. Cost @ 15/85 mix = $465.53

Apple II A Same as Apple II except

1. Floating point basic in ROM
2. 6 vs. 4 color HiRes and HiRes ROM
3. Color killer in Text Mode
4. New Case Mat'l but same style
5. New low cost keyboard

	4K	16K	
PCB	$100.00	$100.00	(includes sub. assy)
RAM	18.00	100.00	($12.50 ea 16K)
Add'l ROM	9.00	9.00	FP + HeRes
Power Supply	37.75	37.75	(includes sub. assy)
Case Assy	57.00	57.00	
Ship Kit	3.00	3.00	
Total Mfg.Cost	$224.75	306.75	
+ 1% Burden	2.25	3.07	
Labor +OH	22.41	22.41	($6.20/hr @ 220%)
Total Mfg.Cost	$249.41	$332.23	

Average Std. Cost @ 15/85 mix = $318.81

Standard Cost Estimates

Apple II B

Cartridge Add-in's
FCC Approved
UL Approved

Keyboard	$13.00	(CPU Scanned)
8K RAM	28.00	
Case	15.00	Injection
CPU	5.00	
10K ROM	15.00	65K + 16K
Custom IC (40 pin)	7.00	
Connectors & Sockets	5.00	
PCB	5.00	
Power Supply	15.00	Wall Xformer
Paddles	4.00	
TTL	5.00	8 IC's
Demo Cartridge	5.00	
Ship Kit	3.00	
Total Mat'l	$125.00	
+1% Burden	1.35	
Sub Assy	10.00	(sub contractor)
Labor +OH	4.95	($4.25/hr. @ 220%
Total Mfg. Cost	$141.30	

Apple Plug-in Peripherial Cards

Est. Average Mat'l	$26.26	
Lab +OH	7.70	($7.00/hr @220%)
Total Mfg. Cost	$33.96	

Apple II B Mini Floppy.

Est. Average Mat'l	$101.00	(sub assy)
Labor +OH	15.40	($7.00/hr. @220)
Total	$116.40	

FINANCIAL PLAN

APPLE COMPUTER

BALANCE SHEET

September Pro Forma

Assets			
Current Assets			
Cash	20916		
Accounts Receivable	170877		
Accounts Receivable other	1406		
Inventories	170731		
Deposits	2394		
Total Current Assets		366324	
Fixed Assets			
Equipment	49451		
Depr.	6000		
Net Fixed Assets		43451	
Other Assets		1605	
Total Assets			411380
Liabilities			
Accounts Payable	159359		
Customer Deposit	4290		
B of A Loan	150000		
Accrued Wages & Exp.	41919		
Sales Tax Payable	1300		
Total Liability		356868	
Equity & Retained Earnings			
Equity	5630		
R/E	48882		
Total Equity		54512	
Total Liabilities and Equity			411380

APPLE COMPUTER INC.
INCOME STATEMENT
1977

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Est Taxes	19568	-17664	37322	18238	19084							
Net Profit	48882	22191	71073	23212	55569	67124	10919	-30935	-21031	-31811	-6613	4639

Apple Computer
Profit and Loss Statement (Pro Forma)
FY 1978

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total
Net Units	410	620	760	1160	1420	1990	2410	3210	3860	4110	5360	6560	
Wholesaler	23	28	37	50	59	63	72	76	81	87	92	98	
Gross Sales	379	463	550	733	871	1026	1139	1399	1602	1623	2005	2383	14123
Less: Allowance for Returns & Price Protection	27	32	39	51	61	72	278	94	112	114	140	167	1187
Net Sales	362	431	511	682	810	954	861	1255	1490	1509	1865	2216	12936
Std Cost of Sales	144	181	218	316	376	461	478	618	740	751	900	1049	6232
Manf	11	16	18	32	37	39	43	49	57	61	66	72	498
Manf D/H	5	4	9	10	10	11	11	11	11	13	13	13	121
Earned Labor + D/H	(11)	(15)	(19)	(27)	(33)	(43)	(39)	(53)	(64)	(65)	(72)	(79)	(520)
Manuf Var	5	5	8	15	14	7	15	7	1	9	7	6	99
Mat'l & Var Scrap	7	9	11	16	19	23	24	31	37	38	45	52	312
Tooling	0	0	25	48	20	60	20	20	20	10	0	0	220
R&D	118	147	241	387	413	413	425	425	425	475	475	475	4139
Production Control	24	24	39	39	77	77	104	104	104	120	120	120	952
Other Costs	13	17	21	28	33	39	35	51	60	61	75	90	524
One Day							61						61
Total Cost of Sales	184.2	231.1	311.0	462.6	511	638	688.9	779.9	910.9	928.5	1086.5	1285.5	7990.1
Gross Profit	167.8	199.9	200	219.4	299	315	172.1	475.1	579.1	580.5	778.5	959.5	4945.9
Mktg	216	202	202	483	465	355	513	455	573	485	545	535	5029
Admin	127	147	172	276	281	281	335	335	335	338	338	338	3303
Acctng	23	23	23	36	58	58	81	81	85	109	109	109	795
Operating Profit	1312	1627	1603	1349	2186	2156	792	388	479.8	487.3	679.3	861.3	10332
Interest Exp	1	1	1	2	2	2	2	1.3	2	2	2	2	21.0
Taxes	58	73	70	62	96	109	34	171	211	214	299	379	1756.0
Net Profit	72.2	89.7	89.3	75.9	120.6	134.6	43.2	215	266.8	271.3	378.3	480.3	2237.2
Cap Equip	0	8	10	10	90	11	14	16	91	16	16	7	289
Inventory	266	349	438	665	823	1045	1141	1525	1873	1989	2481	2910	2910

Apple Computer
Sales Forecast by Product
FY 1978

	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Total
Gross Apple II w/ 4K	363	441	525	684	807	841	425						
# Units	330	420	500	720	850	990	500						
ASP $	1100	1050	1050	950	950	850	850						
Std Cost	136	173	206	296	350	407	160						
Gross Apple II+ $ K							487	975	1137	1137	1137	1137	
# Units							750	1500	1750	1750	1750	1750	
ASP $							650	650	650	650	650	650	
Std Cost							240	480	560	560	560	560	
Gross Apple IIE $ K											360	720	
# Units											1000	2000	
ASP											360	360	
Std Cost											141	283	
Misc													
4K Memory Gross $ K	1	2	2	2	2	2	3	3	3	3	3	3	
Units	30	30	30	40	50	60	60	60	60	75	75	75	
ASP	50	50	50	50	40	40	40	40	40	35	35	35	
Std Cost	46	46	46	48	44	43	41	41	41	44	44	44	
16K Memory Gross $ K	15	6	9	13	18	23	25	25	25	27	27	27	
Units	50	20	30	50	70	90	100	100	100	135	135	135	
ASP	300	300	300	250	250	250	250	250	250	200	200	200	
Std Cost	222	229	213	222	191	213	210	210	210	135	135	135	
Keyboard Gross $ K		15	20	35	45	55	60	59	63	81	104	121	
Units		150	200	350	450	550	600	650	700	900	1150	1350	
ASP		100	100	100	100	100	100	90	90	90	90	90	
Std Cost		5	7	12	15	19	20	22	24	31	39	46	
Mini Floppy Gross $ K						105	140	288	375	375	375	375	
Units						300	400	900	1250	1250	1250	1250	
ASP						350	350	320	300	300	300	300	
Std Cost						35	47	105	146	146	146	146	

Apple Computer
Funds Requirement
FY 1978

Emp		Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept
	Cash In	11.	72	96	89	76	121	135	43	215	267	271	378
	Tax diffund	58	72	70	62	96	109	34	171	211	219	299	379
170	A/R	(182)	(84)	(87)	(183)	(183)	(138)	(155)	(113)	(210)	(253)	(21)	(382)
159	A/P	108	79	79	188	57	122	70	105	154	35	167	176
179	Inventory	(87)	(83)	(89)	(227)	(158)	(222)	(96)	(384)	(363)	(96)	(495)	(495)
—	TAXES			(10)	(5)		(10)	(5)		(5)			(5)
—	Capital			(8)	(10)	(10)	(90)	(11)	(14)	(16)	(91)	(16)	(16)
	Fund Requirement	62K	(52)	(45)	86	122	108	28	192	16	(76)	(205)	(35)
150		212	156	111	197	319	427	455	647	663	587	382	347