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**MANUFACTURING PLANT PROFILES**

**FEBRUARY 11, 1992**

## MANUFACTURING PLANT PROFILES

### ACHIGAWA, JAPAN

DEC-Japan Manufacturing evolved from a warehousing, distribution and pre-check function which began in 1982. In 1987, the operation was transferred to the Manufacturing Organization which increased the scope of activity to include Stage II assembly for the VAX86XX and VAX88XX.

Since that time, a software development operation was added and the pre-check operation has evolved to Stage II for workstations and Stage III for all other products, including a sophisticated failure analysis and feedback process to source plants. The Stage II operation is presently devoted to the VAX6XXX. In addition, integration of CSS Manufacturing is nearly complete.

The Operation began in a leased 75K sq. ft. facility and in 1991 moved to a leased cross-functional (includes CSS Eng/Mfg, MIS, Purchasing, DRS and CS Logistics) 185K sq. ft. facility.

FY92 Non-material spending is \$16.1M, Population is 133, and net PP&E (Property, Plant and Equipment) is \$1.2M.

Future plans include continued assembly of mid-range products (i.e. LASER), LPS32 assembly for the PACRIM and European market, and integration of local PC products.

### ALBUQUERQUE

The land and building were purchased from The Singer Company in July, 1976 for \$6.8M. The original charter was single board components, PDP11, and video terminals, evolving to video terminals and PCs in 1981, and video terminals and workstations in 1985. The current charter is workstations (Risc and Vax), servers, PCs, associated options, and order fulfillment. The plant also has direct ship capability. The facility consists of 400K sq. ft. (330K owned and 70K leased warehousing), covering 82 acres. FY92 Non-material spending is \$46.8M, Population is 840, and PP&E net book value is \$22.5M.

### AUGUSTA

We purchased the land in June, 1977 for \$3.6M. Building construction commenced in 1977 and was completed in 1980 at a cost of \$14.1M. The historical charter was cables & power controllers, communications options, modems, and NAC Options. Augusta's current charter includes NAC/Tan manufacturing, D2 modules, F comm options, and OEM module contracts. The facility consists of 305K sq. ft., on 198 acres. FY92 Non-material spending is \$34M, Population is 520, and PP&E net book value is \$22.1M.



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### AYR

The pilot plant in Ayr commenced manufacturing in July 1976. In March 1979 the full Final Assembly and Test facility of 246K sq. ft. was opened with a staff of 300 people. A 100K sq. ft. extension was completed in 1982, by which time the workforce had grown to 600. Ayr's Charter was extended in 1984 to include Low End Manufacturing and VLSI with a further \$20M capital investment.

Low End Manufacturing began with Micro-PDP11's. By Q4, FY'85 Decmate 111 had been added and during FY86 Ayr Manufacturing became the worldwide source for this product range. The Microvax business commenced in Ayr in FY87. FY90 saw the first Microvax 3100 shipments in a year in which Ayr Manufacturing shipments reached \$1.6B at MLP. Today, the Ayr Systems Manufacturing business has a workforce of approximately 525 people, FY92 shipment Sales of \$1.8B, Non-material spending of \$67.8M and a current PP&E net book value of \$6.1M.

VLSI tested and shipped its first semi-conductor products, on behalf of Hudson, in FY84, moving into plastic assembly in FY86. It uses ceramic assembly and high speed test operations in support of CMOS 2 and 3 technologies. Today, it has a workforce of approximately 330 people, FY92 MLP Sales of \$216M, Non-material spending of \$24.6M and a PP&E net book value of \$6.8M.

Total Site Square footage is approximately 395K sq. ft. of which approx. 21K is of a temporary nature, i.e. portocabins etc. This includes the Field Manufacturing Information Center (FMIC), the ELS PBU design Group and some other hosted groups, as well as manufacturing. The current PP&E net book value for the site is \$37M.

### BANGALORE, INDIA

The India operation is a result of a joint venture between Digital, Hindutron (a distributor) and public India shareholders to build small systems for sale to domestic customers. Classified as a presence plant, this joint venture began in 1989 and is 40% owned by Digital.

### BOSTON

Boston began production in February 1980 with VT100 terminals, evolving as a high volume, low mix manufacturer on input devices -keyboards, mice, modules. Boston is currently seeking a charter to produce Cables and Connectors. The 65K sq. ft. building is currently leased from Economic Development and Industrial Corporation of Boston (EDIC). The lease term started June 1, 1978 and expires in 1998. Ownership of the building is expected to transfer to DEC at that time. Lease payments over the term of the lease will total \$4.8M; \$3.0M has been paid to date. FY92 Non-material spending is \$12.9M, Population is 215, and net PP&E is \$3.8M.



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### BURLINGTON

The land was purchased in January, 1977 from Greater Burlington Industrial Corporation for \$.7M. The building was constructed from 1977 to 1978 at a cost of \$8.2M. BTO operations started in November 1976 in a leased facility with volume CPU manufacturing, for PDP-11 and small vax systems. This expanded to include power supplies and power systems and modules to support their CPU and power business. Currently, Burlington is a full service, systems integration operation delivering system consulting, performance testing, system staging, installation on-going management, Facility Management Services and repair of Digital third party equipment. The facility consists of 272K sq. ft. on 175 acres. FY92 Non-material spending is \$14.6M, Population is 403, and net PP&E is \$8.9M.

### CAMPINAS, BRAZIL

The plant is in a leased building consisting of 19K sq. ft. Start-up activities began in May, 1990 and the plant was fully operational in October of the same year. The current headcount is 41 employees with an annual Non-material spending of \$4.5M and a PP&E net book value of \$1.9M.

The primary charter of the plant, classified as market presence, is to build Vax 6000 systems for the local market and exportation to the LACR region. To date all of the VAX 6000 families have been introduced in Brazil. Also, the plant manufactures and distributes all the software products required to support the System, SPG and SPS businesses and provides the total logistic services to satisfy Brazil field requirements including purchasing, consolidation and distribution, importation and exportation, etc.

An additional responsibility is to manage the offset commitments made by Digital to the Brazil government such as balance of trade, research and development and local sourcing.

### CHIHUAHUA, MEXICO

The 50K sq. ft. Mexico plant was leased in 1985. From its foundation to 1988 the plant was a market presence plant assembling cables and microvaxes for the local market. That year the charter changed to being a world wide plant that provides low cost power systems, solutions and commodities for DEC.

Today the plant produces power supplies for the PDP family, mid-range systems, workstations and cables. It currently has 207 employees, annual local Non-material spending of \$6M and net PP&E of \$2.6M.



## MANUFACTURING PLANT PROFILES

### CLONMEL

Manufacturing operations commenced in Clonmel Co. Tipperary, Ireland in 1978. The start-up operation was in a leased premises populated initially by approximately 50 employees transferred from Galway (115 miles distance) and the product set of Power Supplies and Assembly and Test for PDP11/34's.

In 1982 the population of 220 moved to a new facility of 155 sq. ft. and the product charter was Power Supplies for the Vax family.

The plant introduced Value Engineering in 1983, acquired a charter for Network and Communications products in 1984, and was the first manufacturing plant to host a Design Engineering Group (NaC) in 1985. Over the next 6 years, through Design and Manufacturing collaboration 15 new products were successfully introduced in Clonmel with the later ones carrying full manufacturing responsibility from Pre-Phase 0 to FRS.

At its peak in October 1990 the population was 355 of which 33 were Design Engineers. Non-material spending for FY91 was \$24.8M and net PP&E at year end FY91 was \$16.9M.

Operations have been transferred to Galway, and a purchaser is currently being sought for the facility.

### COLORADO

The Colorado Springs plant was initially built in 1978 and was added onto 4 years later for a total cost of approximately \$28M. The building is 760K sq. ft., and while it is on Manufacturing's books, it is in fact a multi-functional building. Colorado is currently occupied as follows: Manufacturing (utilized): 52%, (underutilized): 17%, Engineering: 23%, US Field: 6%, and Corporate: 2%.

As of the end of December, the facility housed 924 Manufacturing employees (333 IL, 591 DL) and 336 non-Manufacturing employees for a Digital total of 1,260. The current Manufacturing population compares with an FY89 ending population of approximately 1400 (800 IL, 600 DL).

The Colorado Springs Plant has produced disk drives and subsystems for the past 15 years (beginning in a leased facility in Fountain, Colorado).

FY92 Non-material spending is \$89M, population is 767, and the current book value of the building is approximately \$20M.

## MANUFACTURING PLANT PROFILES

### CUPERTINO

The Cupertino, CA operation began through a \$10M technology acquisition from Trilogy in support of the VAX9000 program. Digital purchased the rights to Trilogy's High Density Signal Carrier (HDSC) technology and the rights to hire associated employees. The operation began August 18, 1986 with 85 former Trilogy employees. Digital assumed leases on three contiguous buildings at 10500 Ridgeview Drive.

As operations ramped in support of the VAX9000 business plan, resources peaked in early FY91. At the peak, the operation was located at five sites. The sites at 10500 Ridgeview Drive, an adjacent office building, and a Manufacturing/office building in Mountain View, CA. The Mountain View facility housed the MCU (Multi-chip Unit) operation which had moved from Digital's Shrewsbury, Ma facility in FY88. Total square footage was approximately 320K, with a population of 1190.

Today the 10500 Ridgeview Drive facilities house all the activities (HDSC, MCU, Micromodule, and support staff). The Mountain View facility was vacated in FY90 and the adjacent office building in FY92. Current population of 596 resides in 246K square feet with a net PP&E of \$70M.

The organization is executing end of life for the VAX9000 program while preparing to start-up a small micromodule business in emerging multichip modules (MCM) market.

### ENFIELD

The Enfield plant was built by Digital as a module manufacturing plant. It occupied 78K sq. ft., and at its peak employed approximately 290 people with annual gross spending of \$40M.

This plant has been closed and is for sale.

### FORGE ROAD - - COLORADO SPRINGS

This facility housed Media engineering and manufacturing development and was purchased in the early 80's. The site occupied 46K sq. ft., employed 75 people, and has spending of approximately \$8M per year. Media engineering operations were consolidated in Tempe in early FY92 and this site is being closed this month.

### FRANKLIN

The Franklin plant was built in 1982 to principally manufacture the VAX family of CPU's and options. In 1986, end of life builds were completed with the plant transitioning to a multi-tenant, multi-business operation.

In FY89, the External Semiconductor Group relocated to the Franklin site. The External Semiconductor Group currently employs 500 people, with annual Non-material spending of \$44M, inventory of \$65M and material purchases of \$200M. The current installed cost of Franklin is \$23.4M, with a book value of \$18.2M.



## MANUFACTURING PLANT PROFILES

### GALWAY

The Galway Hardware plant was built by Digital in Ballybrit, Galway, Ireland in 1973 and originally comprised 135K sq. ft. The building has been extended twice and now comprises three cores, totaling 417K sq. ft. The cost of the current building was \$12M. There is also a small leased building of 16K sq. ft. adjacent to the site which is used by hosted groups.

Originally the plant produced PDP's and evolved into the European supplier of all midrange and high end vax systems. Today, the Ireland Hardware Business is also a key volume supplier of memory modules for all European systems, storage modules for worldwide consumption and in the current year has assumed the responsibility for the manufacture and supply of networking and communication products for the European market (previously manufactured in Clonmel).

The employment in the Hardware plant peaked at 1100 in 1989 (at which time there were also 350 people in the Clonmel facility). The employment has been reduced to 1020 (including 80 people currently in the Clonmel nucleus and 75 hosted employees). The annual Non-material spending for Ireland Hardware is \$85M and the PP&E net book value is \$32M.

The European Software Supply Business (ESSB) initially leased its premises at Mervue, Galway in 1971. The plant is 137K sq. ft. and peak employment was 370 during 1991. Originally, the facility was a warehouse but has since developed into the European center for the management, manufacture and distribution of all software products with supporting engineering and marketing services. The group currently employs 330 people, annual Non-material spending is \$23M and the PP&E net book value is \$4M.

By the end of FY92, the ESSB will have consolidated into the Ballybrit site and relinquished it's lease in Mervue. The site will then comprise Hardware manufacturing, (284K sq. ft.) and the European Software Supply Business in the third core (133K sq. ft.).

### GREENVILLE

In 1979 Digital acquired 150 acres in Greenville, SC from the Westinghouse Corporation for the construction of a 201K sq. ft., \$49M Printed Wiring Board facility. Operational startup occurred in 1981.

In FY87 investment continued with a \$42M, 87K sq. ft. expansion to provide advanced process research and development and VAX9000 Planar board production. At it's peak Greenville, employed 1150 people, produced in excess of \$50M (value of shipments at standard), and provided the Corporation \$15M of product and process research with a class 100 cleanroom.

Currently the operation provides \$30-40M of circuit boards in three major business segments; volume, high technology multilayer boards; prototype and quick turnaround, and external customers. The facility provides on-site CAD and failure analysis capability with a full time workforce of 510 people. The site provides host services to the PWB group organization, DEC ISRAEL software development team, Greenville field service, field support organizations, and serves as both Southern Geography Telecommunication backup as well as a Computer Integrated Manufacturing reference site.

After a consolidation of facilities, the site now has 218K sq. ft. of manufacturing and office space with a net book value of \$55M.



## MANUFACTURING PLANT PROFILES

### HONG KONG

The Hong Kong plant began operation in January 1974, originally chartered to support low cost memory manufacturing with Taiwan. Digital's second Asian facility, Hong Kong's operation was established through the purchase of the assets of Electronic Magnetic and Memory Ltd. (EMM), a branch operation of the U.S. memory manufacturer. Approximately 260 people joined Digital at that time in a plant occupying 16K sq. ft. on 2 floors of an industrial building in Kennedy Town on Hong Kong Island.

Since then, the Hong Kong operation has expanded several times, first through the addition of two branch factories in the New Territories in 1976, construction of a Digital owned facility in Kwai Chung and later another facility in Shatin in the eastern New Territories. Operations have since been consolidated in the Shatin plant in 1986 and the other buildings sold in 1987.

Before 1980, memories were basically the only product manufactured by HKO. Since then, the plant began module production of RL02, TU58 storage products, VT100 & VT220 monitors and power supplies for the Rainbow, Pro, RA81 and LA210 products. At its peak in 1983 over 2000 people worked in HKO. Memory operations have since been phased out, moving to the Singapore plant in 1980. Additional terminal production has moved to the Shenzhen plant in the People's Republic of China in 1989.

Today, HKO supports the terminal (VT420), monitors (VR3XX) and power supply businesses from the Shatin plant with a staff of approximately 750. Plant shipments in FY92 are \$99m, Non-material spending at \$20M, and net PP&E of \$11M.

### HUDSON

Digital's LSI operation began in 1974 in Worcester, MA where it leased space in the Sprague Electric plant. In 1979 the operation transferred to the new Hudson facility where it brought up two three-inch wafer Fabs. HLO2 was added in 1982 increasing the site by 308K sq. ft. to 685K sq. ft. Fab-3 was added in 1983 in which the ZMOS/Microvax chip set was developed and manufactured. The CMOS technologies followed. Fab-4 (CMOS-3 pilot line) was added in 1990/91 and is today's primary U.S. semiconductor Fab supporting CMOS 3&4 and R&D work for CMOS-5. Fabs 1&2 were closed in 1989/90 while Fab-6 is currently on the drawing board. (Note Fab-5 is in South Queensferry Scotland).

The Hudson site supports the semiconductor design process, development manufacturing and administrative functions. It has a population of 1400 people, Non-material spending of \$190M, and net PP&E of \$150M.



## MANUFACTURING PLANT PROFILES

### KANATA, CANADA

Manufacturing in Canada began in 1964 when Digital purchased a 20K sq. ft. Woolen Mill in Carleton Place, Ontario. This location became Digital's first market presence plant. Digital's current rationalized status with the Canadian Government is a key factor in supporting subsidiary sales and profitability goals. The mission in the early years 1964 - 1969 was to manufacture modules, backplanes and power supplies.

In 1971, Digital Canada began construction on a new site in Kanata, Ontario. Over the span of the next 20 years the Kanata charter has evolved into three core missions. Manufacturing produces the VAX3100/4000 family for the US and GIA markets and the PDP11/Fault Tolerant Systems for worldwide markets. Engineering, via the Canadian Technology Centre has a mission to provide the Corporation with a center of expertise in the area of separable interconnect and fiber optics. Manufacturing Services provides Purchasing, Facilities Management, Logistics and Distribution and Consulting services to the Canadian Field.

Today the Manufacturing, Engineering and Logistics organization has 670 employees, annual Non-material spending of \$52M, 286K sq. ft. and net PP&E of \$22M.

### KAUFBEUREN

Digital's Manufacturing operations in Germany started in a 50K sq. ft. Pilot Plant in Asch in 1977, with the mission of Final Assembly and Test of PDP-11 Systems. In 1981, the operation moved to the new Manufacturing Plant in Kaufbeuren, where they were then doing FA&T on a wider Vax Systems Portfolio. The new Plant occupied 165K sq. ft., employed 165 people and the Land & Buildings were valued at \$16.2M.

In 1983, the Plant's charter was re-established in Mass Storage, with the first Storage Array shipped in 1984. Successive volume products were RA90 in 1988 and RA92 in 1989. In 1990, they were given the Charter for worldwide manufacture of 5.25 inch Disks, and continued with Storage Arrays for the European Market. In 1991, they embraced the additional mission of supplying the External Market. At the end of 1991, net PP&E was \$23.6M, with \$19.7M in Equipment and other Capital. The Building now occupies 270K sq. ft. At the end of January, 1992, the Plant had a total of 765 people, including 65 engaged in design work. The FY92 Non-Material Spending is \$62.3M.

## MANUFACTURING PLANT PROFILES

### PHOENIX

The land (86 acres) was purchased in April 22, 1975. Construction of the facility occurred in three phases: phase 1 and 2 in 1976 and phase 3 was completed in 1986. The total building and land costs were \$20.9M.

Operations commenced in 1974, in a leased building and moved into the owned facility in 1976. The original charter was as a high volume manufacturer of minicomputers and peripherals with PDP-11/05 as the first product. Subsequent products included modules, power supplies, video terminals, printers, comm options, PC power supplies and options, and Nautilus (VAX 8500/8600).

The most recent operation included terminals and printer repairs.

Phoenix also housed both the Western Distribution Center until January, 1991 when the operation was moved to Albuquerque and the Southwest Financial Management Center until its move to Tempe in March, 1991. The repair business is in the process of moving to Tempe.

Currently Phoenix is under agreement to be sold with an expected sale date of May, 1992.

### PUERTO RICO

Digital commenced operations at San German, Puerto Rico in 1968 with the manufacturing of cables, harnesses, power supplies and modules. In 1974 the Printed Wire Board facility and the Aguadilla assembly sites were added to the operations. The peak level of activity for Puerto Rico was five sites and 3200 employees. Today the two combined sites employ 1260 employees and have 475K sq. ft. of which 265K sq. ft. are owned and the remaining space is leased from the government of Puerto Rico. Through the years the operation evolved and is now producing the 6000 system platform of products, Decservers for NAC, disk modules for storage, PWBs and other VAX CPU modules. The plant is scheduled to begin volume production of the first ALPHA machine, NEON, in Q1 FY93 for modules prototypes which are already being manufactured; system prototypes and seed units production will soon follow. Non-material spending is \$72M for FY92, inventory is \$40M, and PP&E net book value is \$32M.

### PRC

The Shenzhen plant, located in southwest mainland China in one of the five special economic zones, was opened in 1989 following an agreement with the People's Republic of China.

The primary charter of the plant was to provide competitive video terminal and power supply products and support market penetration of the PRC.

The plant occupies a two story leased building covering 40K sq. ft. Plant VOS in FY92 is projected at \$28M, with Non-material spending of \$4M and population of 375.



## MANUFACTURING PLANT PROFILES

### SALEM

The land was acquired in August, 1975 for \$1.5M. The building was constructed and opened for operations in April, 1977 at a cost of \$19.2M. Salems' historical charter included: Final Assembly and Test (FA&T), Comm options, Vax 11/780 start-up, Nebula, Nautilus, Polarstar & Calypso, CPU kernal manufacturing, module manufacturing and startup. The current charter is to manufacture custom design systems and perform low volume, high mix repair services. The site consists of 673K sq. ft. on 129 acres. CSS Manufacturing occupies approximately half the site. Other tenants are Customer Service Logistics, Customer Service Logistics repair, HEO, Cluster Test Lab. Non-material spending is fully charged to the Field. FY92 CSS Manufacturing population is 619; net PP&E is \$3.6M.

### SHREWSBURY

The Shrewsbury (SHR) plant was built in 1985 as part of New England Technology Center (NETC). It was primarily designed for the development and production of thin film heads. The RA90 disk drive first shipped to customers in July, 1988. It was Digital's first product to use thin film heads. SHR also assembled components for the RF72/31, RF30/71, RA8X, RA60, and RC25 drive families. Today SHR is producing thin film heads and actuators for Digital's RF73, RZ35, and other development programs as well as supplying heads and actuators to the OEM drive market. Manufacturing occupies about 76K sq. ft., has approximately 560 employees, annual Non-material spending of \$50M, and a PP&E net book value of \$45M.

### SINGAPORE

Digital became one of the first computer companies to open operations in Singapore in 1980. The permanent 150K sq. ft. site was built in 1982 following a \$30 Million investment after agreements with Singapore's Economic Development Board to provide long term tax incentives and Digital's need to meet continued low cost memory and storage business expansion. Following the end of the tax holiday in 1990, the company will be taxed at a 3% rate for the next three years and then 15% thereafter.

Approximately 540 people now occupy the plant, down from 982 in 1983. Plant operations currently supports high, mid-range and low end memory and storage module and option products through its surface mount technology lines and process operations. Currently approximately 70% of the company's memory requirements are built in Singapore. Plant shipments are expected to be approximately \$216M in FY92 with a Non-material spend of \$19M and net PP&E of \$19M.



## MANUFACTURING PLANT PROFILES

### SOUTH QUEENSFERRY

The South Queensferry plant was completed in 1989 for a total construction cost of \$78M (\$134M including equipment and associated installation and fascilitisation expenditure). The plant covers an area of 222K sq. ft. of which 194K sq. ft. is production area (30K sq. ft. of Primary Fab area). Employment will reach 460 by the end of fiscal year '92.

Originally the plant provided Wafer Fab capability for CMOS3 products - Mariah in the mid-range and various workstation products. The plant is currently involved in the transfer of the CMOS4 process from Hudson which will, by the end of this fiscal year support NVAX and Alpha based chip products. Today the plant has 433 employees, annual Non-material spending of \$74M and a PP&E net book value at the end of this fiscal year of \$131.4M.

### SPRINGFIELD

The plant opened in January, 1972, assembling power supplies and cables in leased space in the Springfield Armory. The charter was expanded to include tapes and controller modules in 1975. The land and buildings were purchased from Milton Bradley in two transactions in 1977 and 1982. In 1986 we purchased the parking lot from the Springfield Redevelopment Authority (RDA). The total purchase costs were \$23.1M for the buildings, consisting of 450K sq. ft., and \$3.0M for the 8 acres of land. Springfield is currently performing Desktop 3rd party integration, small disk repair, worldwide tapes manufacturing. FY92 Non-material spending is \$22.3M, population is 306, and net PP&E is \$24M.

### SYDNEY, AUSTRALIA

The Australian manufacturing entity was set up as a presence plant in FY88. The goal of the plant was to support the export goal of 100M Australian \$ as per the agreement signed between Digital Equipment Corp. (Parent Co.) and the Australian Federal Government.

The plant is an FA&T operation that subcontracts module build to local Australian subcontractors. The plant started operations with a charter to export Australian designed CSS products for world-wide demand. The charter was then expanded to include NaC product build to supply the PacRim area. The current product set includes such items as: H4005, DS200, DS300, DR250, and DS700. During FY92, Australia also supplied some of these products to the U.S., Canada and LACR in order to insure the achievement of its export goals as the PacRim load fell rapidly.

The exports from the manufacturing operation are expected to be approximately 60M Australian \$ (MTP) in FY92 and will form the bulk of the export drive which will see the entity meet its export commitment.

The 51K sq. ft. facility is shared with CSS engineering and includes warehouse space of 19K sq. ft. FY92 Non-material spending is US\$8.9M., Population is 114, and net PP&E is US\$1.2M.



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### TAIWAN

The Taiwan plant was the first Digital manufacturing site in the Far East. When RCA sold its memory operations to Digital, Taiwan began core memory manufacturing with approximately 500 persons on October 1, 1972. Originally, the Taiwan plant occupied 50K sq. ft. of production space including a dormitory and cafeteria. Since then, the Plant area has grown to 400K sq. ft. through building expansions in 1981 and 1985. Through these expansions, automated conveyor, process and insertion equipment have been added to support low cost manufacturing of VT100 products, VT101/VT220 Terminal, VR201 Monitor, LA210 Printer and the DECmate kernel.

Approximately 1100 people now occupy the plant, providing manufacturing and engineering support to the Terminals (VT3X0, VT420, DWT & VXT families), Small Systems (DEC 433mp) and PCI businesses. In FY92 plant shipments projected at \$138M, Non-material spending at \$36M with net book value of \$19M. The plant is positioned to build the Tiger PC products, scheduled for Q3FY92.

### TEMPE (TF01)

Tempe 1 currently houses Thin Film Media Manufacturing, Southwest Financial Management Center and the Southwest Sales District office.

The Facility was purchased in August, 1980 from ITT Courier. The facility transitioned from a Board Shop to a facility with Thin Film Media manufacturing capabilities in 1985. Its employment peaked in 1989 at 403.

Tempe 1 is a Process Manufacturing Facility responsible to supply all corporate requirements for Rigid Thin Film Media for Head Disk Assemblies. The site is 173K sq. ft., utilized is as follows: Southwest District occupies 32K sq. ft., Southwest FMC occupies 12K sq. ft., Manufacturing utilizes 72K sq. ft., Underutilized space is 12K sq. ft., and Common space occupies 45K sq. ft. Today's current manufacturing output is \$22M, 119 employees, net PP&E \$14M and annual Non-material spending of \$17M. Southwest FMC headcount is 53 employees, and 200 employees are in the Southwest district.

### TEMPE (TFO2)

Tempe 2 currently houses Site Service/ Personnel, System Training and some Manufacturing Transition employees.

Tempe 2 was purchased in 1988 for \$18.5M, with 176K sq. ft. on 18 acres. The major reason for purchasing the site was for Thin Film Media volume requirements and flexibility.

During the period when the building was used for Thin Film Media, Non-material spending was \$20M/yr (\$16M restructuring) with a net PP&E of \$15.4M. The current plans are to close the Tempe facility, triggered by the change in the Company's media strategy.



## MANUFACTURING PLANT PROFILES

### VALBONNE

The Terminals Business Unit was set up in Valbonne in FY85, chartered to manufacture low volume, high technology terminal products, and to select and qualify external sources of supply for high volume terminal and printer products. The business of external sourcing was broadened to include the total demand/supply management and technical support for all terminals and printers being consumed in Europe, representing \$350M of output, supported by 45 people, at a cost of \$6M.

During FY88 and 89 capability was developed to manufacture PDPs and MicroVax internally, peaking at around 120 people outputting \$150M at MLP. This group was transitioned out of the Company during FY91, and the building lease was terminated.

### WESTFIELD

We purchased the 241 acres of land in 1969 for \$.4M. The first two cores were built in 1969 and operations commenced in 1970. The second two cores were added in 1973. The total cost of constructing the 532K sq. ft. facility was \$14.3M. Westfield was originally chartered as manufacturing computer peripheral equipment and metal fabricated parts. Products manufactured over the years include teletypes, tape drives, printers, terminals, personal computers, MicroVAX family, VAXmate, Teammate, Mayfair, Pele, Spitfire, Mipsfair. In June 1991, Westfield closed its Systems and Modules Business, eliminating over 500 positions. Today, Westfield is chartered as the Enclosures Center of Expertise and Commodity Manager for Metals and Plastics. FY92 Non-material spending is forecast to be \$38.6M and net PP&E is \$14.6M. Population is projected to be at 500 in Q4, FY92.

### WESTMINSTER

The 339 acres of land were acquired in 1970. The building was constructed in 1970 with expansion in 1976. Total cost of building the 676K sq. ft. facility was \$10.1M. Westminster was originally chartered for Manufacturing of the PDP family, sub-assemblies, cables, CPUs through FA&T; production of the Vax 11/780 began in 1981, and in 1984 Westminster adopted its current charter of Software manufacturing and distribution operations.

The Software Services Business consists of Traditional products including software shipped with hardware and software only orders, Software updates - DEC internal and external customers, supplier to other SSBs for masters/random orders and worldwide low volume supplier. There is also a Customized business including media replication & distribution service, merchandising and trial software programs, customized mastering - CD Rom, as well as New technology - Electronic Publishing.

The U.S. Customer Distribution/Area Distribution Business is responsible for Logistics services in support of U.S. Area operations and worldwide customer order fulfillment: Order fulfillment channel management, Transportation and Warehousing.

FY92 non-material spending is forecast to be \$82.0M for the Software Services Business and U.S Customer/Area Distribution, site population (including the order fulfillment portion of the USIMBC) is 1,600, and net PP&E is \$29.4M.