



NEWS RELEASE

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ALTOS REPORTS 62% INCREASE IN EARNINGS FOR FISCAL 4th QUARTER

SAN JOSE, CALIF., AUG. 12, 1983--Altos Computer Systems, San Jose, Calif., today reported the results of operations for the fiscal year ended June 25, 1983.

Net sales for the fourth quarter were \$21.019 million, an increase of 42 percent compared with sales of \$14.756 million in the same quarter a year ago. Net income grew 62 percent to \$2.268 million, up from \$1.396 million last year, and earnings per share were 15 cents as compared with 12 cents a share for the same quarter a year ago. The weighted average number of shares outstanding increased from 11,456,991 to 14,889,668.

Net sales for the year were \$74.587 million, an increase of 46 percent compared with sales of \$50.957 million a year earlier. Net income rose 39 percent to \$7.921 million or 58 cents a share, from \$5.708 million or 50 cents a share. The weighted average number of shares outstanding increased from 11,483,950 to 13,695,259.

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Dave Jackson, president of Altos, commented: "1983 was a year of significant accomplishments for Altos. We introduced several new 16-bit microcomputer families that continued the Altos tradition of providing state-of-the-art technology. We set new records for revenue and income in a generally unfavorable economic year.

"The task of converting from an 8-bit to a 16-bit multi-user microcomputer market in both the areas of hardware and software has been more difficult than we anticipated. The process of providing increased training and support to our dealers is costly and time consuming. While our new products announced during this past year are being well received by our customers, at the same time, we are experiencing increased competition.

"We anticipate that these factors will continue to impact our revenues during the first half of fiscal 1984. Revenue and net income for Altos are expected to decline during the first quarter, down from the fourth quarter of fiscal 1983. However, we expect fiscal 1984 to be a profitable year and one that will produce major new hardware and software product announcements."

Altos, a leading manufacturer of multi-user microcomputers for business and industry, is traded OTC, symbol ALTO.

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