

A Message from the President

Why Diversity?

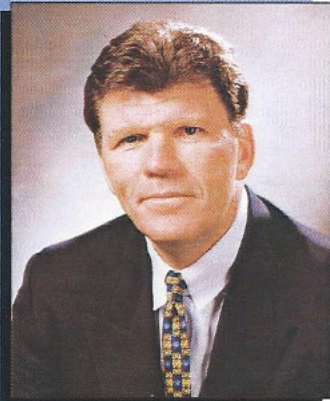


Photo courtesy of Victor Prooye

David B. Wright, President and Chief Executive Officer

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Last December, I addressed with you the need to renew our corporate values. Prominent in that list was the value that "People Are The Company," and I encouraged everyone to be receptive to new ideas and to encourage innovative thinking. Building on that theme, I want to speak today about the need for diversity in our workforce.

Why am I making diversity of Amdahl's workforce a major management focus? The answer is simple: It makes good business sense to do so.

Business Benefits of a Diverse Workforce

Let me summarize some of the most important benefits of a diverse workforce:

- People from different backgrounds analyze and solve problems differently. Backgrounds of gender, race, ethnicity, and culture create rich differences in viewpoint and vision. These rich differences result in faster, more complete, and more creative solutions when consistently applied to solve our business challenges.
- We at Amdahl need greater sensitivity to unique ways business is conducted around the world. A diverse workforce will enable Amdahl to better align itself with our customers, alliance partners, and vendors—many of whom have installations in every corner of the globe. I was recently made aware of international marketing and local sales efforts that could have been dealt with more effectively with the greater sensitivity that a diverse workforce brings.
- Excellence exists in all backgrounds regardless of gender, race, ethnicity, or culture. We are shortchanging ourselves if we do not bring persons of all of these backgrounds into the Amdahl family.

Increasing Diversity at Amdahl

Today, I am announcing several initial steps to demonstrate my personal commitment to increasing diversity in our workforce at all levels of the company.

First, I have approved funding for additional headcount reporting to Clare Phillips, Diversity Council Director, for the sole purpose of providing the necessary resources to drive our diversity efforts. Clare has also brought together a group of employees from across the company to act as a Corporate Diversity Council. I intend to work closely with this group on an on-going basis to sponsor initiatives designed to enhance the diversity of our workforce at all levels.

Second, a meaningful component of the incentive compensation of each member of my management team will be determined based upon measurable results to improve diversity of our workforce at all levels through recruitment, retention, and promotion. Too often, important goals are not accomplished simply because they are not measured. In my view, measurement will drive success.

Third, in a knowledge-based economy, intellectual capital constitutes a significant source of sustainable competitive advantage. Continuous career development and succession planning together with a focus on increasing the diversity of our management team are essential building blocks to attract and retain the talent we need to prosper. I am committed to making sure that our most talented current employees are given the opportunity to grow and move to the next level—from individual contributor to manager, from manager to director, and from director to vice president.

We have existed too long in an environment where the most comfortable route was to hire and promote persons just like ourselves. Business as usual is not good enough. To survive and prosper in the global marketplace, we need to think differently. Workforce diversity in that marketplace works to sustain the competitive advantage necessary to win.

David B. Wright
President and Chief Executive Officer

When you give, everybody gains



Amdahl's 1998 United Way Campaign Begins September 28

U.S. employees will once again have the opportunity to support a variety of charitable services and agencies in local communities during Amdahl's 1998 United Way Giving Campaign, September 28-October 9.

In recent years, United Way campaigns at Amdahl have been low-key events—as opposed to the more involved campaigns of the 80s—and the 1998 campaign will be marked by balloons, posters, and table brochures in the cafeteria and break rooms. A letter to all U.S. Amdahl employees from David B. Wright, Amdahl President and CEO, will kick off the campaign.

Included with David's letter are personalized pledge forms, which will allow each employee the option of continuing a pledge from last year, modifying or canceling an existing pledge, or beginning a new pledge.

"Whether it has been an aggressive campaign of the old style, or the more moderate events of recent years, Amdahl has been a strong supporter of United Way since the company's early days," said Gwen Roberts, United Way Campaign Manager for Amdahl. "Amdahl employees have been among the most generous, and this year

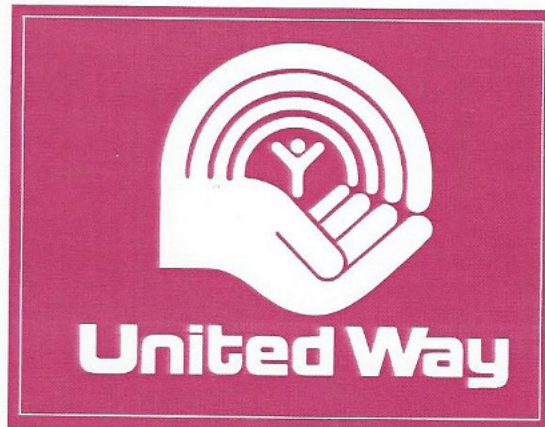
Amdahl received a Gold Circle Award from United Way for its per capita contributions of more than \$100 in 1997."

As was the case in 1997, Amdahl will match each gift 50 cents on the dollar. Last year, this combination raised more than \$380,000 for United Way agencies throughout the country.

If you would like more information about the United Way of Santa Clara County, please refer to:

<http://www.uwsc.org>.

You may also download a PowerPoint presentation from: <http://www.ccc.amdahl.com/intranet/news.html>.



If you would like information about United Way agencies and services in another area of the United States, please refer to:

<http://www.unitedway.org>.

To speak with someone about United Way agencies throughout the country, please contact Gwen Roberts, at (800) 411-8929, or (408) 345-4356. You may also send electronic mail to:

gwen.roberts@uwsc.org.

Christy Lang, Corporate Relations, is serving as this year's internal campaign coordinator.

Creating miracles. One life at a time.

WH Smith Group Sold on TDMF

Amdahl Transparent Data Migration Facility (TDMF™) software solution lowers cost of ownership and increases productivity for retail giant.

BUSINESS

WH Smith is one of the UK's largest retail groups, with more than 500 retail outlets in the UK, and 35,000 staff employed worldwide. The WH Smith Group incorporates the retail and wholesale businesses, as well as Virgin Megastores, Our Price record stores, and John Menzies.

ISSUES

- To enable rapid data migration from existing storage platforms to Amdahl Spectris™-RAID storage environment
- To enable continuous availability and maximum productivity during migration

SOLUTION

- The Amdahl Transparent Data Migration Facility (TDMF) software solution

BENEFITS

- Enables continuous availability during migration
- Maximizes user productivity
- Enables significant savings on data center management

The WH Smith Group's centralized information services is managed from its substantial headquarters in Swindon, Wiltshire, (England). The technology installed includes four large-scale processors and an NT server environment that manages the branch network and the newly-introduced customer loyalty clubcard.

Spectris Gold RAID Storage

WH Smith has been an Amdahl customer since mid-1997. After replacing their existing IBM 3390 storage subsystem with an Amdahl Spectris Gold, Mark Robbins, Capacity Planning Manager, IS Operations, commented, "The Spectris Gold RAID storage subsystem is far superior to the previous hardware. The cost of ownership is lower and we've calculated a 27% improvement in performance throughput since its installation—and that's without stressing the machine."

The TDMF solution

The Group has a total of 1.2TB capacity. As part of the new storage subsystem installation, WH Smith needed to move the entire installed DASD across to the Spectris platform. This generally would have resulted in significant system downtime, but the Group did not consider it an option to schedule an outage for the data migration.

This is where the Amdahl TDMF software solution played an important role. TDMF is a vendor-independent software tool for fast, non-disruptive System/390 data migration; the essential benefit is that data can be migrated without taking applications off-line or losing access to data.

"We simply couldn't believe what we were seeing. We kept checking the response times during the migration phase, but they were not affected at all using TDMF. The name 'TDMF' is spot-on because it really is transparent."

—Robin Carson, Systems Programmer in the MVS Support Team

"We were aware that TDMF was new," said Mark Robbins, "but Amdahl introduced us to another customer that was using it in a similar environment, and their use of it impressed us greatly. At the time, we found it hard to believe that TDMF would enable us to maintain continuous applications availability with full read/write access and maintain response times during our migration phases."

Migrating the Data

The move, however, went smoothly, and the entire 1.2TB of DASD was transferred within three weeks. Robin Carson, a systems programmer in the MVS Support Team added, "We simply couldn't believe what we were seeing. We kept checking the response times during the migration phase, but they were not affected at all using TDMF. The name 'TDMF' is spot-on, because it really is transparent."

The WH Smith Group experienced only minor issues both installing the Spectris Gold and using the TDMF software, all of which were rapidly solved using the 24-hour Amdahl Remote Diagnostic Center (AMDAC). Robbins is especially positive about the quality of Amdahl support. "We view Amdahl very positively, and would rate the company as one of our very best technology suppliers."



DMR News

DMR

An Amnahl Company

SAP R/3 Implementation at Biscuits Leclerc Ltée

DMR will be assisting Biscuits Leclerc Ltée, a manufacturer of cookies, granola bars, cereal bars, and a variety of other health snacks, with the implementation of their SAP R/3 payroll and human resources management module.

The process will be done using the AcceleratedSAP™ roadmap method developed by SAP to implement the package quickly and efficiently. DMR is supplying the Biscuits Leclerc team with a functional consultant specializing in Canadian payroll systems.

This project is part of a move toward modernization of all support applications at Biscuits Leclerc. Work on several other SAP R/3 modules will begin in October. DMR estimates the value of this contract between \$250,000 and \$500,000.

Conversion and Testing at Agricorp

Agricorp, which delivers crop insurance and customized consulting services for Ontario's agriculture and food industry, has hired DMR to provide Y2K conversion and testing services. This contract was a result of a successful enterprise-wide assessment earlier provided by DMR.

Harris Trust & Savings Bank to Implement Y2K Compliance Software Package

Harris Trust and Savings Bank has awarded DMR a contract to manage the implementation of their Y2K-compliant software package for the corporate payment system Automated Clearing House (ACH) that had begun to run behind schedule. Benefits of a successful implementation will include enhanced functionality of the ACH systems, and improved service and customer satisfaction. This project will also help Harris Trust meet the Year 2000 guidelines mandated by the Federal Deposit Insurance Corporation.

Harris Trust & Savings Bank, with headquarters in Illinois, serves more than 30,000 retail outlets operated by 25,000 merchants.

Fujitsu Roundup

Fujitsu Introduces High-Speed 16 Mbit Flash Memory Devices

Fujitsu Limited has unveiled two new types of 3V high-speed flash memory devices that achieve significant gains in access speed over existing flash devices. Jointly developed and commercialized by Fujitsu and Advanced Micro Devices (AMD) of the U.S., the new products—a 16 Mbit page mode flash memory and a 16 Mbit burst mode flash—are fabricated using new 0.33 micro process technology and will be available in five models. Sample shipments began September 8.

Flash memories are used in a broad array of electronic information devices, such as portable information terminals and auto navigation equipment. In order to handle the improved performance of microprocessors in this equipment, Fujitsu and AMD have developed the new flash memory employing two types of high-speed access modes: page mode and burst mode. Adoption of these modes allows 20 nanosecond read time.

To read the full press release on this subject, please see: <http://www.fujitsu.co.jp/hypertext/news/1998/Sep/8-e.html>.

FBCS IntelliSolve™ Solves Customers' Call Center Application Needs

IntelliSolve from Fujitsu Business Communication Systems Inc. is a new professional service that offers customized computer telephony integration (CTI), interactive voice response (IVR), fax, and World Wide Web application development services.

IntelliSolve provides call center customers with custom, self-service applications on the Edify Electronic Workforce platform, Fujitsu's TranSend™ messaging platform, as well as other systems. In addition, IntelliSolve offers packaged CTI applications—such as screen pops—and services including application project management, integration, testing, implementation, and support.

For more information, please refer to: <http://www.fbc.com/pressroom/releases/isolve.asp>.

FUJITSU

Amdahl Wins PC Week Judges' Choice Award at Comdex Enterprise '98

Company presents first-ever live demonstration of eight-way Intel Pentium II Xeon processor.

Amdahl earned a Judges' Choice Award for Enterprise Excellence from *PC Week* at the Comdex Enterprise '98 conference in San Francisco, California, September 8-10. The award recognizes product innovation and enterprise-level performance.

The highlight of Amdahl's booth was the new Fujitsu *teamserver™ M831i*. With the power of eight Intel Pentium II Xeon processors, the servers are based on Fujitsu's innovative Synfinity interconnect technology, and provide scalable architecture and connectivity designed especially for the rigorous demands of applications such as enterprise messaging, Internet/electronic commerce, and data warehousing.

For more information about the new *teamserver*, please refer to: <http://www.amdahl.com/cgi-bin/press-index/19980908-001.htm>.

To read about the awards, you may go to: <http://www.zdnet.com/pcweek/eeawards/welcome.html>.



Jeffrey M. Broughton, Manager of Server Marketing, (left) discusses the new Fujitsu *teamserver M831i* with Comdex Enterprise '98 conference attendees.



Revised Policy Furthers ISO 14001 Certification Efforts

Editor's note: See the May 1998 edition of Update (<http://www.ccc.amdahl.com/amdahl.online/iso14001.html>) for a description of the ISO 14001—Environmental Management Systems standard and Amdahl's efforts to gain certification.

In the continuing process of obtaining ISO 14001 certification as requested by Fujitsu Ltd. of all affiliate manufacturing sites, Amdahl has released a revised Environmental, Occupational Health and Safety Policy statement.

A written corporate environmental policy as defined by an organization's senior management is one of the core elements of the ISO 14001—Environmental Management Systems standard. Fujitsu's request for certification reflects an international trend toward corporate environmental stewardship.

To read the full text of Amdahl's Environmental, Occupational Health and Safety Policy, please refer to: <http://www.ccc.amdahl.com/facilities/safety/ehsg/eohsp.html>.



More than Money

September 14-18 was National Payroll Week in the U.S. To mark the event, the payroll staff held several events at the Sunnyvale headquarters. This month Update talked with Theresa Felles, U.S. Payroll Manager, to learn more about National Payroll Week, and about the responsibilities of her office.

Update: How long have you worked at Amdahl?

Theresa: I came to Amdahl at the very end of October 1997. I was previously with Comerica Bank—I worked in the banking environment for about 11 years. I decided to try high tech since that's what this valley is all about.

Update: Please describe National Payroll Week and what that means at Amdahl.

Theresa: National Payroll Week was started by the American Payroll Association in 1996. The theme of the week was "Working for America," and the purpose was to set aside five working days in order to honor the American worker—whose tax contributions support the American Dream—and payroll professionals, who are dedicated to processing those contributions.

To celebrate it here at Amdahl we had a service fair at Sunnyvale headquarters with information and educational materials available for people to pick up, a tax calculator demonstration, gifts, and a raffle. For field employees, they can call anytime and we'll send out any of that information.

Update: Most people think of their paychecks when they think of the payroll office; what other responsibilities does your office have?

Theresa: We have to be familiar with wage and hour laws, tax laws, and fair labor standards. We make sure that appropriate payments are made, that various schedules are met, and that wages are figured correctly. We play a key role in carrying out government programs; we work with third-party agencies; and we work directly with outside agencies on such things as child support obligations and creditor issues.

Update: What's the biggest challenge of working in payroll?

Theresa: Keeping up with Amdahl's changing business needs, remaining innovative with changing technologies, and staying current on new legislative changes affecting payroll.

Update: What is biggest reward of working in payroll?

Theresa: I think the biggest reward is having a large, complex task to do, and pulling it off. When everything's quiet, that's when I feel the most successful. Also, the payroll group—Ayfer Ahmed, Phoebe Han, Iris Knoebel, Martha Lopez, Elias Meshesha, Karen Ybarra, and Precious Puttick—is wonderful. And each day is varied; it is *never* boring in Payroll.

Update: What do you like to do outside of work?

Theresa: I love to be outdoors—I'm big on hiking, camping—and I'm an avid novel reader. Right now I'm also going back to school to get my business degree. Amdahl's helping me with that, which is wonderful.

Update: What is the best piece of advice you've ever received?

Theresa: Well, I love the quotes from *Newsline* every day. Most of the other stuff I've had to learn the hard way.

Oh, you know, maybe the best advice anyone ever gave me was: "Lighten up!"



Theresa Felles, U.S. Payroll Manager

UPDATE

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We value your feedback.

Please let us know if you have story ideas or comments about *Update*. We want to know what is going on in your corner of the world and how this publication can best serve all Amdahl employees. Contact us at:

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