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News Release

COMPAQ

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Compaq Launches Next Generation of Consumer PCs

New Presarios Include Speakerphone, Television as 'Ultimate Home Appliance'

Compaq today announced:

- **Compaq Presario 500 Series** -- New "all-in-one" multimedia PCs with integrated speakers, television capability, speakerphone and priced starting at \$1,699*
- **Compaq Presario 700 Series** -- New feature-rich multimedia PCs in a traditional desktop design and priced starting at \$1,499*
- **Compaq Presario 900 Series** -- Power, speed, multimedia and enhanced expansion capability in a minitower design and priced starting at \$1,649*
- **Compaq Presario Multimedia Monitors** - New 14- and 15-inch premium color monitors designed exclusively for the Presario 700 and 900 Series that feature integrated high-quality stereo speakers and microphone and start at \$399*

HOUSTON, Sept. 14, 1994 -- Compaq Computer Corporation (NYSE:CPQ) today launched an aggressive new worldwide consumer product and marketing blitz with the introduction of the next generation of Presario computers, the ultimate home appliance and the easiest-to-use Compaq PCs ever produced.

Compaq has integrated home and home office appliances into a PC, including cable-ready television, high-quality speakerphone, fax machine, CD-ROM sound system and Personal Message Center that provides voice mail and address book functions. Packed with innovative features, 23 different software programs, the industry's most comprehensive warranty at three years with one year on-site service, and priced between \$1,499 and \$1,899*, the new Compaq Presario 500, 700 and 900 Series products offer families the best value in home computing, communications and entertainment.

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* All prices listed are estimated selling price, dealer price may vary. Monitor not included in Presario 700 and 900 Series prices.

"Compaq pioneered lifestyle computing last year with the original Presario, the fastest selling product in the Company's history," said Michael Norris, Vice President, Consumer Products, Compaq. "Today, we redefine multimedia and begin shipping products that will be available at over 6,000 retail locations nationwide (United States). Aimed at the fastest growing segment of the marketplace, we intend to combine our products with a multi-million dollar awareness campaign to increase our consumer marketshare, which has doubled over the past year."

Marketing Blitz

As part of the new Presario introduction, Compaq will launch a new series of national promotion programs and advertising on September 19 that will run through the end of the year. In one promotion, the Company has teamed with actor Richard Karn, who stars as Al Borland on television's number one rated comedy, *Home Improvement*, to discuss the benefits of home PCs. The Company is also teaming up with the Microsoft Corporation to bring Family Technology Nights to parents and children in select local markets.

In a longer-term move, Compaq will kick off a new television advertising campaign with a series of warm and innovative spots that showcase the lifestyle benefits of the next-generation Presario line. The first new TV commercial will run on September 19 and continue throughout the remainder of the year on national network and cable programs. An extensive print campaign is also scheduled to begin in October.

"These new promotions enable us to reach some of the 70 million households in the U.S. that have yet to purchase a personal computer. We also position the Company for what is typically the busiest-selling season," Norris said.

The Ultimate Home Appliance

Designed for family and home office use, the new "all-in-one" (500 Series), desktop (700 Series) and minitower (900 Series) Presario PCs innovatively include a host of family-oriented features with true lifestyle applications.

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The following multimedia features clearly position the new PCs as the ultimate home appliance and come standard on each new Presario CDS model:

- **Built-in, Full-Duplex Speakerphone** -- Advanced technology allows the user to participate in a clear, natural and uninterrupted conversation with another party while keeping both hands free to work in another application. The speakerphone is built directly into the all-in-one Presario 500 Series and is available on the Presario 700 and 900 Series when used with the new Presario Multimedia Monitors.
- **CD Sound System** -- Although it has always been possible to play audio compact disks, a new stereo metaphor makes listening to music while working in other applications a quick and easy experience. Compaq's CD sound system allows users to catalogue and play their favorite audio CD tracks and programs.
- **High-quality Speakers** -- Superior stereo speakers integrated into the all-in-one design on the Presario 500 Series, and built directly into the new Presario Multimedia Monitors for the Presario 700 and 900 Series make audio CDs and sound applications a high-quality sound experience.
- **Personal Message Center** -- An extension of the feature on the original Presario products and pioneered by Compaq, the Personal Message Center includes an easy-to-use telephone answering machine, phone and address directory and voice-mail capability. These features allow the user to keep home office messages separate from family messages in one of 10 voice mail boxes, check messages from a remote location and automatically dial phone numbers that are kept in a secure place. The new Presario products also support "caller ID" where available.
- **Built-in, Fast Fax/Data Modem** -- A speedy, built-in 14.4 bps fax/data modem allows users to access computer on-line services or easily send and receive faxes.
- **Television Capability** (in some models) -- PC TV capability in some models allows users to stay on top of world events by watching or listening to television in a "window" while in other applications, or by going full screen. The Presario CDTV 500 and 900 models are "cable ready" so that users simply plug a television cable into the back of the PC to enjoy their favorite television programs.
- **Pre-installed Software and CD-ROM Titles** -- 23 pre-installed software and bundled CD-ROM titles offer something for everyone including educational programs, household finance programs, entertainment/game programs, business applications and on-line services. The "bundle" of software and CD-ROM titles included with each new Presario are worth approximately \$1,000 if purchased separately.

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**The Easiest To Use Compaq PCs
Ever Produced**

Compaq's exclusive new MediaPilot software program makes it easy to use the multimedia features of the new Presario PCs. With the simple click of a button on the program's MiniPilot, customers can quickly and easily fax documents, answer the phone, check voice mail messages, access the address book, play audio CDs and watch television. Users also have access to quick and easy set-up of the PC through the Compaq Welcome Center that details the installation process. A brief videotape addressing basic set-up and common lifestyle computing questions is included with each new Presario PC.

Power-Saving Features

Designed to be left running all the time, the new Compaq Presario products conserve energy by "powering down" to a hibernation mode during user-defined periods of inactivity, using only approximately the same power as a common hallway night light. All Presario 500, 700 and 900 Series PCs are Energy Star compliant -- excludes Presario CDTV 920 model.

**New Compaq Presario 140 and 150
Multimedia Monitors**

Designed exclusively for the Presario 700 and 900 Series, the new Compaq Presario 140 and 150 Multimedia Monitors feature integrated high-quality, acoustically superior stereo speakers; built-in microphone; speaker mute button; and a headphone jack. When used in concert with Presario 700 and 900 Series PCs, the monitors provide full-duplex speakerphone capability that allows users to enjoy "hands-free" telephone conversations while in any application. The innovative full-duplex technology allows both parties on the line to speak and be heard at the same time.

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The Presario 140 Multimedia Monitor is a 14-inch, high-resolution color monitor designed for experienced users who want a full-featured, affordable high-resolution display. The Presario 150 monitor is a 15-inch, high-performance, high-resolution monitor with a "full square" picture tube. Both monitors support high refresh rates for "flicker-free" viewing.

The Compaq Presario 500 Series: Great Information Appliance Becomes Better

Building on the success of the original Presario 400 Series, the new Presario 500 Series includes two models -- Compaq Presario CDS 520 and the Compaq Presario CDTV 520 -- that feature a space saving all-in-one design, integrated stereo speakers, full-duplex speakerphone, Media Pilot multimedia software and television capability (Presario CDTV 520 model). Each model features:

- Built-in 14-inch high-resolution SVGA color monitor
- 486SX2/66 microprocessor
- 420 MB internal hard drive
- 4 MB of RAM standard, upgradable to 64 MB
- Double-speed CD-ROM drive
- 16-bit stereo sound
- Integrated stereo speakers
- Built-in microphone
- Pre-installed, cable-ready television card (on the Presario CDTV 520 model)
- Two ISA expansion slots
- MIDI/game port
- Enhanced local bus video
- 1 MB video RAM, upgradable to 2 MB
- One 3.5-inch, 1.44 MB disk drive

The Compaq Presario 700 Series: Enhanced Multimedia in a Desktop Design

Powerful and flexible, the new Presario 700 Series offers the same multimedia and ease-of-use features that are common to the new Presario line, but in a traditional desktop design. The speakerphone and stereo sound capability are available when combined with a new Compaq Presario Multimedia Monitor.

The Presario 700 Series includes the Compaq Presario CDS 720 and the Compaq Presario CDS 724 models and includes the following additional features:

- 486SX2/66 (Presario CDS 720) or 486DX2/66 (Presario CDS 724) processors, upgradable to Pentium technology
- 4 MB or 8 MB of RAM standard, upgradable to 100 MB
- 420 MB internal hard drive
- Double-speed CD-ROM drive
- Support for optional 5.25-inch 1.2 MB diskette drive or an internal tape backup drive
- Three 16-bit ISA expansion slots and one Compaq Reserve Slot
- MIDI/game port
- Enhanced local bus video
- 1 MB video RAM, upgradable to 2 MB
- One 3.5-inch 1.44 MB diskette drive

The Compaq Presario 900 Series: Power and Expandability in a Minitower Design

Packed with speed, power and enhanced expansion and upgradability, the Presario 900 Series also features a minitower case design and is ideal for saving workspace in a small office or home office. The Compaq Presario 900 Series includes the Presario CDS 920, the CDTV 920, the CDS 924 and the Presario 924 -- a special non-multimedia model.

Additional standard features of the Presario 900 CDS models include:

- 486SX2/66 (Presario CDS 920 and CDTV 920) or 486DX2/66 processors (Presario 924 and CDS 924), upgradable to Pentium technology
- 420 MB (CDS 920 and CDTV 920) or 525 MB (Presario CDS 924) internal hard drives
- 8 MB of RAM standard, expandable to 100 MB
- Double-speed CD-ROM drive
- Pre-installed, cable-ready television card (CDTV 920 model only) that allows users to watch television in a scaleable "window" or listen to a broadcast while working in another application.
- 16-bit stereo sound (via Compaq Presario multimedia monitor)
- MIDI/game port
- Five 16-bit ISA expansion slots and one Compaq Reserve slot
- Five drive bays, two internal and three external
- Enhanced local bus video
- 1 MB video RAM, upgradable to 2 MB
- One 3.5-inch 1.44 MB diskette drive

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Corporate Background

Compaq Computer Corporation is a world leader in the manufacture of servers, desktop, portable, and notebook personal computers. Founded in 1982, the Company reported 1993 worldwide revenues of \$7.2 billion. Compaq products are sold and supported in more than 100 countries through a network of more than 31,000 Compaq marketing partners. Compaq also sells directly to customers through Compaq DirectPlus at 1-800-888-5858. For customer support and information, call 1-800-345-1518. Users needing technical support for Compaq products should call 1-800-OK COMPAQ.

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