

## **Peter Wild, Castle**

PW: What I'd like to do is give you first a very brief introduction to our vision of the future of RISC OS, just to set the tone.

Think of the concept that ARM are currently selling around 500 million ARM processors a year and our real vision is to see – well, not RISC OS running on every single one of them, because even Intel and Microsoft can't achieve that sort of level with Windows – but even 10% of 500 million would be an exceedingly large number compared to where RISC OS currently stands.

So we look at the market from that kind of perspective. That may be exaggerating things a little bit in the sense that RISC OS won't run on every single flavour of ARM chip that's out there. We do depend on using the more sophisticated ones that have things like a memory management unit, so that does cut that number down a little bit, but it's still a very large number, and something that we see as a target market for us to go for.

To follow on from that, we're a small group of companies doing things in the RISC OS space, and you know that we've not been achieving more than, at most, a few thousands sales a year, and that's something we want to change. We want to change that both by increasing sales into the desktop area and also by increasing sales in the embedded space.

Now, one of the problems we see with RISC OS at the moment is that there's still a lot of things compared to the major operating systems, be it desktop or embedded offerings, that RISC OS doesn't have. And we feel that, to move it into those spaces, we would need an investment of somewhere in the region of 8–10 million pounds, which is a pretty large amount of money by any stretch of the imagination in the current state of RISC OS – even going back to the Acorn days, that was a substantially large amount of money.

So our kind of strategy is that, yes, we'd like to be able to do that, but recognise that that's not something we can run out and get tomorrow, so we're trying to grow the business organically, to get to the stage where we've got a couple of good embedded wins under our belt, and we're seen to be doing good things in the desktop space, and then we can go and talk to venture capitalists and other corporate finance investors with a view to raising that sort of money.

Now, I'm not saying that's something that's going to happen this week, this month or even this year, but that is the kind of goal that we're looking to move this company towards.

It may sound a bit crazy to you guys just put like that, but we don't think it's that unrealistic having seen what other companies in the high technology field have done with a good product and a good business plan.

So that's just to give you a flavour of where we see ourselves headed.

Now, an integral part of that is being successful in the embedded space and the desktop space, and we see the two are vital to each other, and we already have a couple of serious embedded projects which I can't talk about because the details are 100% confidential, but they are going to make a very big difference to what Castle is able to do over the coming months, and will really move our whole roadmap forwards, and bring benefits to everyone, and hopefully the opportunity to move on to bigger and better things.

So, I think as a context-setter for this whole press conference, that's what I wanted to say.

MW: So to the first question, Paul...

**Paul Beverley, Archive**

PB: After what Pete has said, my question does sound a bit myopic – “Yes, but what about the desktop market – you’re not forgetting about us, are you?!” But anyway, here’s the question I asked before having much time to study the presentation...

From the presentation received, it seems that Castle’s *main* focus is the embedded market, so how important is the desktop market within Castle’s overall vision for the future?

JL: The Desktop Market is hugely important to Castle. At the moment, we’re at a low ebb for lots of good reasons, but we’re not going to go into those.

There are four main reasons why the desktop market is important to us:

1. The most obvious is that it’s an immediate market for any new technology that we feel might be suitable for the desktop arena. For example, the IYONIX pc and the different variants, but there will also be other spin-off products that come out of the work that we do for our embedded customers.
2. Together with the development tools (which are very important to our embedded customers), the Products Division of Castle is able to make available for the embedded sector, development platforms for middleware and for the application engineers who are working to provide the final interface for our customers, and that’s a very important part of the market.
3. As RISC OS grows, and its feature set expands under the plans outlined in our Vision for the Future, we do hope that we may get to the stage where we can take on some of the major operating system manufacturers once again, but we have to move to the point where we have everything in our armoury ready to do that. To try and tackle it at this very early stage is likely just to fail, unfortunately.
4. The desktop market can inspire and culture new generations of programmers, and if we can keep the desktop market alive and bubbling, it will bring new people in and we will be able to make use of those people as time goes by.

And that sums up why the desktop market is so important, and why it fits so nicely into our vision for the future.

PW: I’d like to add one further comment to that which is that I certainly don’t see the two markets as being mutually exclusive – there’s a tendency to say “oh, it’s the embedded market” and “oh, it’s the desktop market” – but if you look, for example, at where ARM processors are being used now, one of the most popular processors out there now is the XScale PSA255 which is appearing in all sorts of handheld PDA type devices, and things like that, and I think we’ve got an excellent offering in RISC OS to provide something in that space – something slightly more particular in the embedded market – we’re not going to compete head-to-head (well not this year, anyway) with PocketPC or Windows CE or something of that nature, but we are looking at some vertical markets which would use that type of technology. And I think there are some very good spin-offs from that into the desktop market...

Jim Nagel joins the conference and MW gives a summary of the story so far...

I'd just like to finish off by saying that I see some opportunities for the desktop market in new areas like PDAs. It is possible that some of the directions we want to take things in could prove more successful than we've maybe thought, outside our existing band of enthusiastic customers, into new customers who are buying new bits of technology like PDAs, and things like that – if we handle that right – and I'm not saying we're going to succeed in that in the next six weeks or six months, but our strategy that takes off in that direction could open some new doors that hadn't previously been thought of in terms of the desktop market.

**John Cartmel, Qercus**

JC: Responding to what Peter said in his introduction, and just now, it's starting from somewhere and getting the opportunities in the new areas that Peter just mentioned. So my question is what guarantees have Castle offered to current third party developers in regard to the ability to compete freely with one another and even with Castle in their development programmes, taking into account the maximum cost to license each product sold, the circumstances under which a licence would be granted (or not), provision for shielding third party business plans from Castle themselves – and when and how did Castle communicate these guarantees to developers?

What I'm looking for generally, is the chance for all these opportunities to ???start up and hold??? a range of different areas. *(PB Sorry, I think that was what he said, but I'm really not sure what he was getting at in that last sentence.)*

JL: The future for RISC OS is all about licensing RISC OS to as many people as possible. Acorn were very much a product-orientated company, and we realise that we must get out and license RISC OS as much as we can. At the moment, the RISCOS Ltd marketplace is limited to just a few hundred machines per annum, possibly stretching into a thousand – I'm not sure of the current figures – whereas the potential market, as Peter has already indicated, can be many millions of units, and that's where we want to be. As far as our customers (potential customers and existing customers) are concerned, we need them to feel happy and confident that they can work with us. This is happening already for big companies that we're working with – and I'm talking about multi-national companies – and I see no reason why this should not work for smaller companies.

As far as existing licensees are concerned, we have confirmed privately that once this dispute is settled, it is our wish that all AMSs should be able to continue doing the good work that they already do. And we want them to be able to do that under broadly the same contractual obligations. I have already mentioned to AMSs that there would be opportunities of perhaps having different contractual obligations if they so wish. We are very reasonable here at Castle – if anything leads to a sale, we're very interested to hear from the company, and if they have a properly presented business proposal, that's where we want to be. We've said that to them privately, and we're also happy to say it publicly as well, now, and I'm sure you'll convey that on in the fullness of time.

Regarding shielding business plans by AMSs and potential customers of ours, this is obviously a very legitimate concern and many companies would share concern about that. But as most people in business will know, there are proper and well-established contractual options available, so that all parties can feel safe, that their business plans are

well protected. That's just the way business works, and we see no reason why anyone should have a problem with that.

Castle has communicated these guarantees either direct to the parties concerned or through third parties who are closely allied to the people concerned, and we have stated this too, many times, to ROL's management. Once this dispute is settled (and we want to settle it as quickly as anybody) there should be no reason why the result shouldn't be just as good as – or indeed better than the existing arrangements.

PW: The only thing I'd like to add to that is that I've just got a Tematic perspective, looking at the embedded space here. Our business is licensing. We do at the moment try to license solutions where we are actually providing the hardware and the software platform that's fully integrated and ready to go. But that only gets us so far in terms of the big, wide world and the big market that's out there, and to grow the business to any appreciable size, we have to have other people that are doing things that take it on and license it from us. As a first instance of that, who better than the people in the desktop market who already know and understand the technology – that's a lot easier sell, from our point of view, than to someone who we've got to convince of the merits of the technology, so we are absolutely *for* doing that.

Secondly, we need to have a clear business plan in terms of what that company is trying to achieve and their likely sale volume and what it's going to cost us to support and what the benefit back to Castle is from that, but we don't need to know chapter and verse about their secrets, and what they're trying to do and this kind of thing. And I don't think competition is a problem either. I can see where that concern comes from; it comes from the concerns of a small market place where everyone is looking over their shoulders at what the guy next door is doing...

*Interjection...*

JC: I was quoting from Jack there, by the way. It was Jack who was making that comment.

PW: (*clearly not understanding what JC was on about...*) So, you know, I don't see that. I mean people that we're working with at the moment are very open with us about their business plans. OK, they want to share them with us under a non-disclosure agreement and strict confidentiality agreement, so that it doesn't go any further, but they all want to work with us as partners, not as some kind of adversary. Now, OK, in the desktop market that is slightly different where we are also making computers, but we also stand to gain out of our competitors making product because we're going to get a licence fee on it and, more importantly, I think it shows activity in the whole market. I just generally believe that, in business, competition is a good thing because it stirs up the market and gets things going and give people choice which they tend to respond to, so from that perspective, I think it's a good thing to have; we're keen to promote it, not work against it.

**Richard Goodwin, IconBar**

Just picking up something you said there about competition, I'd just like to clarify something you said on page 12 of the PDF:

Constraints on kernel:

\* Support for Embedded users means we cannot compromise

- \* Contractually obliged to protect sources – no 3rd Party access
- \* Contractually obliged to protect ownership of IPR
- \* => RISC OS 5 Kernel is the ONLY way forward

Given that you've got a contract like that with somebody, where does RISCOS Ltd feature in all of this? Surely, they have sources to RISC OS. Can you settle it amicably, basically?

PW: The way I'd like to answer that is first of all pointing out that basically, as far as contracts we've got going forwards are concerned, they are for 32-bit operating systems, they're for RISC OS 5. They do place on Castle some obligations of confidentiality, as is normal in all these kinds of contractual arrangements, and in particular a desire of those involved that this isn't suddenly going to become an open source operating system like Linux. And when we look around the market place and we see what certain people have done, RISCOS Ltd is a particular offender here in that they have had the sources for !Printers on SourceForge for a number of months now, despite repeated requests to remove them, and repeatedly pointing out to them that they are in breach of their licence, they haven't done so.

That's not to say that, under the right commercial terms, we wouldn't allow some of our partners access to certain parts of the sources, some of them very low down hardware stuff – I think at the moment particularly of the HAL, that we've done a lot of work on that we wouldn't expose to third parties. But other parts of it at higher levels – and indeed I've been having exactly that conversation with Justin Fletcher from RISCOS Ltd regarding how we could benefit from some of their Select features within RISC OS 5, what the technical issues would be involved in porting those across, and at a higher level, particularly some of the desktop components, that probably wouldn't be a problem. But under the right contractual and legal agreements, *and* I hasten to add, in the case of one particular company, with an assurance on our part, or a comfortable feeling on our part, that they'd actually take any notice of the legal agreement, because if you have a legal agreement, and the other party completely ignores them then, quite frankly, I'm not sure they're the kind of company we want to be doing business with.

Regarding the IPR side of it, we are also very much obliged, contractually, to make sure that the software isn't getting ripped off; that someone can't go and buy a version down the road to run on the box of someone that actually licenses it from us. Again, that's a normal commercial thing. People seem to expect Castle just to sit by while someone is infringing their IPR, and blatantly refusing to correct that infringement, but we can't do it because we've got other pressures that are obliging us to do things. It's not just because we're looking after our own interests here, but we're also looking after the interests of our other clients who are paying us a royalty fee and have agreed to use the operating system in a legal way.

If you're asking whether RISCOS Ltd is some kind of obstacle that we're trying to remove, I'd say that the sources they have are for an early version of RISC OS 4, taken off in their own direction, they are quite different from where we are at now with RISC OS 5, and I think also that some people would be quite surprised at where RISC OS 5 has moved to in the embedded space, even since the days of the Iyonix

because a lot more work has been done on it that's not been shown in public yet, and we can't because it's part of confidential embedded products, but there will eventually be other releases that have other benefits in the direction.

So there's no agenda here that says we want to remove RISCOS Ltd as an obstacle.

JL: The legal framework is the thing that we must go forward with if we're going out to the market place to get financing. If we want to do big deals with big companies, we have to get our house in order. We have to move forward, preferably all together, and tackle this huge great market – it's got huge potential.

**Richard Hallas, RISC User**

By taking everything 'back into itself' (hardware, OS development, marketing etc), Castle will effectively have transformed itself back into Acorn in all but name. Exploring new markets and working with new partners, whilst also supporting a vocal market of desktop users, proved to be beyond Acorn, and Acorn was a bigger company than Castle. There's a danger of Castle either trying to spread itself too thinly or concentrating too strongly on one area that may possibly fail and take the company with it. How can Castle find and find the fine line between expansion through diversity and support of existing products and markets?

JL: This is a very important part of the way forward. The basic principle is that we're coming at it from a completely different angle than Acorn were. Acorn bowed out of the market because of competition from big players, internal conflicts, bad management (a company of techies, run by accountants and with its products marketed by school teachers – nothing wrong with school teachers, of course, but it was a company that grew up like that) and finally the thing that really crunched it all was the desire of Acorn's shareholders to capitalise on Acorn's shares in ARM. You may remember those times – the stories behind it abound. We feel that the result was the company was split so that the success of ARM could be repeated when E14 was sold, having divested itself of 'baggage' which, unfortunately, was the desktop arena at that stage, and of course E14...

*Interjection...*

PW: And there was the set top box area as well; everything was sold to Pace, basically.

JL: And this all was sold to Broadcom six months later for \$600m. So there was a hidden agenda there, and that's the reason why it a really unwound.

There is very little that needs to be taken back in that is not already within Castle or should be within Castle. We're already making big strides in hardware development, OS development and marketing. The part of RISC OS that would be good to come 'back' into Castle would be the bit that is necessary for the AMSs to continue selling their 26-bit products, and that's actually quite a small part of what RISCOS Ltd have developed over the years. We would hope that, in the future, most AMSs would consider moving to the 32-bit version of RISC OS; as I've already mentioned, 26-bit processors are long in the tooth – well, they're obsolete, basically.

The activities that RISCOS Ltd undertake in this area are with old technology, and we really feel that they can't move RISC OS forward in the same way as Castle can with our 32-bit version. Our first deal with a major international player would put 100-1000 times more new RISC OS products into circulation than RISCOS Ltd have achieved over the

last four or five years. We're talking about substantial numbers coming out into the market place.

The dispute with RISCOS Ltd has ended with the termination of their licence, and it need never have happened if RISCOS Ltd had agreed to sort out the breaches of their licence agreement. It didn't need to happen at all. In fact, Castle's much preferred option was that the status quo should have remained; it would have been a much more sensible situation. Unfortunately, the numerous breaches of the licence and the breakdown of the required legal structure meant that the distribution of RISC OS 4 through RISCOS Ltd is now finished. It is less than an ideal situation, but that's where we are.

*Interjection...*

JC: Can we have a clarification, please, because we've had so much rumour? What breaches are you talking about?

JL: Pete has already mentioned one specific breach, but there's a whole string of them. I'll come on to that, perhaps, a little bit later, to clarify that, if that would help everybody. The only real problem with this is that we're beginning to get into the legal area of what's going on, and our solicitors begin to look over our shoulders (metaphorically speaking – there's no-one here except Pete and me).

PW: I'd like to get back to the question because there's something I wanted to throw in there. First of all, Jack's original comment, and everyone's view of Acorn is that "Oh, Acorn failed", and I don't buy the view that they failed. Acorn failed in one little bit of what it set out to do, and that was the desktop market. But Acorn was phenomenally successful in developing the ARM processor, and ARM and everything that has come out of that, and I'd say that the guys that actually shut Acorn down were phenomenally successful in taking a small management buyout and, over a period of 18 months, selling it for \$600 million.

RH: Well, that is, of course, what I was talking about. I wasn't in any way implying that Acorn failed technologically-speaking, but it went from a position of having fingers in lots of pies – which is what you're talking about, effectively – to putting everything into one basket, namely the STB and digital TV market and then that, of course, didn't pan out in the way they expected, and took the company with it. So that really was the thrust of what I was saying.

PW: I think you have to look at some of the other things that went on, and I've got a unique personal perspective on this from two sides. First of all, I wasn't involved in Castle when they bought out the rights to the RiscPC and the A7000. In fact, I remember running into Jack in reception at Acorn one day and he was telling me "Oh, we need to talk about this". Wow! I was quite taken aback that we were seriously going to do that because I was doing some work with Acorn at the time, and subsequently to that, certainly in the last 4/5 years, I've been out of the Acorn market until Jack persuaded me to come back last year. I was doing stuff in the embedded space, STBs in the Far East and the US, so I haven't seen some of this, and I've only seen what Castle have done since. I think if you compare it with the organisation that Acorn had (compared with Castle trying to produce A7000s and RiscPCs and all the stuff that goes with that, as well as a new computer design in the form of the Iyonix) really they (Acorn!) were making a bit of a hash of it.

Then you look at what Castle have done with the same product, with much, much, much fewer resources, just a better management, and a better focus on what they're trying to achieve (because Acorn had very little focus at all in some of those things). I think Jack's track record absolutely speaks for itself.

The other thing I had a personal insight into, which again I think is important in terms of Acorn's failure, was that I was stuck right in the middle, working on products for the OnLine Media division, and for the Network Computer division, *and* for ART, and to see the way those three divisions pulled that company apart was unbelievable. You know, it really was quite sad to watch, and I was right in the middle of that, so I think there was a lot more to do with politics in Acorn's downfall than anything else, but you're probably all aware of that anyway, so I don't want to spend too much time discussing history, but the summary of it is that Castle is a very, very different company, going forward in a very careful and controlled manner; we're not trying to become too big too quickly. As I said to you right at the start, our ideal for RISC OS would be 10 million pounds in venture capital to go and do some serious things with it tomorrow, but we're realistic; we know we can't do that; we know we've got to lay a few more foundations before we can move to that point.

**Jim Nagel**

What about the shareholders of RISCOS Ltd? (or are there still any?!) How are they reacting to all this?

JL: The current shareholders are more or less the same as they originally were. Castle is now a just over 25% shareholder in RISCOS Ltd. I can't and wouldn't and shouldn't speak for other individuals, but what I can do is speak for ourselves and say where I see RISCOS Ltd. And I really do feel that RISCOS Ltd and the 26-bit sources that they have have got a finite life left to go. They've been extremely good at providing upgrades for the RiscPC and A7000 computers but have had very limited success in licensing this technology to third party AMSs. And I do feel that it won't be long before the time comes when the income from sales of upgrades and AMS licences is insufficient to keep the company going. In fact, arguably, we might already be there.

The loss of ROL's licence to sell RISC OS means that ROL is in a terminal condition and Castle (as a shareholder) feels that it is now time to wrap up ROL and move forward. They have achieved one thing over the last few years, and that is they have provided up-to-date versions of RISC OS for the RiscPC and A7000, and they have kept RISC OS going. So they do deserve a pat on the back for that. But we want to move forward in a way that RISCOS Ltd, I don't think, ever have. They may have *wished* to do so, but I don't think they have ever had the capabilities to do it, unfortunately.

PW: I would say that one of the biggest problems of the RISCOS Ltd shareholders is actually finding any kind of common opinion among them, which is one of the big difficulties in moving anything forward. From the history of the company, it seems that there have been too many people who have tried to pull it in different directions and do different things with it. Diversity is great, but the shareholders of RISCOS Ltd have got far too much diversity to ever come up with any kind of consensus to move the business forward in any kind of sensible direction, which is sad but true.

MW: Next question?



## **Dan Shimmin**

I'd be interested to know if there are any ideas of timescales (months, years, not sure?) for an ARM RISC OS laptop from Castle.

PW: I'll give you a very precise answer which is "No comment". But I've already dropped some hints as to the directions in which we might be going, but as to actual products, I think we're not going to say very much.

JL: Where we can, we like to engineer a product and have it ready for sale and then tell everybody about it. Developing any software or hardware is fraught with problems, and timescales, well, with the best will in the world, you like to stick with them – and, in fact, we did with the Iyonix, and everything was produced on time. At least it's better to come out – bang! – with it. Concentrate on the development and then focus on the marketing. That's much the best way of doing it. So, at the moment, no comment.

MW: Next question?

## **Chris Williams, Drobe**

Given that RISCOS Ltd have refuted Castle's allegations against them, have you considered that your claims may be wrong, and therefore, have you in any way changed your stance against RISCOS Ltd?

JL: We absolutely know that we are in the right, and we haven't changed our view at all. I think a little bit of history would be useful here. Castle realised that ROL may have breached its licence soon after we bought RISC OS. We did have several communications and meetings with ROL, and these potential breaches were pointed out, but ROL refused to correct them.

*Interjection...*

PB: Could you just remind us when you bought RISC OS, please?

JL: Yes, RISC OS was bought at the end of June 2003.

CW: Could you also just clarify what you *did* buy from Pace?

PW: We have bought lock, stock and barrel, the entire IPR of the technology known as RISC OS, that was owned by Pace – every single bit of it, including rights to hardware products, software, everything, and including assignment of licences for third party bits of software that may form part of RISC OS. I've heard rumours elsewhere in the market that we didn't buy all of RISC OS, but if anyone doesn't believe our claim, they should go and ask Pace. It is absolutely clear; we own the whole of the IPR of RISC OS, even stuff going back to the Master 128 – we've got boxloads of CDs and even the software on floppy discs. We had the lot.

MW: So presumably, what you purchased included the licence agreement that had been granted to RISCOS Ltd.

PW: That is absolutely correct; it was assigned to us. Their share ownership and other rights they had – because they had some particular rights over RISC OS Ltd because of their particular class of shares – has all been assigned to Castle, to the extent that actually Pace now license RISC OS from us for their products.

MW: So now we can get back to the question of how Castle view the fact that RISCOS Ltd refute the allegations that Castle have made...

JL: This was raised at various stages by RISCOS Ltd, and we've put them right on numerous occasions. For some extraordinary reason, it seems to keep on coming back. Pete has already made the point that the RISCOS Ltd's licence was assigned to Castle, along with the purchase, but there were other licences with other people – because RISCOS Ltd are not the only people who had a licence with E14 originally. I can assure you there are a whole wodge of licences, and they have all been assigned to us, without any problems. Some of them are very large PLCs, and there's never been any question in anybody's mind apart from, for some bizarre reason, RISCOS Ltd.

*Interjection...*

JC: Jack, I was just about to say from my notes that RISCOS Ltd broke the licence just after Castle bought it. What was the problem at that point?

JL: There were a number of issues, but I'd just like to go on and finish what I was going to say.

JC: Sorry.

JL: I think it's very important that people understand the process here.

We suspected various things, and we pointed them out to RISCOS Ltd – and this is going back into 2003 – and in December 2003, out of frustration, we appointed our solicitors to look at all the issues, because we're businessmen, but we're not lawyers; we understand the general gist of licences, but we wanted to make sure that we understood everything correctly. So we commissioned them to produce something called an Early Case Assessment which is where they look at all the documents, and they look at all the issues and all the suspected breaches and everything else, and they then tell us where and what the chapter and verse is on everything.

This is not something that John, Pete or I have dreamt up. This is from our solicitors, after proper consultation.

Our solicitors wrote earlier this year to RISCOS Ltd pointing out very clearly which breaches had been committed – well, not necessarily all of them, but certainly some of them – and asked them to comply so that we could sort the situation out. But, unfortunately, they didn't, but due legal process meant that we had to be sure that we gave them every opportunity, so we gave them extended deadlines, way beyond the official requirements, and still they didn't remedy the breaches and so we were left with no alternative.

Actually, we never intended to make this public; it was only because of the various things that happened early last week, that we had to make the announcement we made. We had always hoped that it would be sorted out, indeed it should have been sorted out 12 months ago, but here we are 12 months later still trying to get... and they're very simple breaches... to get them sorted out.

*Interjection...*

MW: Can I just come in at this point, please, because it goes back to something that somebody asked earlier, and Jack said he would deal with it later. Jack, can you identify, clearly and simply, maybe two, or possibly three, of the major breaches of the contract that RISCOS Ltd have made?

PW: RISCOS Ltd have put out a press statement denying that they've done anything wrong whatsoever – which strikes me as being a bit of playing King Canute. If they want to put out that sort of statement, that's up to them. I think rather than answer your question directly, what I'd be more inclined to do is to give you a question to ask RISCOS Ltd, because they're the people who say, "No, we haven't done any of this". Ask them "When did you actually last pay Castle any money in respect of royalties?"

And then you might like to follow that up with a second question which is how do they reconcile the answer they give you with the fact that there's an immediate and summary termination of the licence for non-payment of royalties? It's absolutely crystal clear. I'd like to know how they answer that specific question.

RG: Would it be possible to interject at that point? I've been told that the price had been changed, and the reason why RISCOS Ltd aren't paying it is because, if they pay even part of it, isn't it a tacit agreement to the new price which they haven't agreed to?

PW: I think that interpretation, first of all, is wrong. In an attempt to move forward some of the areas they were doing that weren't covered by their licence, I know Jack proposed to them some alternative pricing. They never came back and did anything about that; they just refused to pay it. Actually, they came back with a large amount of irrelevant issues that were actually nothing to do with the fundamental issues we were discussing, and that's been a pattern we've seen all along. Every time the solicitor sends them a letter, clearly detailing breaches they've made of the licence, and asking them what they're going to do to put them right, we get a letter back from RISCOS Ltd that's about past bits of history that are irrelevant, and they never *once* addressed the central issue that has been made to them time and time again by the solicitors of what the breaches actually are.

JC: Can you comment on whether RISCOS Ltd have been invoiced at the same rate by yourselves as they were by Pace?

JL: For authorised products, yes.

JC: I'm not clear on the implication of that.

PW: One of the conditions of the licence is for them to have authorisation from the licensee, for any new product. If they haven't got that authorisation, then it's not an authorised product, and they shouldn't be selling it. Period. It's nothing to do with the royalties. It falls outside the scope of the licence.

JC: I was intending to talk about what you said about the payments.

PW: As far as the legal position on the licence is concerned, non-payment is not a remedy open to RISCOS Ltd if they want to keep their licence. The licence is absolutely clear; if you do not pay the royalties, it can be terminated.

JC: Can I ask again so that we are clear. Were RISCOS Ltd invoiced at the same rate as they were being invoiced by Pace?

PW: For all authorised products that they were authorised to supply under their licence, yes.

JC: So did the invoice include something else other than authorised products?

PW: I don't know that I can comment on that.

JL: John, you're very well-informed, and I think the legal issues here are very, very clear. I'm not quite sure on what basis you're asking the question.

JC: I'm just following up what has been asked just now. This isn't from outside information; it's just from exactly what's been said tonight.

JL: But we reiterate again that for all authorised products, they were invoiced at the correct price.

PW: I think actually this invoicing has come up from the other side because, as far as the licence is concerned, it's a total irrelevance. It's typical of the way this whole story has gone.

JC: ????? trying to ????? rumours.

PW: OK, let me try to explain the way that part of the licence works. They are required to make a royalty statement and a royalty payment. There is no requirement on Castle to invoice them for anything apart from what they have duly declared and paid in their royalty reports, as far as authorised products are concerned.

But I'll also go back to the point I made earlier on. We did make a proposal to RISCOS Ltd about looking at some things that were outside the scope of the current licence, and we just never got a sensible answer back. We're quite happy to negotiate these points but if people won't talk to us, it's very difficult. So does that set that straight for you?

MW: Can I just interject and clarify one point here? There's a reference to authorised products. Does this imply that RISCOS Ltd, in the view of Castle, have produced products that have not been authorised by Castle and which, if they were authorised, would be subject to royalty payments to Castle?

PW: Yes, that is true. There are some products there that have not been authorised, and there are some products that are not *capable* of being authorised under the terms of the existing licence.

MW: I merely asked the question just to clarify because this constant reference to "authorised products" implies that the potential royalties on unauthorised products might be different, but it seems a little bit of a murky area.

PW: Well, it's not a murky area. The whole issue regarding the licence is irrelevant as far as those products are concerned, because they're not authorised products.

MW: That's what I was saying, if it's not authorised, it's not authorised, period.

JL: And they shouldn't have been shipped.

JN: Can we be a bit less mysterious and say what these products we are talking about, please?

*General laughter...*

*Silence...*

MW: There was a question, and I didn't hear an answer.

JL: The product in question is Virtual Acorn.

JC: Is that not authorised or not capable of being authorised?

JL: Both – so there's two breaches for you.

RH: Could I just bring in an offshoot query? It's based somewhat on a rumour, but I'd be interested in an answer. One of the articles on Drobe said that Paul (Middleton) is adding that this legal dispute could go on for years. Now, that's not going to be in anyone's interest, so what can you actually do about it?

PW: There are two reasons why we are where we are. One is because, to be quite frank, RISCOS Ltd is not a company with any money. Therefore it's going to take us a boat-load of money to go and sue them and we'll end up paying the costs anyway, because they'll just end up bankrupt.

The second argument that goes hand in hand with that is that we were trying to avoid a big blood bath in the RISC OS market, but other people have chosen to put things into the public domain while we were trying to resolve this issue, and we are now where we are.

The follow-on consequence of this may very well be some pre-emptive legal action by Castle, very regrettable though that may be. We're kind of running out of options here, and if people completely ignore us, refuse to address the points that we put to them regarding breaches in the licence, and think that they have the God-given right to do whatever they would like to do, irrespective of what the legal agreements that they have signed up to say, we're fast running out of options.

JC: Can we clarify? Are you talking about RISCOS Ltd here, or are you talking about the AMSs?

PW: No, we're talking about RISCOS Ltd.

Let's be clear about the AMSs, while we're on that area. The AMSs are licensees of RISCOS Ltd. They do not have a contractual arrangement with Castle as far as I'm aware.

JC: Who then is directly responsible for the problems that are happening at the moment, with some of them clearly believing that they are in jeopardy if they continue trading?

PW: RISCOS Ltd are responsible, because if RISCOS Ltd's licence has been terminated, every copy of every product that an AMS sells which they then don't have a legal licence for...

*Tape runs out...*

JC: I asked who was directly responsible for the problems that have happened at the moment, where we've had two, and information about others who are either saying they can't trade or that there's some sort of limitation in what they're allowed to do, and Peter said that was the responsibility of RISCOS Ltd, and I said does that mean that RISCOS Ltd have been in touch (with the AMSs) and said that they are not allowed to trade, because that doesn't fit in with RISCOS Ltd saying that they've done no wrong.

PW: I'll tell you what *should* have happened, and what I think anyone else in business would have done under these circumstances. When they received a letter from their head licensor, telling them they were in breach of their licence, and that they had 30 days to remedy it, I would have got in touch with my licensees, in a formal way, informing them of the situation, and giving them the option to put some input into the decision process about what to do next. It appears from the information we've got that RISCOS Ltd completely omitted to inform the AMSs about what was going on, and the only information they've had is that, some weeks later, when Castle saw that they were still selling their products, our solicitors got in touch with them to point out the fact that RISCOS Ltd's licence had been terminated and that therefore the products they were selling were no longer licensed.

JC: That came from Castle?

PW: That came from Castle's solicitors, but purely to point out to the AMSs that we were aware that they were selling product that infringed Castle's IPR, because it was no longer licensed due to the termination of RISCOS Ltd's licence.

JC: So are the AMSs under some sort of limitation in what they are allowed to do?

PW: Let's be quite clear about this: as of 11th May, RISCOS Ltd does not have a licence to distribute RISC OS. That is a fact. The licence *has been terminated*. It's not something that's open to interpretation. We went through the correct legal process to terminate the licence. RISCOS Ltd's management can stand there and say that they've never done anything wrong, and that this all shouldn't have happened as much as they like, but the fact is that the licence has been terminated.

The consequences of that are that all of the sub-licensees cannot legally supply product licensed by RISCOS Ltd because RISCOS Ltd no longer have a licence to do so. So if they do so, they are infringing Castle's IPR.

CW: Could I just interject there? You said earlier that Castle sent a letter from their solicitors to dealers and AMSs. Can you confirm or deny if that was a "cease and desist" for them to stop trading? Thank you.

PW: No, without asking legal advice on that one, I can't comment.

MW: It seems very clear cut, as Castle have said, that RISCOS Ltd's licence has been revoked; they cannot themselves sell products which contain RISC OS, and any sub-licensees from RISCOS Ltd, equally no longer have a valid licence to distribute RISC OS, so if we want to move this whole thing forward, let's take RISCOS Ltd out of the equation for the moment, because they are the ones with whom, specifically, Castle has this dispute. So is there anything Castle can do, or are hoping to do, by which they can allow these other AMSs to legitimately continue to supply a version of RISC OS in their various products? Because obviously Castle own the IPR as far as RISC OS is concerned and it's in their remit to do this, should they choose to do so.

PW: It is not quite that simple. These things never are. And unfortunately, we were, we believed, well on the way to resolving this just over a week ago. We had some discussions with the people concerned, and we were starting to consider the way forward, then it slipped out into the public domain, and that's made the whole issue a lot more difficult to sort out from our point of view.

The first statement I think I'd make on behalf of Castle is that we have no wish to interfere with the AMSs' business. They are a good source of royalty revenue, and are doing good things in the market. I've already told you what I think about competition – I think it's important that they're all there and doing what they're doing. We don't *even* have a problem with VirtualRPC although, from what we've said so far, some people may see a different view from that, but I think that VirtualRPC is a good product and has a valid place in the market, providing it's done from a licensing point of view of RISC OS in the correct legal and commercial framework, which was not what was happening.

So the first thing to get across is that we're absolutely clear that we want to license the AMSs, and we are keen for them to succeed in business, and we're not trying to stop anyone selling any product here.

CW: So will we see VirtualRPC re-licensed with Castle in the near future?

PW: We hope so. This is where it gets complicated. If any of the AMSs want to come to us tomorrow and license RISC OS 3.71 or RISC OS 5, we're quite happy to do that, and we can do that immediately.

CW: What about RISC OS 4 and Select and/or Adjust?

PW: This is where it gets complicated because *some* of that RISC OS 4 technology we have the rights to because part of the licence required RISCOS Ltd to feed that technology back to the licensor. So some of that we have rights to. But some of the stuff has been developed independently – and we don't know where those boundaries are. So, unfortunately, we're actually in a situation where we do not know which bits we can license and which bits we can't, because RISCOS Ltd haven't (and this is another breach of the licence, unfortunately) conformed with their obligation to feed back source code and developments they've made to the licensor, so we don't actually know what they've been doing with the stuff for the last four years.

CW: I'd just like to point out that it's been pointed out by *many* sources that they don't have any obligation to hand back source to Castle/the licensor, and that's actually been pointed out by a RISCOS Ltd shareholder, so are you sure about that claim?

PW: Only the solicitors could doubly clarify that. It's a complicated area in the licence, but certainly, a part of it they are legally obliged to hand back to us.

JL: There are certain terms and conditions that go round that, but basically the licence provided for a perpetual royalty-free licence back of all derivative works, and there were certain ifs and buts around that, mainly to do with the ownership, and this is where it really does get complicated, but there's certainly large chunks of stuff that should have been fed back that haven't necessarily been fed back in the correct time.

JC: What we have is a situation where you have cancelled RISCOS Ltd's licence – you say obviously for good reasons – but you're unable to offer a licence to the AMSs, certainly not in the short term, in what they would require to continue with their business – they would require RISC OS 4 or probably RISC OS Select to go.

JL: That is correct, and that is the unfortunate situation which we wanted to prevent but that, inevitably, RISCOS Ltd has precipitated upon everybody.

PW: One important point here: when we set out down this route, we were just trying to put all the houses in order, get things moving forward, so that everyone knew where they stood, everything was under control, we had clean control over the IPR issues (which is important for some of the other business that we're doing) etc, etc. That's where we started. We really had no concept, at the time, that RISCOS Ltd were going to deny the blatantly obvious. The breaches are so clear-cut.

We just found it absolutely incredible the way that RISCOS Ltd's management conducted themselves in this. I mean, there's been no attempt to come to us, talk to us, negotiate. When we set out on this process, we expected that there'd be some negotiation over the issues and that we'd all come to an amicable conclusion to allow us to move

forward. Someone else doesn't see the world that way, even to the extent that once we terminated the licence, we said, "OK, let's try and regularise everything; we'll give you a new licence. Let's sit down together. We offered them several meetings, in Cambridge, in Cardiff, wherever they wanted to meet us, but they actually refused to talk to us. What are we meant to do in that situation?"

JC: But whatever has happened, we're now in a situation where you have groups who, in effect, you're saying, would be operating, would be selling goods that aren't licensed. Is there anything you can do to ensure that they become licensed? Otherwise, you're looking at a breakdown of the whole market.

JL: Yes, we realised that, John, and the crucial thing here is that this can be sorted out – should have been sorted out – and can be sorted out very quickly with the cooperation of RISCOS Ltd.

JC: RISCOS Ltd have said, apparently (I don't know about this direct), but they have apparently said that they are not at fault in their opinion, and that, as far as they are aware, this can go on for years. Now, clearly that's hardly the situation elsewhere, so do you have any proposals for sorting that out?

JL: Well, we've met with RISCOS Ltd twice in the last three weeks, both times an agreement – a broad agreement – was reached, and both times things have happened that have shown that that was not done with... erm... When someone has agreed...erm... I just don't know why it wasn't done. I mean they've come back with different things the day after; done different things. The only way of sorting this out is for RISCOS Ltd to come and talk to us and get it sorted.

JC: There's no way you can sort it out directly with the AMSs?

JL: Peter's already mentioned that 3.7 is an option, and RISC OS 5 is an option. There may also be a possibility of looking at an early version of RISC OS 4, because of what *was* fed back at a very early stage, but we're not sure about that and whether AMSs actually want that or not.

MW: Anyone else want to pursue this? I know it's a difficult situation. I do wonder to what extent RISCOS Ltd shareholders can influence events, but we've already heard comment to the effect that their views are not coherent, and that they are pulling in different directions, which makes life very, very difficult.

PW: Been there and tried that, unfortunately.

JL: We had a meeting with some of the shareholders on 12th June where a skeleton agreement was reached, whereby there was a path to try and sort everything out, but then unfortunately, various things happened and it's all been put in the public domain, which is where we are now. That was certainly not our intention. It was not the agreement of the meeting at all.

MW: Any further questions on this issue?

*Silence...*

PW: Can I just ask you guys a question? The thing is, I don't want to see us publicly pilloried for our actions when we've been trying genuinely to move things forward for the benefit of the whole market, and we're not happy with the way things have gone any more than anyone else is.



So, what does anyone there see that we should be doing differently to try and resolve this?

JC: I would say that your ability to *sort out ???an advance of??? the market* will be tested in the ability to get the AMSs back on side and licensed within days rather than weeks. To be quite honest, don't ask me how, really don't ask me how, but it's your big test, to be honest.

PW: We had that deal with the RISCOS Ltd management two weeks ago and then, two days later they said "Oh, no, we've changed our mind." What are we supposed to do?!

*Silence...*

MW: John, do you want to come back on that?

JC: I think the problem for us, although we've been given more information about the breaches, we honestly don't know enough.

CW: Could I just interject there? RISCOS Ltd, or sources close to RISCOS Ltd, have said that the reason why they will probably not be paying royalties is because while they don't recognise that Castle own RISC OS (hence my earlier question which is what exactly did Castle buy off Pace). That's probably the reason why notice of the copyright did not appear in Adjust or Select. Why nothing ever said "Copyright Castle" even though Castle now own the head licence. Given that RISCOS Ltd do not recognise that Castle own RISC OS, would you expect them to pay royalties to a company when there's no basis to pay them?

JL: Well, it's quite interesting because actually from July to November, they *did* pay us royalties, and they have assigned our A-shareholding in RISC OS across from the previous licensor to Castle. So at *one* stage they were quite happy, and then they've changed their mind, which seems to be what they often do.

PW: I can see exactly where this piece of information has come from, and I would just highlight it. In the press statement we put out a week ago, one of the things we referred to was delaying tactics, and this is an absolutely classic example of one of the delaying tactics we've been met with. "Oh, now we're arguing about it; we've changed our mind; you don't own it after all". Well, how real is that? It's just childish behaviour.

MW: Can I just ask a question here? Have RISCOS Ltd, to your knowledge, taken legal advice themselves?

JL: We have had letters from their solicitor, but I really couldn't answer the question specifically to what extent they've taken legal advice.

MW: No, I can appreciate that. I was just trying to see whether the views expressed by RISCOS Ltd were purely the views of the managing director and any other staff, or whether they were influenced by any legal advice whatsoever, and obviously you can't qualify that at all but they have obviously had legal opinion at some stage, at some level, and it's not entirely their own actions you're dealing with.

PW: My personal view on that, having been privy to the correspondence and the meetings that have gone on is that, if they did take legal advice, it was either exceedingly bad legal advice or they completely ignored it, because I just cannot believe that any solicitor would let their client get into this mess. They've tried to argue that black is white.

They've tried every trick in the book to try and wriggle out of it, but never once addressed the central issues.

JC: That being the case, do you have any proposal that can go forward whereby the AMSs receive what they need? You know the situation; you know what's happening. RISCOS Ltd are reported to have said it could go on for years. Do *you* have proposals that could satisfy those third party developers?

PW: We've *had* proposals; we put them on the table to them.

JC: Of giving them an early version of RISC OS 4?

PW: That's one option but even that would take some time to organise.

The only outcome that would enable us to do this quickly – and let's be quite clear about this – is for Castle to somehow gain ownership or licensing rights for the bits of technology we don't currently have in RISC OS that we own, to be able to offer that to the AMSs, and that's the only practical way I can see forward in this.

JC: Is there any chance of back-tracking until such time as a final legal decision is achieved?

PW: I'm not sure there's going to be a final legal decision, because I can't see a scenario at the moment where this whole issue gets tested in court. Because we don't want to pursue that for the reasons I've already stated. What we're far more likely to do, taking legal action, is to say look, there's a company that hasn't got any money that owes us a very large amount of money – and there are some other issues that we could pull out there that I'm not going to go into now... they haven't got any money, so what do we do? We've only got one option which is to apply to wind them up. Now the result of that would be a liquidator being appointed, who would then have the rights to this intellectual property to dispose of as they see fit – at least in what extent it was owned by RISCOS Ltd, because we don't know which bits of this belong to RISCOS Ltd and which bits *may* belong to third parties. So without some cooperation, we can't do that unless that ended up in the hands of the liquidator, that could go on for years in itself.

You know, we can offer RISC OS 5; we can move RISC OS 5 forward; we've got plans to move RISC OS 5 forward, but that doesn't help the people who want to buy the AMSs' products, or the AMSs themselves, so we are trying to find a negotiated solution.

JC: The thing is, no matter who's fault, what the problem is, or how you got here, or anything like that, Castle will be judged on the way they deal with the situation as it is at the moment. That's harsh, but that's the situation, surely?

PW: Well, I don't disagree with you, but I think at the same time, if you're going to judge us, you have to judge us against the fact that we're not dealing, from what we've seen, with reasonable people, and we're dealing with what is pretty much an impossible situation. And we can go and sort the problem out tomorrow from Castle's point of view. You know, we can go and apply to wind up RISCOS Ltd because they owe us money and aren't paying us – that's the simple way forward, but I don't think it helps the AMSs and we've avoided doing that so far, we've kept the thing completely confidential and it's been made very difficult. How can you get a negotiated settlement if one party won't come to the table. I'm not sure what we're meant to do.

MW: Any other questions?

CW: You mentioned earlier that Castle went to a shareholders' meeting. Given the fact that you've mentioned that Castle is a 25% shareholder in RISCOS Ltd, and it was your opinion to wind up the company, was that meeting to try and persuade the shareholders that it was basically a good idea to wind up the company there and then.

PW: No, our attendance at that meeting was basically to present our plans for RISC OS pretty much as we've presented to you in those slides, to the shareholders. So first of all they had the big picture of where we were going and what we were trying to do with things and see if we could then have a discussion about how we could move things forward, and what the solution might be.

To get one thing clear; one of the solutions, which would be the nicest solution in some ways, would be for us to buy out the shareholders of RISCOS Ltd. I've heard this from a number of different views, saying this is what we should be doing, but the problem is the manager won't give us any information about the company; we don't know what liabilities we would be buying into by doing that. We don't want to be in a position that we buy a company tomorrow and then have to liquidate because it's got a whole load of debts that no-one told us about.

I mean one set of people who are getting a particularly rough deal in all this is the Select subscribers. They've paid good money into that company; are the management looking after their interests? They are effectively a creditor of the company, the same as we are. I haven't seen any signs of that. We'd have to find the money to repay all those people if we weren't able to move forward with Select which is where it is now, and I'm sure in the short term it satisfies the AMSs, but I'm not sure where that would move in the future.

JC: Are you saying that, if you did that, that there wouldn't be development in the longer term for Select that has been planned up to now?

PW: It really depends as to whether... you know, taking the hypothetical (and I stress it's hypothetical) option of us purchasing shares in RISCOS Ltd to take control of the company and sorting the problem out that way, we have no idea if that is a viable going concern, because RISCOS Ltd *won't* give us the information. We've asked for it, but we don't have a clear picture of all their liabilities.

JL: So we could end up buying RISCOS Ltd and then suddenly finding that there's a gaping black hole equivalent to say £50,000 or £60,000, and so, without the proper information – that we have asked for – we can't make a decision on that.

MW: (*Summary of what he said*): We've heard details of what's been going on in the background in the last, say 12 months. Clearly, it's a difficult situation for both parties. Castle are clearly the major player in the RISC OS market so, as JC says, they'll be judged. That's life! People always look hardest at the biggest company.

But are there any other questions?

CW: Yes, I have a question about Merlin. What are the top three features you'd like to bring to the RISC OS market through Merlin?

JL: As you know we're going through a consultation period at the moment with the industry. I have to say, I'm not a technical enough person to make those comments. We certainly have people within the company who would be delighted to give you their top three, and

I dare say that if you asked different members of staff, you'd get a different answer each time. What we are doing is making sure that when we release Merlin, it is released in phases, and the work that is done to RISC OS 5 is done in a sensible and orderly fashion, so we may not find that the expected features are plonked into Merlin in the first release, purely and simply because it's sensible to wait until the second release for other technical reasons.

But I can assure you that we have a considerable list of things that we've already identified and prioritised, including things, I think, that certainly that Select doesn't have, certainly that nobody's mooted on the Merlin wishlist, but we'll tell everyone what we're going to do and then we'll get on with it, providing Pete can give me some resource from the programmers, because they're very, very busy men, at the moment, and these things have to be planned well in advance, so it's not an ad hoc system; it's properly planned and will be well worth waiting for.

PW: I'd like to throw in a couple of comments there. This is more my list than what's necessarily going to happen in Merlin, but it might give you a couple of pointers. I don't think it will be in the first release, though some of the elements we've already done have moved in this direction in any case, but how about proper RTOS functionality and pre-emptive multitasking?

CW: What was the first one again?

PW: Real time operating system functionality, to bring it more into line with some of the other real time embedded operating systems.

MW: More questions?

RH: This depends on what's going to happen with the RISCOS Ltd situation, but leaving that aside, what are Castle's intentions for desktop market as such. How important is it for the overall business. In other words, if Castle want to increase the overall desktop market share, as opposed to having it just as a developer platform, and supporting existing users, how can it make RISC OS more attractive to mainstream computer users, and can it even hope to become a mainstream platform ever again, or is it just too far behind and lacking in support from major software companies?

JL: I think there is potential there for RISC OS; it may be that it's not necessarily in what we would call desktop and laptop computers as we know them now, but certainly as Pete's mentioned the PDA, and in particular the vertical markets where, as computer technology broadens, there are more and more products. I think there's a very nice niche for RISC OS in that but, of course, we've got a lot of work to do. We've got a lot of peripheral stuff to bring on board before we can actually get to the point where we can go to a company and offer them a solution for a notional product.

RH: Do you think you'll ever get into a position where you're able to have people like, say, Adobe write there software for this platform?

JL: I think I'd have to say that it would be nice but, in all honesty, at this stage, that's some way off.

PW: I'd be slightly more optimistic, in that in some of the targets we'd like to achieve in the embedded space there would be more possibility of that kind of thing happening which then spills back into the desktop market. If we've got a really hot embedded product that

actually takes off and starts going places, that people are interested in writing software for, then I believe there may be better possibilities there.

JL: Pete has a better handle on these things than I do.

RH: To me, that was always one of the greatest problems when Acorn were around. It wasn't that the platform wasn't good enough; it was that they hadn't talked to enough software companies in the real world, for the platform to become widely accepted.

MW: Any more questions?

JL: Perhaps I could just say one thing there? (*Summary*) John, you've had lots of questions to us. If you want to talk further with any of us, feel free, and if you can use your influence to move things forward, please do.

JC: The question is how do you get over the next few steps.

JL: I think it needs some lateral thinking. Some positive thoughts. That's something for us to think about over the next few days and weeks.

PW: I think one of the things we can all do is to try to explain to RISCOS Ltd's management that there is a way forward here, and that things have to change. You know, we've gone past the point of no return, in terms of maintaining the status quo. And I think the first thing is that that has to be accepted as a fact. In certain quarters, I'm not sure it is at the moment. And once we've got that acceptance that things *do* need to move forward, then maybe we can talk a bit more seriously about how we can bring things to a rapid conclusion.

MW: Let's go round and have a final offer of any questions from anyone, starting with Paul?

PB: I noted the comments in the presentation on ARM 10/11 support. I just wondered if there was anything more Castle could say about ARM10/11 support at this stage.

PW: Nothing at this stage. There is some interesting new silicon coming along which is as far as I can go on that.

RG: My second question has been covered, I think, about the idea of Castle buying out RISCOS Ltd.

MW: (*Summary*) Yes, and we've heard all the difficulties and that it's mainly one of trying to get the RISCOS Ltd management to communicate.

Richard?

RH: The Select scheme is a good way for existing users of 26-bit hardware to keep up-to-date with new OS developments at a fairly inexpensive price point. I know that a lot of people have been saying that the Iyonix is too expensive for them and, be that as it may, it seems that RISCOS Ltd is providing a useful product in that it's something that everyone can afford, whereas anyone who wants to take advantage of developments in RISC OS 5 is currently required to buy an Iyonix in order to do so. So once the situation with RISCOS Ltd is sorted out, how does Castle propose to support existing users of current hardware, short of forcing them to spend upwards of a thousand pounds on a new machine?

PW: I'm very impressed by what RISCOS Ltd has managed to achieve in terms of the product they have delivered, and the amount of resource they've had to do it with, and the price that charge for it. Unfortunately, anyone that's got a commercial head on will say, actually, if you look at RISCOS Ltd as a business, they have not been successful. They

are people doing it more out of love – and you've got to give them some kind of credit for that – than the financial reward they're getting for it. The company itself is not operating successfully, on the money that it's making from that. So you do have to say, what is the commercial case for doing this? I think that, provided you're putting forward that RISCOS Ltd is a low-cost alternative, it really is because these guys have been doing it at substantially below commercial rates in terms of all the development work they've done and the way the company is run and everything.

RH: I accept that, but my point is that people are effectively going to have to spend a lot of money on a new machine in order to keep up with RISC OS, and that's fair enough in a sense, but there's also the danger that they'll decide to buy a PC instead.

PW: I agree with that, but from our point of view, we would like to offer something more to Select subscribers, but I don't see how long that can keep going if it's not making money. It's only going now because it's reliant on the goodwill of the people who are involved with it to do the work for virtually nothing.

JC: Unless a market has a range of products that have prices to suit people, you won't have the software writers receiving any income at all, and we'll all be gone. You do need a range.

PW: True, I don't disagree with that. But what I think we need in the market is more lower cost hardware products, and some new products are probably required in that space, because the existing technology is too long in the tooth.

RH: There was also a related point. Do you have any plans as a company to produce a budget Iyonix, or whatever, or is that something you'd want to leave to third parties.

PW: I think I'll go back to our line that we can't comment on new products. Obviously, that would be a desirable thing to be doing.

But a very important point to make here, actually, is that any new products... we'd be crazy to do a new product with an ARM7500 or an SA110 in it and IOMD, which are the two options for those operating systems. That would be completely crazy. The only way forward would be with a 32-bit processor which really means RISC OS 5, which means, from our point of view, that a much better way of spending our development bucks is putting them into developments for RISC OS 5, i.e. Merlin, which will then filter down into other product solutions, because that gives everyone a share in the future.

There's nothing to say that a.n.other AMS can't go and design a piece of hardware and come and license RISC OS 5 from us which is using whatever the latest and greatest processor there happens to be that may be a lot cheaper than the top end solution that we have in the Iyonix. We'd be very happy to see that happen. We'd be very happy to talk to anyone who wants to licence RISC OS 5 to do that. I think that's a message that I can't get over strongly enough.

JN: I'd like to know who the RISCOS Ltd shareholders are.

PW: If you look on the RISCOS Ltd website, they have their annual report from a couple of years ago which has, not a completely up-to-date shareholders list, but it's more-or-less up-to-date. It's quite a long list, so it's a lot of very, very small shareholders – about 40 or 50, Jack?

JL: Getting on for 40, I think, yes.

CW: With all respect to Richard from IconBar, if you look at IconBar right now, you'll see that 48% of RISC OS users that read IconBar are supporting RISCOS Ltd or haven't quite decided yet, whereas 52% are voting for Castle. Given this crisis, are you willing to lose half the market over this entire dispute? Also, if you could do this dispute all over again, how would you do it differently?

*Various jollity while they think of an answer...*

JL: We have actually tried to ensure that we get to the point where everything is put right, and we have, I think, given every opportunity for RISCOS Ltd to either join the party or get themselves sorted out, and I can't see how we could have done anything differently. We've been very careful to make sure that we take proper legal advice on how we move forward, and we've given, as I say, time and time again, every opportunity for RISCOS Ltd to move forward. There was always going to be the last resort to make things public and it really wasn't us who forced that. We could not let a whole load of rumour develop that could damage prospects for Castle Technology. We had to make sure that we came out with a statement that covered all the facts. It may have had hard words in it, but that reflected the frustration that we felt at that particular time.

PW: I think I'd add one comment on this. Yes, I do know how I would do things again if circumstances repeated themselves exactly, because this thing over the last year has wasted an incredibly large amount of everyone's time. It's wasted an incredibly large amount of money, not just on solicitors' fees, but on running around and on lost opportunities, and all of the rest of it. What I think I would have done with the benefit of hindsight is that, on day one, when we realised they were breaching their licence, we would have called the solicitors in then terminated the contract, sorted it out straightaway rather than trying to be reasonable people and letting it drag on for 12 months.

MW: *(Summary)* One thing is obvious: this is costing Castle a lot of time, effort and money, and no commercial company would do such a thing if they didn't have to. You must make up your own mind about it.

*(Summary)* So there I think we'll terminate the conference, and thank Jack and Pete for their time.

JL: *(Summary)* Thanks to everyone for taking part – enjoy the football!