

*Please file  
Shankar Ram*

To: Joachim Kempin, Distribution

From: Jeff Lum

Date: December 15, 1990

Re: November European OEM Sales Status Report

Attached is the European OEM Sales status report for the month of November. Comments/feedback welcomed and appreciated.

A Table of Contents is included for those that only wish to read selected sections of this report.

**Distribution:**

- |                     |           |
|---------------------|-----------|
| Bengt Akerlind      | MSAB      |
| Hans Ranselaar      | MSBV      |
| Manfred Schindler   | MSGMBH    |
| Sandy Duncan        | MSLTD     |
| Christophe Aulnette | MSSARL    |
| Ignacio Feu         | MSSRL     |
| Maurizio Bedina     | MSSPA     |
| Mark Baber          | 10N/1     |
|                     |           |
| Bernard Vergnes     | MS Europe |
| Rolf Skoglund       | MSAB      |
| Patrick De Smedt    | MSBV      |
| Christian Wedell    | MSGMBH    |
| David Svendsen      | MSLTD     |
| Michel Lecombe      | MSSARL    |
| Umberto Paolucci    | MS SPA    |
| Carlos Brazao       | MS SRL    |
| Ron Hosogi          | 10N/1     |
| Richard Fade        | 10N/1     |
| Sergio Pineda       | 3/2056    |
| Mike Murray         | 1/1045    |
| Paul Maritz         | 2/2045    |
| Bill Miller         | 4/2136    |
| Tim Beard           | 8N/2      |
| Douglas Jackson     | 8S/1      |
|                     |           |
| Steve Ballmer       | 4/2064    |
| Brad Chase          | 3/2044    |
| Russ Werner         | 4/2137    |
| Brad Silverberg     | 3/2046    |
| Carl Stork          | 2/2100    |
| Rich Barth          | 1/1009    |
| Ruth Warren         | 1/1012    |
| Pamela Goldschmidt  | 13/1031   |
|                     |           |
| Franz Rau           | Koll/1013 |

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November Status Report  
European OEM Division  
Jeff Lum

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**Revenue (see attachment A for details)**

Revenue for November was \$1.2M versus a budget of \$3.6M due mostly to wrong budgeted amounts in November. December revenue will come in around \$11M on a budget of \$8.2M. This will put Europe at \$14.6M on a budget of \$14M or 104% for the quarter.

**New Business Signed**

Account	Product	Comments
Brother International - Europe	MS-DOS and Windows 3.0	Incr commit to 20K units; add Win3; total contract value \$1.8M.
SECO (signed in October - AndreaB)	ROM DOS 3.22	\$25 Royalty. \$25,000 Commit.
NCR Austria (MSGMBH)	Windows	Annual Volume - \$32,000
Robotron Acsofa (MSGMBH)	DOS 5.0	Annual Volume - \$520,000
Olivet:1 (MSSPA)	MM-Windows	LOI \$100K to Mktg Dev Fund + \$900K indirect

**New Business Pending**

Account	Product	Royalty	Commit	Close	Chance
ICL <sup>1</sup>	Win 3.0	Guideline	50K Units	April '91	50%
Amstrad <sup>2</sup>	Win 3.0	\$7-\$14	\$500K/yr	Jan '91	50%
Philips	Windows	\$23.00	50,000	12/31	90%
Olivetti-US	Windows	\$60.00 FG	10,000	12/15	75%
Olivetti-US	Works	\$48.50	10,000	12/31	75%
Olivetti-US	Word	Negotiating	1,000	1/30	25%
Olivetti-US	Excel	Negotiating	1,000	1/30	25%
Tulip	LANMAN	Guideline	\$750K/yr	Jan '91	75%

<sup>1</sup> A written quote has been sent. This is a key design win and group goal for 2H FY91.

<sup>2</sup> Ongoing negotiation. Miller being very stubborn on price.

**News**

Amersham International partially merging with Kodak Labs. to form Amerlite Diagnostics Ltd.; will be handling sales and production of the Amerlite Analyser for which we have a small MS-DOS 3.3 contract.

BULL has announced an important reorganization including a lay off plan for 5000 persons throughout the world. Losses for CY 90 are expected to be \$560M

Fujitsu/ICL merger was confirmed and signed on 11/30. There have been friendly discussions recently concerning their joint PC opportunities. MS Ltd says that the two companies have compared royalties on system software contracts that exist with Microsoft. MS Ltd believes we will see some combined efforts in various areas due to a large portion of office space and furnishings have been made available on one of the floors within Station House (for approx. 20 people).

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**Issues**

Peter Horne of Apricot sent a letter to Hallman complaining about conflicting messages on our MP retail strategy. (Note: Conference call between Horne, Jeremybu, Ruthw, Sandyd and myself on 12/13 appears to have resolved this issue. Horne decided to do his own box and sell direct).

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ICL wishes to send a number of their training personnel to MSU for Lan Manager courses so they can implement a program to train their support, sales and product specialists as well as their customers. Emails to MSU have gone unanswered. Tina, can you help?

**People**

Systems Training (Nov 5-9th) held in Amsterdam for andreab beatriz, dalebor, hansra, jaapv, larsahl, magnusi, michro, stephane. Big thanks to Robho for a job well done. Legal & Finance Training (Nov 13-14th). A good session by Douglasj and Timb. Attendees included stephane, dalebor, beatriz, magnusi, hansra, rayka, barbf, olivers, ricardac, michro, jaapv. Forgot to mention last month that Andrea Bella joined MSSpA in late April - one of many "new" people doing well for us in Europe.

**DOS 5.0 Watch**

RMI. not likely to move quickly to DOS 5. They have done a lot to get DOS 4 in shape (and support for HIMEM) and don't want too move now. Market forces will determine their ship schedule.

See Attachment B for status of all active accounts.

**Packaged DOS**

Subsidiary	November Actual	November Budget	FYQ2 Forecast	FYQ2 Budget	% of Q2 Budget
MSGMBH	41,620	15,065	100,750	44,750	225%
MSSARL	6,801	3,297	18,306	9,787	187%
MSAB	4,554	5,286	7,000	5,304	132%
MSBV	4,429	1,540	9,701	4,312	225%
MSLTD	2,444	2,300	7,500	5,750	130%
MSSRL	2,262	1,600	5,300	3,100	171%
MSSPA	1,630	1,607	3,906	5,304	74%
TOTAL	63,740	30,695	152,462	78,307	195%

MSGMBH - has resolved supply problems; sales have jumped from an average of 15,000 units per month to 30,000 per month. First DOS/Win3 combos shipped (3860 units). Customer demand is high. Manfreds is forecasting a runrate of 10,000 packages per month.

MSLTD - An OEM Systems Briefing was arranged by Davebr to speak to the main players in the Packaged DOS market together with OEMs who were unable to attend the Redmond Briefing in October. This took place on 12/12 at Microsoft Ltd and consisted of a number of presentations by various Marketing/OEM staff on the Microsoft Strategy as well as product information. With the further slippage in the arrival of MS-DOS 5.0 and also to address the aggressive advertising of Digital Research for DR-DOS 5.0, these OEMs will be given the final DOS 5.0 beta for evaluation (under NDA). Ltd feels that this is a necessary step which must be taken to minimize the threat from DRI.

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MSSARL - Is setting up a prospecting plan over the next three months on the SEA clone market in France (mainly Stephane) in order to determine more accurately the number of "non-named" PCs on their territory and evaluate the potential business.

MSSPA - Unit shipments are still low. SPA is increasing the push with DOS advertising, which has been approved and is being run, and with the new Communication project. Too bad we had another problem with OPS, whose orders to Ireland missed a forecast by GiusL in October. This has been partially fixed with an extra order, but Maurb suspects he'll be out-of-stock before the end of December, by some 1,000 units, and at risk of losing sales in January as well.

#### Embedded DOS

Ray Kanemori visited several subsidiaries in November to gain an understanding of the embedded systems market in Europe. He made the following observations/recommendations:

- 1) The same opportunities exist in handhelds, POS/financial terminals, instrumentation and industrial computers as in the US.
- 2) The subs have limited OEM sales staffs and need supplementary support to sell embedded DOS.
- 3) Semiconductor distributors, more technically capable than their US counterparts, are a viable means of distributing embedded DOS in Europe.
- 4) We should make these distributors representatives of MS and give them commission based on embedded DOS sales.
- 5) Ray sees his role as support in Redmond for the subs - setting up training, developing licenses, sales kits, etc.
- 6) We may need to look at breaking off a subset of DOS 5.0 for those manufacturers that will not use all of DOS 5.0 for their applications (and this not willing to pay the entire royalty).

These are some actions that we decided to put into motion now due to the high interest by the subs:

- 1) Benta will talk to NorskData about acting as our agent to license ROM-DOS to embedded systems manufacturers in Scandinavia.
- 2) SPA will promote the embedded DOS evaluation kit in the Italian electronic design magazines.
- 3) MSBV will approach ACAL to gauge interest as our agent to license ROM-DOS to embedded systems manufacturers in Holland and Belgium.

*(Note to readers: Rayka wrote a detailed trip report on his findings and recommendations for each of the subs in Europe. If you are interested in his report please send him email for a copy).*

#### Laptop Watch

Ltd sent latest Stylus Windows spec to ABC.

Viglen is currently developing a lap-top with a release date around April next year. This may be a good ROM DOS opportunity as their requirement during our last meeting was to embed DOS.

Ltd found another new prospect for Stylus Windows. A start up called Eden Group. Sandyd will meet with them early December to qualify.

Ltd meeting with Psion in January to discuss ROM Windows. They have some new hardware plans.

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### RISC Watch

Meeting on 12/3 between Billig and Piod. The most important message given to Olivetti was that we are committed to completing NT on MIPS. We told Piod that if Olivetti commits to produce a MIPS-based machine, we'll commit to providing NT on MIPS, and to announce it during 1991, around the time of the developers kit. Olivetti asked for Q2 but we didn't commit to Q2. We said that if Compaq picks PA, we'd probably make a porting kit available to PA to Compaq, but we'd do MIPS first. We encouraged Piod to tell Compaq that as well as other companies. Jbal's group will coordinate a meeting between the Olivetti Cupertino team and our hardware design group.

### Per Copy Sales Activities

In November MS AB went on a joint Road Show evangelizing MS system strategy and its implications on Nokia's customers. The response from those attending the eight seminars around the country were positive. Depending on further interest and the Nokia relationship we may consider another tour in the spring.

RFV, a Nokia customer, visited Redmond at the end of the month. We informed them about OS/2 and our expectations as well as other products related to our platform. Nokia is expecting to sign an order with RFV in the spring for 3500 OS/2 WS and some 400 Servers.

Hans Ranselaar presented our systems strategy to the GES and G2 sales forces.

David Bradley presented MS's strategy to the Ministry of Defence coordinated by Akhter Computers.

### Product Marketing Feedback

#### LANMAN

Despite ICL being reasonably committed to the Lan Manager way of life, Dalebor is still having a big problem with justifying the topic of HPFS. They understand all the benefits and the promo info that we issue, but we have no benchmarks or performance data to back up our story. This has now become a big issue for ICL because they feel they cannot openly endorse the product in their own product information, and at customer sessions because they don't have the proper information. What is being done to produce and supply this kind of critical info?? Ruthw

RIPL Kit - Ltd still waiting for this. Mike Pearce chased Redmond and was able to get a server copy of the program which he past on to ICL. However, they still have not received the documentation to go with it. Dalebor is hoping SANTA will deliver it to him for Christmas?

Lan Manager 2.00b - Constant new releases and subsequent CSD releases is causing ICL a logistical nightmare. Dalebor licking his wounds after being chewed-up and spat-out again over the 2.00b release. The problem is that they have to undergo a reasonably lengthy verification program whenever they receive a new product. This is a responsible way to do business, but it gets totally screwed up when we keep releasing revised versions with a whole heap of CSD's to go with it all.

#### Multimedia

CD-Demo. Pertti Rousaari (Nokia) has been trying to set up a demo for selling the multimedia concept within Nokia Group. He has got some material from MS but needs further assistance.

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OptiSys AB. They finally received MSCDEX 2.2. Unfortunately it looks like the product doesn't work with Win 3. This is a critical issue for Optisys as they could go out of business if we can't get their apps to work with Windows 3.0.

Research Machines attended the developer's conference in the US in November. They'll almost certainly build a MM Windows machine, and their interest at this point appears high. Numbers not likely to be high, but RML does have good penetration into the education market in the UK. They need some bandwidth from the MMW group

#### OS/2

The release of OS/2 1.21 by Tulip is delayed by the unavailability of the LADDR driver for Tulip/Adaptec hard disk driver.

Swedish OS/2 ver.1.21 boots up the initial screen representation in French. Then after the boot routine is complete, drops into Swedish for the rest of its use. Franz, are you aware of this? Strange this Pan-European concept wouldn't you say.

#### Windows

Troubles with Windows localized versions screen dumps. IPG lost selected versions (Portuguese and Italian), so some BAKs are incomplete. This is bad. We'll have to give Olivetti payment relief on the localization fees.

#### Works

Phillips wants to discontinue bundling Works on their laptops in Europe. They believe that the laptop is a second PC for most users and that having Works bundled on the system presents a price burden and does not provide them with a distinguishing market advantage.

#### Miscellaneous

Maurizio Bedina and Andrea Bella are developing an OEM Communication Project which is a direct mailing activity to OEM (a kind of marketing they really need with no resources). Andrea will spearhead this effort.

#### Account Summaries

##### Apricot (davebr)

Multi Processor LAN Manager issue has clouded the scene at Apricot. Finally got some royalty reports out of them. Sales for Q2 were BAD (6,200 units !!). News is that Q3 wasn't any better. We could end up with quite a bit of UPB to handover to Mitsubishi in April. LANMAN: requesting refund of LM monies from contract due to our reseller distribution strategy.

##### Amstrad (sandyd)

Price negotiations with Malcolm Miller reached an impasse. Even major deviations from our price guideline have not been satisfactory for him. Pricing on the SX seems to be the major roadblock where they want to go down to \$5. Ball is in their court to respond to our fax summarizing our final proposal. Fear is they'll go to Geoworks or Alphaworks. This certainly won't make their machine the "MAC Killer" that Sugar hoped for.

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Atlantis (chrisa)

It seems that the effort from France has finally been fruitful. An OAK is on the way to Atlantis and should allow them to design their Comm Workstation/Comm Server packages to be distributed as a shrink-wrap product.

Brother (davebr)

About to start shipping per processor DOS and Windows 3. They just signed an amendment to their existing license reflecting an increased DOS commitment (to 20K/yr) and the addition of Windows 3.0.

BULL (chrisa)

BULL has announced a large restructuring plan in order to react to their losses which are expected to amount to \$560M for this calendar year. This plan has several aspects which all are intended to improve the group efficiency and to improve their margins. Among the decisions, they will close some plants including the ZDS plant in Scotland and, from now on, all micro computers for Europe will be manufactured in the Villeneuve D'Ascq plant in the north of France. There is also a threat on the micro computer platform engineering team which still exists in MASSY (MCA machines) which might be completely integrated inside ZDS in a near future.

BULL has announced internally the "openteam" project and product family that will be based on Lan Man for Unix. BULL openteam objective is to provide a transparent integration of PCs and Unix systems through LAN and also to provide a real interoperability within heterogeneous environments. OPENTEAM services fall into three categories : Unix server resource sharing (Lan Manager for Unix is a key piece), Developer's toolkit to write distributed apps and PC based micro apps (under Windows).

With this product family, BULL is actually stuck with 3COM. Their TCP/IP is 3COM's TCP/IP and their IBM SNA LU 6.2 gateway is MAXESS (They've paid \$1M 3COM for the port of MAXESS under Unix) That's the reason why they are very anxious about the evolution of our relationship/product with 3COM. Our TCP/IP choice is a hot issue with them.

Diseda (ignaciof)

will ship all of their 386 based PCs with FG Win 3.0 and the OEM Mouse starting mid-December. Minimum commitment is 1,000 units. Ignacio thinks this will spark other smaller OEMs to follow suit.

Facit AB (magnusf)

The signing of the Win3 agreement has slipped. They will start buying Windows from Mitac, but want to have an local agreement in 1991. The reason for slipping is delays in Facit's manufacturing-unit in Holland.

G2(hansra)

The new contract for G2 will include DOS 5.0 and OS/2. Hansra has worked a M/C of \$510,875/yr starting October 1, 1990. The contract will be signed in December.

GES (hansra)

Ges is also interested in becoming a Lanman licensee. They have a lot of experience with OS/2 but they will not likely be able to handle Lanman as a OEM. The M/C will probably be too much for them. Hansra will pursue further if it makes sense.

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**Hewlett-Packard - France (chrisa)**

Chrisa met around 15 people from Marketing (project and product managers) and R&D belonging to the European and Worldwide organizations. Jean-Charles MIARD, head of the R&D Lab in Grenoble (around 90 people), briefly presented the organization of the worldwide PC group, which is now managed by Jacques Clay from Grenoble. He made it clear that the contractual relationship is managed by HP Sunnyvale, and that DOS and OS/2 are under US responsibilities. However, they also made it clear that there might be some changes in the future (i.e.: more responsibilities for example in Network areas, specific engineering, etc.). Everything, including beta software for compatibility testing, comes from Sunnyvale. They were very enthusiastic about the idea of receiving some kits (and support) directly from us (this needs to be coordinated with HP acct. mgmt. in DOEM). There is a great interest in Online not only for day to day support but also for the help/"consultancy"/assistance we could provide on some highly technical projects. In particular, they mentioned a project they're working on which is to provide DOS or OS/2 remote boot from diskless workstations on a OS/2 Lan Man network. They have had a hard time getting info on this from Sunnyvale. Chrisa proposed providing them with help (RIPL toolkit or NDDK or advanced code, ...) and to start working with them to see how to implement this.

**ICL Ltd (dalebor)**

This has been a good month for progressing immediate issues such as Windows and Lan Manager. Dalebor feels with the momentum that is being generated in the industry as well as the internal pressures from their sales and product groups, ICL will be in a position to sign a Windows Agreement early in the new year, possibly before the end of 1st qtr. The only possible problem that may delay this are the plans that may be mapped out between ICL and Fujitsu now that they have completed their merger.

Lots of good things happening inside of ICL in the sales and product marketing areas for Microsoft products. Dale is working hard in these areas to get the pull through into the Operations group to really strengthen our hold in this account.

**Investronica (ignacio)**

Licensed Windows 3.0 for all 386s via MSTC. Good work by Ignacio for selling them the platform. Should result in increased applications sales for SRL.

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**Nokia (larsahl)**

The Sytos issue appears resolved. We will give them a \$30 royalty reduction (they're still above guideline) and they will pay us or Sytron for the product; Nokia visited Redmond in November. One technical meeting with the NT OS/2 3.0 team. One meeting with RFV (Nokia customer) on our future OS strategies before their decision on a 4,000 OS/2 workstation decision. And finally one meeting between Pertti Ruosaari and Steve Ballmer (regularly scheduled update). Steve showed interest in Nokia's office platform in areas of Admin of the client and S/W distribution. He stated that he might send someone over for a closer look. Jukka Norokorpi sent a letter to Joachimk discussing his dissatisfaction over our business relations. Many of the issues he discussed in his letter have either been resolved or on their way to being resolved. Too many issues have been outstanding for too long.

We have agreement on two Nokia developers who will come to Redmond the first of April to work on OS/2 3.0. Don Pickins visited Nokia in mid November and was impressed with what he saw. He said that Nokia might be the one to go to for a MEMO connection in a future mail product.

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Olivetti - USA (markba)

Mark is presently involved with Olivetti-USA on three opportunities. The first is a bundling of Academic Excel and Academic Word to college campuses through Olivetti's Education Division. Mark is in the process of submitting price quotes on both of these applications. The second opportunity is a bundle of Windows on a selected machine to be sold via the American Express mailers (minimum 500 units potential). The largest opportunity is a per system agreement for packaged Works bundled on all machines sold in the US from the SX down. Mark is currently negotiating pricing on these deals.

Olivetti (maurb)

Agreed to take part in (and pay for) the MM Consortium. Needless to say, Olivetti is (still quite informally but substantially) thus committed to Multimedia Windows Environment. We'll formalize this commitment as soon as possible. Congratulations to Maurb for a lot of hard work, and also to PamelaGo for her efforts

LM2. Great first quarterly meeting in Ivrea with HanSw and LaurieL. Successfully presented to Olivetti our latest news, including info re MP LM, answering all of their questions. Synched up also re Olivetti boards certification, for us to include them also in our pack LM. Olivetti announced their strong interest into LAN management and monitoring tools; they are planning to something like Netview. Told them we are open to cooperation. Very successful meeting with LM people. Olivetti reaffirmed their commitment to LM. We had more than a dozen people including all managers.

OS/2. No signs of possible anticipation of Olivetti release, planned in January, but at least it seems they will make it. 1.3 seems to have not harmed this date; so far Olivetti seems willing to release 1.3 asap. They asked for 2.0 sources.

True Image. Got some complaint by Olivetti, whose OPE people met DanSte without telling Maurb (also PBU let maurb know after the meeting, which apparently happened unplanned at Comdex). It seems PBU is managing the customer by themselves. They made an offer to Olivetti, and are negotiating on their own.

Agreements. Thanks to hard work by DouglasJ who visited SPA and helped maurb regain lost ground. Works Agmt is done, at Office for signature. Main Amendment 2 final draft is done, at Olivetti and at Legal for review. Programmers Reference Agmt is being corrected after Olivetti review. Troubles with Apps Project Amendment 1: apparently MikeMap lost his email, and this caused basically a loss of all pending issues' memory. He is now re-evaluating it from scratch, DouglasJ is pushing. New Issue: Olivetti asked for new type of "per-client" license, to adapt to the situation with certain LA that pay large installation on a machine-basis, and don't know how many servers they'll have. It seems IBM allows this, so Olivetti wants it too. New Issue: Olivetti is starting to look into MP LM license; their current inclination seems they will buy our BAK, do their version of the driver, and then give it to us for us to distribute it into MS boxes. Maurb following up. New issue: they asked a quotation for the DOS 5 redirector. New issue: Olivetti Office asked for quotation of several applets' sources, for upgrading their ETV4000 to Windows 3.

Stylus Windows: Good news: Mr Santalucia, the "Olivetti Stylus PC" PM (the only guy we have to watch closely) resigned. Pradeeps and maurb agreed on several action items, with the goal of keeping them in our camp and away from GO which includes keeping them at the same level as the other domestic or Japanese OEMs in our Stylus Windows related events. Maurb to try to have Olivetti agree to verbally commit to endorse our technology/product, start integrating drivers on their hardware, work on the SDK, and participate at the Developer's Conference and show their hardware.

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Philips (markba)

The month of November was truly dedicated to two major issues. First is the involvement of Philips in the Multimedia Vendor Consortium and Marketing Development Fund. Within a two week time frame, following the presentation at COMDEX, we were able to elevate this issue all the way to the top level of management at Philips Consumer Electronics. Philips has stated that they will join the vendor consortium and the MDF and their actual monetary commitment will be determined after a meeting with Rob Glaser to be scheduled in early January. The second major issue was that of LAN Manager. Philips presently ships thousands of copies of Netware in Europe. The Philips networking group has committed that they will drop their relationship with Novell and commit totally to LAN Manager if MS can work out a strategy through our European Subs for Phillips to distribute FG LANMAN directly to their customers. Philips is a major leader in PC networking in Europe and it would represent a great deal of LM business if we can coordinate this pricing on a consistent basis. Mark is working with Rich Barth in conjunction with the European subs in France, Germany, BV, Spain, Canada and England to help facilitate this agreement.

The published announcement of a reduction in force of between 35,000 to 45,000 employees, and Philips' on-going consolidation of Philips Information Systems, Philips Electronics LTD and Consumer Electronics has impacted management at Philips very severely. It is partially due (see below) to this re-organization that we have been delayed on the final signing of the Windows Contract and the delay in Philips committing a monetary amount to the Multimedia MDF. However, this re-organization is providing MS the ability to have much deeper and more significant account penetration and control.

Windows - Great news here - Philips has decided to bundle Windows on a number of 386 machines and eliminate the coupon program. They are predicting that their volume for Windows will now be approximately 150K as opposed to their original projection of 50K. It is this change in direction that has delayed the signing of the original Windows Contract.

Research Machines (sandyd)

Dave Bradley accompanied RML's network engineers to Remond. They were given technical updates on LANMAN and Windows.

Schneider Rundfunkwerke (manfreds)

Business has sharply declined. First victims of the Get Well Program are managers for international and domestic sales. Manfreds suggests that Microsoft should demonstrate its "counseling capabilities" to Bernhard Schneider, CEO.

SMT-Goupil (chrisa)

As usual, SMT-GOUPIL's report for the "summer months" is quite slow. They have only shipped 7000 machines. Normerel which is now SMT-Goupil's sub is facing eager competition from SEA. For instance, one of their biggest customers, MEMOREX TELEX, is now OEMing MITAC machines. Moreover, they have production problems due to an obsolete industrial tool which is very worrying as Goupil initial plans were to move part of their production to Normerel's plant. The good news of the month was the number of OS/2 reported by SMT-Goupil : 445 units for a total amount of \$60K. We see here the effect of the deal they signed with AXA insurance company.

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Torus (sandyd)

Torus amendment has finally been signed by customer. We should finally get their outstanding invoice problems cleared in December/January. They will also be officially LM 2.0 licensees.

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Tulip (hansra)

Hansra proposed to them a standard contract with LANMAN, Comm server and SQL server with a M/C of \$750K per year. Standard Ts&Cs are acceptable. Expect to close in December.

Victor (magnus)

FY91Q1 figures were disappointing with lower than expected shipping figures. Victor decided to postpone the major network decision: MS or Novell. This was positive since we are currently building market strength in Scandinavia anyway. Decision will be made early next year. Also, Victor reports that they are about to sign a major third party label deal with a minivendor. We do not know who, but a wild guess would be DIAB.

VOBIS (manfreds)

The existing license agreement has an annual minimum commitment of 30,000 per-system units of Works. They exceeded this within 3 months. Now, Manfreds is working on a per-processor deal for 200,000 PCs annually for either either Works or Windows (user chooses) at \$15; any additional Works or Windows copy costs them additional \$15. VOBIS wants to focus on selling both products per PC. Additionally we are close to an agreement in principle on DOS 5 on 200,000 PCs annually, royalty negotiations are ongoing. We have to consider that VOBIS will not immediately stop DR-DOS and replace it with MS-DOS 5, but they may commit to replace 50% or more to start.

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ATTACHMENT A

REVENUE PERFORMANCE SUMMARY: Month-to-date; Quarter-to-date; Year-to-date Quarter: 2 FY91

Account	October Budget	October Actual	November Budget	November Actual	December Budget	December Forecast	FYQ2 Forecast	FYQ2 Budget	FYQ2 Diff.	YTD Actual	YTD Budget
	0	0	0	0	0	163,025	163,025	0	163,025		
Datatronix	0	0	0	0	550,000	150,000	150,000	550,000	-400,000		
Nokia	963,500	0	0	0	0	1,004,070	1,004,070	963,900	40,170		
Norsk	5,067	0	0	0	0	0	0	5,067	-5,067		
POQT	0	0	0	0	0	13,500	13,500	0	13,500		
MSBV	0	0	0	0	0	0	0	0	0		
G2	0	0	0	0	44,312	44,312	44,312	44,312	0		
Tulip	0	20,311	785,545	0	0	694,000	714,311	785,545	-71,234		
MS GMBH	742,500	372,561	114,750	426,155	1,203,600	2,407,669	3,206,385	2,060,850	1,145,535		
Nisdorf	0	0	858,860	0	39,062	0	0	897,922	-897,922		
Peacock	0	0	0	0	242,500	242,500	242,500	242,500	0		
Schneider	0	0	0	0	1,000,000	720,000	720,000	1,000,000	-280,000		
Stemans	0	814,661	696,500	449,120	52,312	8,750	1,272,531	748,812	523,719		
MSLTD	108,000	8,046	4,500	8,750	0	0	16,796	112,500	-95,704		
Amstrad	0	0	251,877	62,500	84,273	-367,625	-305,125	336,150	-641,275		
Apricot	0	0	0	0	360,000	550,000	550,000	360,000	190,000		
ICL	0	0	0	0	431,625	431,625	431,625	431,625	0		
Opus	0	0	169,800	0	0	30,200	30,200	169,800	-139,600		
RML	0	0	68,800	0	400,000	400,000	400,000	461,800	-61,800		
MSSARL	29,785	58,595	0	0	0	47,625	106,220	29,785	76,435		
Amstrad	0	90,383	0	262,500	0	0	352,883	0	352,883		
Bull	338,950	700,000	0	0	111,050	0	700,000	450,000	250,000		
RCE	0	0	0	0	43,562	0	0	43,562	-43,562		
SMT Goupil	0	0	6,897	0	343,103	600,000	600,000	350,000	250,000		
Telemecanique	0	0	0	0	47,250	47,250	47,250	47,250	0		
MSSPA	0	12,500	0	13,325	0	0	25,825	0	25,825		
Asem	0	0	0	0	128,875	128,875	128,875	128,875	0		
Buffetti	0	50,960	15,000	0	0	0	50,960	15,000	35,960		
Fineur	0	0	0	0	20,000	0	0	20,000	-20,000		
intercomp	0	0	2,600	0	25,000	25,000	25,000	27,600	-2,600		
Olivetti	0	0	453,486	0	2,146,514	2,850,000	2,850,000	2,600,000	250,000		
Unibit	0	4,125	0	0	133,375	133,375	137,500	133,375	4,125		
Hantarex	0	0	0	0	200,000	200,000	200,000	200,000	0		
MSSRL	8,033	2,060	0	940	131,000	42,750	45,750	133,033	-93,283		
MSHQ-Philips	0	0	203,285	0	496,715	700,000	700,000	700,000	0		
Totals	2,196,235	2,134,202	3,631,900	1,223,290	8,234,128	11,266,901	14,624,393	14,062,263	562,130		
		97%		34%		137%		104%			

SUBSIDIARY SUMMARY: Month-to-date; Quarter-to-date; Year-to-date Quarter: 2 FY91

Account	October Budget	October Actual	November Budget	November Actual	December Budget	December Forecast	FYQ2 Forecast	FYQ2 Budget	FYQ2 Diff.	YTD Actual	YTD Budget
MSAB	968,967	0	0	0	550,000	1,330,595	1,330,595	1,518,967	-188,372		
MSBV	0	20,311	785,545	0	44,312	738,312	758,623	829,857	-71,234		
MSGMBH	742,500	1,187,222	1,670,110	875,275	2,537,474	3,378,919	5,441,416	4,930,084	491,332		
MSLTD	108,000	8,046	494,977	71,250	1,275,898	1,044,200	1,123,496	1,878,875	-755,379		
MSSARL	368,735	848,978	6,897	262,500	544,965	647,250	1,806,353	920,597	885,756		
MSSPA	0	67,585	471,086	13,325	2,653,764	3,337,250	3,418,160	3,124,850	293,310		
MSSRL	8,033	2,060	0	940	131,000	42,750	45,750	139,033	-93,283		
MSHQ	0	0	203,285	0	496,715	700,000	700,000	700,000	0		
Totals	2,196,235	2,134,202	3,631,900	1,223,290	8,234,128	11,219,276	14,624,393	14,062,263	562,130		

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FISCAL YEAR 1991 (ACTUAL THRU November) AND FISCAL 1992 FORECAST

Account	Q1FY91	Q2FY91	Q3FY91	Q4FY91	Total FY 91		Q1FY92	Q2FY92	Q3FY92	Q4FY92	Total FY 92	Growth
MSAB	61,265	163,025	0	0	224,290	6,330,346	0	0	0	0	0	0
Budget	361,000	0	0	0	361,000	6,861,127	0	0	0	0	0	0
Diff	5,734	150,000	500,000	1,600,000	2,265,871		0	0	0	0	0	0
Budget	550,000	550,000	550,000	550,000	2,200,000		0	0	0	0	0	0
Notes	3,012,110	1,004,070	1,004,070	1,731,425	6,751,775		0	0	0	0	0	0
Budget	1,172,880	863,800	1,278,280	1,126,280	4,542,160		0	0	0	0	0	0
Diff	0	0	37,250	40,850	77,900		0	0	0	0	0	0
Budget	0	5,087	37,250	40,650	82,987		0	0	0	0	0	0
PCQT	6,150	13,500	0	0	20,250		0	0	0	0	0	0
Budget	0	0	0	0	0		0	0	0	0	0	0
MSBV	2,825	0	0	0	2,825	4,230,363	0	0	0	0	0	0
Budget	0	0	0	0	0	3,057,852	0	0	0	0	0	0
Diff	2,825	0	0	0	2,825		0	0	0	0	0	0
Budget	86,305	44,312	44,312	0	175,429		0	0	0	0	0	0
Diff	44,312	44,312	44,312	0	132,936		0	0	0	0	0	0
Budget	1,250,000	712,311	864,000	864,000	4,250,311		0	0	0	0	0	0
Diff	624,625	785,245	798,265	815,881	2,925,016		0	0	0	0	0	0
Budget	711,387	3,208,285	1,112,825	1,307,250	6,341,747	20,361,242	0	0	0	0	0	0
Diff	517,900	2,060,250	1,442,750	1,307,250	5,328,350	19,061,115	0	0	0	0	0	0
Budget	430,344	0	1,881,312	405,312	2,716,968		0	0	0	0	0	0
Diff	484,313	887,922	1,398,294	438,580	3,211,119		0	0	0	0	0	0
Budget	242,500	242,500	242,500	1,550,000	2,277,500		0	0	0	0	0	0
Diff	242,500	242,500	242,500	1,550,000	2,277,500		0	0	0	0	0	0
Budget	0	720,000	1,000,000	1,000,000	2,720,000		0	0	0	0	0	0
Diff	2,000,000	1,000,000	1,000,000	1,000,000	5,000,000		0	0	0	0	0	0
Budget	823,000	1,272,531	2,058,082	2,156,225	6,309,838		0	0	0	0	0	0
Diff	882,047	748,812	895,562	883,725	3,210,146		0	0	0	0	0	0
Budget	826,753	18,798	112,750	108,500	1,166,801	6,224,631	0	0	0	0	0	0
Diff	77,500	112,500	112,750	108,500	421,250	7,481,075	0	0	0	0	0	0
Budget	385,500	305,125	412,178	432,900	1,535,703		0	0	0	0	0	0
Diff	310,250	338,150	373,475	441,300	1,463,175		0	0	0	0	0	0
Budget	1,011,828	550,000	550,000	0	2,111,828		0	0	0	0	0	0
Diff	360,000	360,000	360,000	360,000	1,440,000		0	0	0	0	0	0
Budget	431,825	431,825	636,250	636,250	2,136,150		0	0	0	0	0	0
Diff	431,825	431,825	636,250	636,250	2,136,150		0	0	0	0	0	0
Budget	0	30,200	147,100	162,500	339,800		0	0	0	0	0	0
Diff	103,500	188,800	177,300	162,500	632,100		0	0	0	0	0	0
Budget	801,200	400,000	775,500	775,500	2,752,200		0	0	0	0	0	0
Diff	350,300	468,800	400,000	400,000	1,619,900		0	0	0	0	0	0
Budget	22,170	106,220	47,525	50,750	226,665	4,205,225	0	0	0	0	0	0
Diff	28,330	29,785	35,305	35,085	138,505	4,123,468	0	0	0	0	0	0
Budget	87,421	352,883	262,500	0	702,804		0	0	0	0	0	0
Diff	7,888	700,000	0	0	707,888		0	0	0	0	0	0
Budget	450,000	450,000	480,545	536,405	1,917,050		0	0	0	0	0	0
Diff	0	0	0	0	0		0	0	0	0	0	0
Budget	0	43,582	43,582	0	87,164		0	0	0	0	0	0
Diff	478,887	800,000	800,000	400,000	2,478,887		0	0	0	0	0	0
Budget	350,000	350,000	700,000	400,000	1,800,000		0	0	0	0	0	0
Diff	47,250	47,250	47,250	47,250	186,000		0	0	0	0	0	0
Budget	47,250	47,250	47,250	47,250	186,000		0	0	0	0	0	0
Budget	0	0	0	0	0		0	0	0	0	0	0
Budget	0	0	0	0	0		0	0	0	0	0	0
Budget	205,000	25,825	300,000	300,000	800,825	14,008,234	0	0	0	0	0	0
Diff	0	0	0	0	0	12,889,250	0	0	0	0	0	0
Budget	128,875	128,875	128,875	128,875	515,500		0	0	0	0	0	0
Diff	128,875	128,875	0	0	257,750		0	0	0	0	0	0
Budget	0	50,980	0	0	50,980		0	0	0	0	0	0
Diff	22,200	15,000	30,200	30,000	97,400		0	0	0	0	0	0
Budget	20,000	20,000	20,000	0	80,000		0	0	0	0	0	0
Diff	25,000	25,000	25,000	25,000	100,000		0	0	0	0	0	0
Diff	27,500	27,500	30,200	5,200	90,600		0	0	0	0	0	0
Budget	2,851,324	2,850,000	3,125,000	3,125,000	11,951,324		0	0	0	0	0	0
Diff	2,590,000	2,800,000	2,875,000	2,875,000	10,950,000		0	0	0	0	0	0
Budget	133,375	137,500	133,375	133,375	537,625		0	0	0	0	0	0
Diff	133,375	133,375	133,375	133,375	533,500		0	0	0	0	0	0
Budget	0	200,000	0	0	200,000		0	0	0	0	0	0
Diff	200,000	200,000	250,000	250,000	900,000		0	0	0	0	0	0
Budget	40,980	46,750	40,000	40,000	167,730	168,440	0	0	0	0	0	0
Diff	131,242	138,033	137,538	136,038	542,851		0	0	0	0	0	0
Budget	707,840	700,000	700,000	1,022,000	3,129,840		0	0	0	0	0	0
Diff	700,000	700,000	700,000	1,022,000	3,122,000		0	0	0	0	0	0
Budget	15,458,334	14,624,383	16,787,434	17,773,762	64,644,913		0	0	0	0	0	0

Budget	12,735,814	14,082,263	15,133,493	15,216,168	57,147,738
% of Budget	121%	104%	111%	117%	5
Difference	2,723,420	582,130	1,663,941	2,657,593	7,507,084
YTD Diff	2,723,420	3,285,550	4,849,491	7,507,084	
YTD % Budget	27%	53%	82%	113%	

Subsidiary Summary

MSAB	3,086,356	1,330,595	1,541,220	3,372,075	9,330,246
Budget	1,758,580	1,518,967	1,866,570	1,718,910	6,861,127
MSBV	2,049,430	758,623	738,312	694,000	4,240,365
Budget	568,837	829,857	843,277	815,881	3,057,852
MSGWBH	2,227,240	5,441,418	6,274,369	6,418,787	20,361,814
Budget	3,836,360	4,850,084	4,980,106	5,200,565	19,087,115
MSCLD	3,550,707	1,123,496	2,530,778	2,016,650	9,221,631
Budget	1,632,875	1,878,875	1,858,775	2,008,550	7,481,075
Diff	643,497	1,806,353	1,257,375	498,000	4,205,225
Budget	875,770	820,597	1,307,452	1,018,650	4,123,468
Diff	3,163,574	3,418,180	3,712,250	3,712,250	14,008,234
Budget	3,132,050	3,124,850	3,338,775	3,293,575	12,889,250
Diff	40,550	45,750	40,000	40,000	166,440
Budget	131,242	138,033	137,538	136,038	545,851
Diff	707,840	700,000	700,000	1,022,000	3,129,840
Budget	700,000	700,000	700,000	1,022,000	3,122,000
Total Forecast	15,458,334	14,624,383	16,787,434	17,773,762	64,644,913
Total Budget	12,735,814	14,082,263	15,133,493	15,216,168	57,147,738

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**ATTACHMENT B**

DOS 5.0 Watch					
Account Name	Account Mgr	Status*	Expected Close Date	Expected Ship Date**	DRI Threat?***
Actibus	"olivers"	N	1/31/91	OAK+60	N
AEG Olympia	"michro"	N	2/1/91	OAK+60	N
Akhtar	"davebr"				
Amersham Intl	"davebr"				
Amstrad	"sandyd"	V	12/31/90	May 1991	N
Apricot Computers	"davebr"	P	2/1/91	May 1991	N
Aquarius	"olivers"	N	2/1/91	OAK+60	E
Asern	"andreab"	N	1/31/91	OAK+60	N
Brother Intl - Europe	"davebr"	P	1/15/91	May 1991	N
CMTE-FAST	"michro"	P	3/1/91	OAK+60	N
Comcen Technology	"davebr"				
Comtec	"olivers"	N	1/31/91	OAK+30	N
Datatronik	"magnusi"	N	12/31/90	OAK+30	N
FMC Electronic	"jaapv"	P	4/1/91	OAK+60	N
G2	"hansra"	N	12/31/90	OAK+30	N
Geosoft Brender	"michro"	P	3/31/91	OAK+60	N
Hantarex	"andreab"	N	1/31/91	OAK+60	N
Husky Computers	"davebr"				
ICL	"dalebor"	P	4/1/91	May 1991	N
IGS MBH & Co	"jaapv"	P	2/1/91	OAK-30	N
Intercomp	"andreab"	P	2/28/91	OAK-60	N
ITOS	"michro"	P	2/1/91	OAK-30	N
Kontron Elektronik	"peterpr"	P	3/1/91	OAK-60	N
Lutz Unger	"peterpr"	P	2/1/91	OAK+30	N
Nokia	"jarsahi"	LOI	1/31/91	OAK+60	N
Office & Elec. Mach,	"davebr"				
Olivetti	"maurb"	N	1/31/91	OAK+60	N
Opus Supplies	"sandyd"	P	2/1/91	May 1991	N
Peacock	"olivers"	N	1/31/91	OAK+60	N
Philips	"markba"	P	2/1/91	March/April	N
Profex Electronic	"olivers"	N	1/31/91	OAK+60	N
Pyramid Computer	"michro"	P	2/1/91	OAK+30	N
Quattro Computers	"davebr"				
Real Time Control	"davebr"				
Rein Elektronik	"michro"	P	2/1/91	OAK+30	N
Research Machines	"sandyd"	P	January 1991	September 1991	N
Robotron Ascota	"jaapv"	S			
Robotron Burom.	"jaapv"	S			
Rohde & Schwarz	"jaapv"	P	3/31/91	OAK+60	N
Schneider Rund.	"michro"	N	1/31/91	OAK+30	N
Schweers	"olivers"	P	3/1/91	OAK+60	N
Siemens Nixdorf	"michro"	N	1/31/91	OAK+60	N
SMT-Gouzil	"chrisa"	P		French OAK+60	N
Theuretzbacher & Co	"michro"	P	4/1/91	OAK+60	E
Tiki Data A/S	"magnusi"	P	February 1991	OAK+30	N
Tulp	"hansra"	N	January 1991	OAK+30	N
Unitbit	"andreab"	P	2/28/91	OAK+60	N
Type Industry Prod.	"davebr"				
Viglen Ltd	"davebr"	P	January 1991	May 1991	N
Vobis	"manfreds"	N	1/15/91	OAK+30	C
Weico	"jaapv"	P	4/1/91	OAK+60	N

\*Status: P=Proposal N=Negotiating S=Signed LOI=Letter Of Intent V=Verbal OK N/A=Not Applicable

\*\*Expected Ship Date = OAK + number of days (e.g. OAK + 30, 60, or 90)

\*\*\*DRI Threat: C=DRI customer N=No threat E=Evaluating DRI DOS

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**\*\* MICROSOFT SECRET \*\***

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To: Joachim Kempin, Distribution

From: Jeff Lum

Date: January 15, 1991

Re: December European OEM Sales Status Report

Attached is the European OEM Sales status report for the month of December. A table of contents has been provided for those that have interest in specific areas. Please provide me with any feedback that you deem appropriate. Copies of more detailed reports from each subsidiary is available upon request.

Distribution:

Bengt Akerlind	MSAB
Hans Ranselaar	MSBV
Manfred Schlindler	MSGMBH
Sandy Duncan	MSLTD
Christophe Aulnette	MSSARL
Ignacio Feu	MSSRL
Maurizio Bedina	MSSPA
Mark Baber	10N/1
Rolf Skoglund	MSAB
Patrick De Smedt	MSBV
Christian Wédell	MSGMBH
David Svendsen	MSLTD
Michel Lecombe	MSSARL
Umberto Paolucci	MS SPA
Carlos Brazao	MS SRL
Ron Hosogi	10N/1
Richard Fade	10N/1
Sergio Pineda	3/2056
Mike Murray	1/1045
Paul Maritz	2/2045
Bill Miller	4/2136
Tim Beard	8N/2
Douglas Jackson	8S/1
Steve Bailmer	4/2064
Brad Chase	3/2044
Russ Werner	4/2137
Brad Silverberg	3/2046
Carl Stork	2/2100
Rich Barth	1/1009
Ruth Warren	1/1012
Pamela Goldschmidt	13/1031
Franz Rau	Koll/1013
Jan Claesson	RIDGEG/3064

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\*\* MICROSOFT SECRET \*\*

December Status Report  
European OEM Division  
Jeff Lum

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**December Status Report  
European OEM Division  
Jeff Lum**

**Revenue** (see attachment A for details)

Revenue in December was strong - \$10.2M versus a budget of \$8.2M - but not enough to offset November's deficit. For the quarter we billed \$13.6M versus a budget of \$14M. A deferral of Victor's minimum commitment payment of \$550K to June, and another below budget quarter for GMEH contributed to the shortage. At the end of FYQ2, Europe's revenue is \$29.1M versus a budget of \$26.7 (109%) YTD.

**New Business Signed**

Account	Product	Comments
Foreign Trade Office - Poland (GMBH)	DOS	\$135k ann. volume; reinstating old LA
Olivetti-US	Windows	510 copies; PO in-house
Actebis Computer (GMBH)	DOS 3.3/4.0/Shell	\$6K per year
Torus Systems (LTD)	LANMAN 2.0	Amendment to new version
Kontron Elektronik (GMBH)	DOS 3.3/4.0/OS/2 1.2	\$189K/year
Roborron Bueromaschinenwerk (GMBH)	DOS 3.3/4.0/5.0/Shell	\$620K - 1 year commitment only

**New Business Pending**

Account	Product	Royalty	Commit	Close	Chance
ICL*	Win 3.0	Guideline	50k Units	April 91	50%
Amstrad**	Win 3.0	\$5.5/\$7.5	\$500k/Annum	January 91	35%
Amstrad***	Works 2.0	\$26.50	12.5k Units	February 91	98%
Apricot****	MP LAN Man	\$450	\$75k (support)	February 91	95%
Akhter	MS-DOS 5.0	\$45	1000	February 91	75%
Philips	Windows	\$23.00	50,000	1/30	90%
Olivetti-US	Works	\$22	10,000	1/31	50%
Olivetti-US	Word	\$198	1,000	1/30	25%
Olivetti-US	Excel	\$113.40	1,000	1/30	25%
Tulip	LM/COM	Guideline	\$750K	2/28	75%

\* A written quote has been sent. This is a key design win and group goal for 2H FY'91.

\*\* Ongoing negotiation. VERY binary but odds look in our favour for a per processor Windows deal.

\*\*\* Deal is for Germany only. Contract should be signed in Late Jan/early Feb.

\*\*\*\* Don't expect any extra min commit due to UPB situation and LAN Manager commit issue.

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**News**

BULL group reorganization has impacted ZDS : John Frank (President) and Andy Czemek (Senior VP product development) have been dismissed. Enrico Pesatori, from Olivetti, replaces Frank, and Philippe Ribeyre (ex- BULL HN) will be promoted to VP Marketing heading all product lines.

ICL - COO John Dickson has resigned. Fujitsu may have pushed him out.

Fred Koster, formerly GM PC Division for Schneider, has quit. Probably pushed out by CEO Bernhard Schneider, who wants to cure their PC business woes in CY91.

We have reached agreement with Vobis on a DOS 5.0, Windows and Works license agreement.

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**People**

Sandy Duncan, Dale Borland, and David Bradley attended a two day "Selling to OEMs" training course run by a former Research Machines marketing guy. Sandy says it was very well tailored to their requirements.

Michael John joined the GMBH crew as a new Account Manager to replace Peter Prikyl.

**Issues**

Present serialization language in the DOS 5.0 exhibit is unacceptable to most OEMs so far. We need to make it clearer and less demanding as it appears to be a major hangup in several agreements.

**DOS 5.0 Watch**

See Attachment B for status of all active accounts.

**Packaged DOS**

Subsidiary	December Actual	December Budget	FYQ2 Actual	FYQ2 Budget
MSAB	2,753	2,647		
MSBV	1,244	2,196	10,509	6,982
MSGMBH	12,897	16,167	73,673	44,749
MSLTD	1,786	2,200	7,500	5,750
MSSARL	7,571	3,623	21,727	9,787
MSSPA	900	1,929	3,805	5,304
MSSRL	2,375	2,000	6,801	4,900
TOTAL	29,526	30,762	124,015	77,472

**MS AB**

Evap is getting up to speed on selling, forecasting and spending her time effectively. Denmark is still the most problematic market for AB, with lots of grey importing, some DRI, and lots of piracy. Price appears to be a deciding factor for those customers buying from DRI.

**MS GMBH**

Orders fell sharply from nearly 40,000 in November to only 12,897 copies in December. GMBH feels this has been caused by an administrative problem in the order process system. Manfreds estimates that a runrate of 30,000 Packaged DOS a month is a reasonable expectation for them.

**MS LTD**

40 companies attended LTD's first ever FG DOS customer seminar organized by Davebr. The Packaged DOS business reported 1,776 units sold. Although 26% up on last year's December sales, LTD feels it was disappointing. Sandy feels they may be back to their cycle of good month/bad month, and will dedicate more time analyzing this business.

**MS SARL**

Set up an action against a suspected pirate called TETRATEK. This SEA clone manufacturer was intentionally "leaving" MS-DOS 3.3 on the hard disks of their machines without selling any legal DOS license. A police raid seized some machines ready to be delivered containing MS-DOS 3.3. We identified that they sold some machines to firemen, and therefore organized another raid on the firestation where the captain testified that they always receive machines with DOS 3.3 on hard disks with no manuals. SARL will start legal action against TETRATEK; goal is to largely publicize this action in order to frighten pirates. We also discovered in the raid some DOS packages labeled SUNKYONG, which appear to be counterfeit MS-DOS packages from Korea. Peter Davis (EHQ) European legal has been alerted and will respond.

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#### MS SPA

Produced a slide letter for sending DOS 5 beta to PackDOS customers. This will serve nicely as an additional mktg promotion for customers within the new Communication Project headed by Andreab. As forecasted, we lost some business due to supply problems. In addition a last order was not entered into the system, and this kept numbers well below budget. Good news is that Giusi is in the final stages of a long negotiation with the Telcom Group of Mr. Bonoldi. This group of companies may end up buying PackDOS in decent volumes. The anti-piracy advertisement started running and the first phone calls started coming in. Good results so far.

#### Embedded DOS

BV, AB, and GMBH are in discussions with electronic distributors to gauge their interest.

#### Laptop Watch

Nothing significant to report.

#### RISC Watch

Maurb reports that there have been several meetings in Ivrea between MIPS and Olivetti Purchasing. This is a very good sign. Follow-up meeting from the 12/3 mtg with Bill and Piol has been scheduled for 1/22 in SPA (right after the Biz Rev).

#### Per Copy Sales Activities

In the middle of January there will be another "Skills Transfer" event being held at the biggest and most important single event in '91 for networking and especially Lan Manager awareness for the ICL sales and product personnel. Dalebor will give a 1 hour pitch during the day to get our message/strategy/futures across to this special audience. This event will be a major contributor in penetrating the minds of the ICL sales and product community. For the first time, MS as an outside vendor, has been given the opportunity to speak at this otherwise strictly ICL affair. This should be considered as a major win for us in our efforts to get LM in prime position within the ICL mind-set.

Dave Bradley ran a very successful Systems Seminar for approximately 40 OEMs (licensees and Packaged DOS customers). This event was a cut-down version of the Redmond OEM Briefing to update those customers who did not attend the event.

#### Product Marketing Feedback

##### DOS 5.0

AB had a successful press meeting for Nordic journalists regarding DOS 5.0. The MS-DOS 5.0 beta was well received. We will let the attending journalists participate in the beta test of the product. The RUP DOS beta program is under way. The objective is to have 125 beta sites in the Nordic area. Currently there are about 80 sites.

##### Stylus Windows

Sandy Duncan met with a venture capital based company called Eden Group. They are developing an interesting Stylus PC. They will not manufacture this but license the technology. HP could be a prospect as well as a number of Japanese manufacturers. We will hopefully host a meeting for them in Redmond with Pradeep at the end of January.

##### LANMAN

RIPL Kit - still haven't received this - we've eventually discovered that it's part of the NDDK (ICL).

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Olivetti feels damaged by Compaq-MS certification program and wants the same. Considering that OEMs like Olivetti invest in LM as networking backbone strategy, but face problems (eg OS/2 1.2 availability) in actual sales activity, it's easy for Novell to tighten links that we were starting to loosen. Maurb feels this is a maximum severity problem at a critical moment in the Olivetti relationship. BULL thinks that Named Pipes and Mailslots are not standard APIs in the Unix world and that they absolutely need RPC (on the PC at least). About our position regarding RPC of OSF/DCE, they want to know if we have progressed (since last July, when Claude Boule went in Redmond and met RonSi and MikeMur). As of today, the only thing we can tell them is that we will be OSF/DCE compliant, which is not enough. They claim that they already have some proposition from Logus and Gradient for RPC/PC and that they will have to make a choice very soon as they need a product available in Mar-Apr timeframe. They propose to have a meeting on this issue in Redmond, end of Jan 91. Chrisa is working with RonSi to give them a clear answer on our position. If we are not ready (if it's too early), we should tell them so and not organize a meeting which is bound to be unproductive and inefficient.

#### Mouse

We lost the Mouse business at Nokia. Nokia will make the mouse a part of the standard configuration. Nokia has asked continuously for much lower prices than we usually are able to provide.

#### MultiMedia

There have been a couple of articles in the trade press commenting on the momentum of Multimedia. One of the manufacturers heavily mentioned is Fujitsu. It mentions there alliance with a number of other major manufacturers in establishing a minimum configuration for MM and the endorsement of Windows as the environment that will drive the development of MM applications. In one paragraph, Fujitsu is single out as one of two manufacturers who are producing their base machine for MM well above the minimum spec. This machine is based on a 80486 with very sizable hard disk and CD-Rom drives. Perhaps a development of the ICL M95?

OptiSys has finally got MSCDEX 2.2. Unfortunately it looks like the product doesn't work with Windows 3.01! MS Corp confirms that there are compatibility problems between MSCDEX and Windows. OptiSys may have a workaround.

Maurb is working with Olivetti to prepare a justification for the \$900,000 in contributions, waiting for information regarding the \$100,000 cash. Olivetti is very committed and active on this issue, but Maurb still getting no answers by Pamelago regarding what to do next and regarding feedback for the conference.

Phillips has assembled a task force that will be addressing the issues of the Vendor Consortium, Marketing Development Fund, CDI versus DVI technology and other areas concerning multimedia. They are scheduled to meet the first week of January, and at that time they will confirm a date and location for a meeting between Consumer Electronics and Rob Glaser. Among other things that meeting will confirm Philips participation in the consortium, and the specifics of their MDF contribution. We will also discuss announcement dates for Philips to kick-off their MM PC and alignment with MS.

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#### OS/2

Nokia has "leaked" that they are talking to IBM about the possibility of licensing some OS/2 technology. Nokia wants to have the same opportunity as IBM in being able to supply large accounts that have made heavy investments in EE, i.e. being able to provide Communication Manager and Database Manager features. On the H/W side IBM is willing to sell Nokia the yet-to-be-released optical disk.

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LADDR kit still a no show from development. Tulip can't ship OS/2 until they get the kit so they can complete their SCSI driver.

#### Support Issues

Anders Kristensson, newly hired support person in Redmond for Nokia visited Nokia in Finland. The mission was to set Nokia's support expectations at a reasonable level as well as get a feel for the mentality, demands, and skills of the Nokia people.

SARL signed a global Online contract with Bull to support their two development centers for a global amount of \$20K. Moreover, they will provide SARL with three top level configurations for our PSS lab.

Maurb presented the draft of the OSE agreement to Casaglia. A number of changes were requested, practically all of which were accepted by Allensm/Janc/Arne]. Maurb finalizing a new draft. Unfortunately Casaglia asked that testing/certification activities be part of the agreement as duties of the OSE. This, given the LM certification situation, is dangerous and needs to be carefully evaluated.

Philips has finally signed an Online agreement.

SNI is not yet shipping LANMAN 2.0 due to a bug in the mirroring feature. OnLine requests with very reasonable inquiries did not receive appropriate attention by support people, so SNI is complaining.

#### Market Trends

Several dealers/distributors in the UK are reporting that the market remains sluggish.

#### Opportunities

After a very slow fall AB has identified a couple of promising opportunities: Norsk Data (OS/2 and LM), Datavaruhuset (Windows), Facit (Windows), and Diator Netcom (DOS and Windows).

Markba is working with Rich Barth to help coordinate a finished goods LANMAN effort through our European Subs in Germany, BV, Spain, France and Italy. Philips is one of the largest suppliers of networks in Europe, and this could represent a great deal of LM business. We have rolled out a program to MS European Subs. GMBH was instrumental in helping Philips obtain 75 copies of LM for a major project in Austria, and has convinced Daustab to sell Philips LM with a discount consistent with the LM Strategy. By the end of January Mark will be presenting Philips with a LM Packaged Product Agreement.

SARL has identified a potential business opportunity with SAGEM for a true per system bundle with DOS, Windows and WinWord to be implemented on a dedicated "secretary" machine.

#### Account Summaries

Amstrad

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Windows negotiations heat up and it appears we may have agreement on all SX desktops for \$7.50. There are still some issues to iron out. In addition, Amstrad verbally agreed to 12.5K units of Works at 26.50. This is for Germany only and is a per system deal for min 6 months on all AT bus machines.

#### **Apricot**

Peter Home had a conference call with Jeremy/Jeff. MP issues are resolved. Apricot will pay \$75K source and testing charge and royalties for the extensions. They won't be part of our packaged product.

#### **ASEM**

Andreab is formalizing with an Agreement the DOS 5 license for ASEM, that should bring also some additional min commit from this solid customer. He's also exploring a possible royalty agreement with Staver, one of the largest packDOS OEMs, though a small customer for us. If this deal closes, it's another major success, the second after Hantarex/Vegas.

#### **Atlantis**

Following the receipt of the COM Server OAK we had some very productive meetings last month. Mr Bargeon (Atlantis chairman) stressed that they have taken a strategic decision to integrate COM Server in their offer and to strongly promote it. They will include the product in their ad plans for next CY and will demonstrate it at the CEBIT in Hanover where they have reserved a 100M2 booth. They feel a real demand from the field for the product. Pursuant to Chrisa's request, they are writing a short business plan. They plan to release their ATLANTIS MS Comm Server package in Apr 91. They will start some Beta sites in Feb 91. French product is a key issue as some administrations (in which Atlantis is very successful) require a complete French version of end-user products. As version 1.1 will be localized in French by the end of CY91, they decided not to translate docs, and to wait for our localized version. They will only design a small booklet in French for installation ("Getting-started" type of manual)

#### **BULL**

BULL is implementing a large reorganization plan in order to react to their losses which are expected to amount to \$560M for this calendar year. ZDS marketing organization will be completely reorganized, i.e split into 4 product lines (Desktops, Laptops, XXXX and LANs). Ribeyre will report Pesatori and to Ward Mc Kenzie (Worldwide product lines management VP of BULL group and who is located in Paris). It appears that BULL is taking direct hands on control of ZDS. They want ZDS marketing organization to be compliant to all other marketing organizations inside BULL group (Mini, Mainframe, ...). The choice of Ribeyre as VP marketing who was part of the Strategic Corporate Marketing group in Paris prior to working for BULL HN in Boston, confirms that BULL is willing to closely manage ZDS. Although nothing has been officially announced, it seems that BULL has taken the decision to close the Massy PC development center (in charge of MCA machines) so that ZDS will become the only PC arm of BULL group. According to Massy people, their mission won't be over but might move towards "European localization issues".

It is also noticeable that there will be a LAN product line which shows that ZDS will not only be positioned as a box mover but also be developing PC platforms that are well integrated into information systems (LANs, MML, SNA, DSA, ...). It is still unclear to what extent the creation of this LAN product line will impact the Workgroup product line which is located in Paris. In particular, will this group keep the responsibility of the 3COM's relationship (3+ OPEN packages distribution) or will it move to ZDS LAN product line? All these issues should be clarified over the next two months.

BULL has internally announced OPENTeam which is a set of tools designed to integrate PCs in mini/mainframe environment and which relies on an adaptation of Lan Man/U to their 68K-based

minis. They plan to announce the product at CEBIT in March 91 and to start, in Feb 91, 15 Beta sites in France.

#### ICL

There is a new product project being given top priority within Workstations Group at present. It is a new/revised 80286 which is going to be built in the UK instead of Korea. The claim is that production costs will be significantly lower due to some new PCB design technology and that this will obviously bring the street price to a very attractive level.

After finally getting details of the Lan Manager Training schedule from MSU, ICL is very excited about the schedule. It looks as though there will be a number of representatives from the Training Group and Workstations who will be attending in the early part of the new year.

#### Nokia

Nokia is planning organizational changes again. Instead of having three Area Sales Groups, i.e. Finland, Scandinavia and rest of Europe, the Nordic countries will be regarded as one ASG. Thus, Nokia will have the ASG Nordic with 75 % of the business and the ASG Europe with the remaining 25%. The Sytron Issue is resolved. Nokia accepted the proposed deal where we reduced royalties with \$30 on the base product. They will now license Sytos from Sytron. Don Pickins has sent a letter to Nokia asking for more information on Nokia's connectivity and mail expertise.

#### Olivetti

The Windows bundle with DOS boxes, started in UK, is expected to start in Italy and France in January. In the Stylus Windows area, goal is to have Olivetti participate in an ISV conference Feb 21 in Redmond, where MS and OEMs will show their real products albeit at early stages. Maury managed to get a quote by Pjol endorsing MP LM technology that didn't get included in our PR since it turned out that no major OEMs were also involved (condition under which Olivetti had asked to retire its quote). Despite this, Olivetti interest in MP LM remains high: they are studying whether to include their driver into our pack product or distribute themselves.

#### Olivetti - US

We have finalized, what I hope to be the first of many Windows orders for this account. We have a signed P.O. and are awaiting the signed contract. Olivetti USA's plan is to bundle packaged Windows with a machine to be marketed through American Express. Mark is also very close to finalizing a deal for Works bundled on four machines in the US. They are currently bundling Alphaworks but would like to switch to Works.

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#### Philips

Mark made great progress regarding the LAN Mgr. marketing strategy. We were able to provide 75 copies of LM (FGs) through Daustrab, our distributor in Austria, so that Philips could begin the installation of a major bank automation project. Philips told Mark that this project will require an additional 1000 copies of LM before it is completed. Rich Barth and I have completed the surveying of the European Subs regarding their agreement and participation in a coordinated strategy for selling Philips LM at 46% discount off of local SRP.

Philips has decided to bundle Windows on a number of 386 machines and eliminate the coupon program. They are predicting that their volume for Windows will now be approximately 150K annually as opposed to their original projection of 50K. It is this change in direction that has delayed the signing of the original Windows Contract. However, Philips wants to begin shipping Windows in January so that should prompt the signing of the contract very soon.

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Per Hansra in BV, Philips is looking at GeoWorks as an interface on their low end machines. We need to stop this. Mark and Hans should coordinate their strategy.

#### RML

Tech visit to Redmond went well. Held a review meeting out of usual sequence to cover outstanding legal/financial issues. LANMAN education product is still at least six months away. They will, however, ship a commercial product in Q1. Forecast is only 50 servers/quarter. In addition, they may pay a little extra to put Windows entertainment/productivity packs on an education server bundle. Also interested in foreign language dictionaries/thesaurus for server bundle. Could be worth a few extra dollars per server. Waiting for a proposal for them to bundle Excel/WFW on PCS sold to primary schools.

#### Sagem

SAGEM is a very important French company. They are leader in TELEX terminals in France and have developed also some specific "secretary machines". They are currently selling a machine called QUADRIGE which includes word processor, telex, fax, printer, scanner, communications ... They have developed a proprietary architecture (proprietary operating system and proprietary Word Processor). They are planning an evolution of this machine (for Q4 CY91). They want to have a PC-based machines running DOS with all their scanner, fax, printer and comm stuff (The box won't look like a PC). We're pushing them to take Windows 3.0 and also Word for Windows. Nothing is decided but they need to present a business case to their top management which should make up its mind soon.

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#### SMT-Goupil

As usual the specifics of Goupil's machines cause some problems. SMT-Goupil has developed a multi-partition facility which allows the user to boot either from the primary or secondary partition. This "plus" isn't compatible and has always been a source of problems. It appears that, once again, they would need some sources to complete their adaptation (Format.com sources). Provided that they don't encounter any other problems, they should release OS/2 1.21 end of Jan. and include it in their Feb price list.

SMT-Goupil is showing a great interest in DOS 5.0. We've trained three people from SMT-Goupil on DOS 5 to enable them to provide a first level of support to their largest accounts (France Telecom, Post, Government, Banks, ...) This will commit them and push them to move asap to DOS 5.

#### Tulip

Tulip started shipping Windows 3.0 on all 386 and 486 machines this month. LANMAN negotiations have actually gone too smoothly. They will sign a \$750 contract for two years including COM Server.

#### Victor

The amendment (that includes DOS 5.0) seems to be an endless story of yet-another-hurdle. We are down to the few last (!) issues. We have started the discussions with Victor on the launch of M88 (project name: Woody) handheld data collection terminal. London may be the place and Victor has expressed interest in having a MS exec join them for the launch. There are some technical issues remaining though. Victor may need assistance from Redmond. Mikleane has been asked to assist in coordinating a senior MS-director participation in the world wide launch in London in February/March 1991.

#### Vobis

Last status was: They will license per-processor on a 200,000 PCs p.a. level either Works or Windows for \$15, any additional Works or Windows copy costs them additional \$15. VOBIS wants

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to focus on selling both per PC. Terms for DOS 5 are: commitment based on 200,000 PCs p.a., royalty is \$9 for international versions which is low but the only way we can get them to share the shipments with DRI for now.

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REVENUE PERFORMANCE SUMMARY: Month-to-date: Quarter-to-date: Year-to-date Quarter: 2 FY91

Account	October Budget	October Actual	November Budget	November Actual	December Budget	December Actual	FYQ2 Actual	FYQ2 Budget	FYQ2 Diff.	YTD Actual	YTD Budget
MSAB	0	0	0	0	0	31,400	31,400	0	31,400		
Datatronix	0	0	0	0	550,000	0	0	550,000	-550,000		
Nokia	963,900	0	0	0	0	1,004,070	1,004,070	963,900	40,170		
Norsk	5,067	0	0	0	0	0	0	5,067	-5,067		
PCQT	0	0	0	0	0	13,500	13,500	0	13,500		
MSEV	0	0	0	0	0	2,625	2,625	0	2,625		
G2	0	0	0	0	44,312	44,313	44,313	44,312	1		
Tulip	0	20,311	785,545	0	0	629,689	650,000	785,545	-135,545		
MS GMBH	742,500	372,561	114,750	426,155	1,203,600	1,049,169	1,847,885	2,060,850	-212,965		
Nixdorf	0	0	858,860	0	39,062	469,875	469,875	897,922	-428,047		
Peacock	0	0	0	0	242,500	242,500	242,500	242,500	0		
Schneider	0	0	0	0	1,000,000	0	0	1,000,000	-1,000,000		
Siemens	0	814,061	696,500	449,120	52,312	61,063	1,324,844	748,812	576,032		
MSLTD	108,000	8,046	4,500	8,750	0	543,756	560,552	112,500	448,052		
Amstrad	0	0	251,877	62,500	84,273	198,000	260,500	336,150	-75,650		
Apricot	0	0	0	0	360,000	505,815	505,815	360,000	145,815		
ICL	0	0	0	0	431,625	431,625	431,625	431,625	0		
Opus	0	0	169,800	0	0	100,000	100,000	169,800	-69,800		
RML	0	0	68,800	0	400,000	375,500	375,500	468,800	-93,300		
MSSARL	29,785	58,595	0	0	0	47,625	106,220	29,785	76,435		
Amstrad	0	90,383	0	262,500	0	0	352,883	0	352,883		
Bull	338,950	700,000	0	0	111,050	0	700,000	450,000	250,000		
RCE	0	0	0	0	43,562	0	0	43,562	-43,562		
SMT Goupil	0	0	6,897	0	343,103	600,000	600,000	350,000	250,000		
Telemecanic	0	0	0	0	47,250	47,250	47,250	47,250	0		
MSSPA	0	12,500	0	13,325	0	1,050	26,875	0	26,875		
Asem	0	0	0	0	128,875	128,875	128,875	128,875	0		
Buffetti	0	50,960	15,000	0	0	0	50,960	15,000	35,960		
Fineur	0	0	0	0	20,000	20,000	20,000	20,000	0		
Intercomp	0	0	2,600	0	25,000	25,000	25,000	27,500	-2,600		
Orivetti	0	0	453,486	0	2,146,514	2,604,619	2,604,619	2,600,000	4,619		
Unibit	0	4,125	0	0	133,375	137,500	141,625	133,375	8,250		
Hantarex	0	0	0	0	200,000	200,000	200,000	200,000	0		
MSSRL	8,033	2,060	0	940	131,000	23,123	26,123	139,033	-112,910		
MSHQ-Philip	0	0	203,285	0	496,715	707,840	707,840	700,000	7,840		
Totals	2,196,235	2,134,202	3,631,900	1,223,290	8,234,128	10,245,782	13,603,274	14,062,263	-458,989		
		97%		34%		124%		97%			

SUBSIDIARY SUMMARY: Month-to-date: Quarter-to-date: Year-to-date Quarter: 2 FY91

Account	October Budget	October Actual	November Budget	November Actual	December Budget	December Actual	FYQ2 Actual	FYQ2 Budget	FYQ2 Diff.	YTD Actual	YTD Budget
MSAB	968,967	0	0	0	550,000	1,048,970	1,048,970	1,518,967	-469,997		
MSEV	0	20,311	785,545	0	44,312	676,627	698,938	829,857	-132,919		
MSGMBH	742,500	1,187,222	1,670,110	875,275	2,537,474	1,822,607	3,885,104	4,950,084	-1,064,980		
MSLTD	108,000	8,046	494,977	71,250	1,275,898	2,154,696	2,233,992	1,878,875	355,117		
MSSARL	338,735	848,978	6,897	262,500	544,965	694,875	1,806,353	920,597	885,756		
MSSPA	0	67,585	471,086	13,325	2,653,764	3,117,044	3,197,954	3,124,850	73,104		
MSSRL	8,033	2,060	0	940	131,000	23,123	26,123	139,033	-112,910		
MSHQ	0	0	203,285	0	496,715	707,840	707,840	700,000	7,840		
Totals	2,196,235	2,134,202	3,631,900	1,223,290	8,234,128	10,245,782	13,603,274	14,062,263	-458,989		

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FISCAL YEAR 1991 (ACTUAL THRU December AND FISCAL 1992 FORECAST)

Account	Q1FY91	Q2FY91	Q3FY91	Q4FY91	Total FY 91	Q1FY92	Q2FY92	Q3FY92	Q4FY92	Total FY 92	Growth
MSAB	81,626	31,400	0	0	92,926	8,048,721	0	0	0	0	0
Budget	38,000	0	0	0	38,000	6,861,127	0	0	0	0	0
Electronic	5,871	0	500,000	1,800,000	2,106,871	0	0	0	0	0	0
Budget	660,000	660,000	560,000	560,000	2,200,000	0	0	0	0	0	0
Finance	3,012,210	1,064,070	1,064,070	1,731,428	6,761,778	0	0	0	0	0	0
Budget	1,112,880	963,800	1,278,320	1,128,280	4,483,280	0	0	0	0	0	0
PCAT	0	0	37,260	40,860	77,900	0	0	0	0	0	0
Budget	0	6,047	37,260	40,860	82,967	0	0	0	0	0	0
PCAT	0	13,800	0	0	20,260	0	0	0	0	0	0
Budget	0	0	0	0	0	0	0	0	0	0	0
MSBV	2,826	2,626	0	0	5,260	4,168,680	0	0	0	0	0
Budget	16,806	44,313	44,313	0	175,430	3,057,952	0	0	0	0	0
G2	44,313	44,313	44,313	0	132,858	0	0	0	0	0	0
Idip	1,820,000	660,000	694,000	694,000	3,868,000	0	0	0	0	0	0
Budget	62,482	786,646	788,866	816,881	2,826,016	0	0	0	0	0	0
MSGMBH	711,387	1,847,896	1,112,526	1,307,260	4,978,047	18,806,630	0	0	0	0	0
Budget	617,600	2,080,860	1,442,760	1,307,260	5,328,360	18,067,116	0	0	0	0	0
Nizart	425,344	489,975	1,881,312	406,312	3,186,843	0	0	0	0	0	0
Budget	414,313	687,822	1,388,384	448,680	3,231,119	0	0	0	0	0	0
Peacock	242,600	242,600	242,600	1,660,000	2,277,600	0	0	0	0	0	0
Budget	242,600	242,600	242,600	1,660,000	2,277,600	0	0	0	0	0	0
Schneider	0	0	1,000,000	1,000,000	2,000,000	0	0	0	0	0	0
Budget	2,000,000	1,000,000	1,000,000	1,000,000	6,000,000	0	0	0	0	0	0
Siemens	873,008	1,324,844	2,068,082	2,168,228	6,362,144	0	0	0	0	0	0
Budget	682,047	748,812	896,682	893,726	3,230,144	0	0	0	0	0	0
MSLTD	77,800	112,600	112,760	109,600	1,603,666	10,336,127	0	0	0	0	0
Budget	386,600	280,600	412,178	432,800	1,481,078	7,481,075	0	0	0	0	0
Amstrad	310,260	336,160	373,476	441,300	1,481,076	0	0	0	0	0	0
Budget	1,011,829	506,818	660,000	0	2,087,444	0	0	0	0	0	0
Apnote	380,000	380,000	380,000	380,000	1,440,000	0	0	0	0	0	0
Budget	431,826	431,826	538,260	538,260	1,936,760	0	0	0	0	0	0
ICL	431,826	431,826	538,260	538,260	1,936,760	0	0	0	0	0	0
Budget	0	100,000	147,100	162,600	409,800	0	0	0	0	0	0
Opus	105,600	188,800	177,300	162,600	613,100	0	0	0	0	0	0
Budget	801,200	376,600	776,800	400,000	1,818,800	0	0	0	0	0	0
ARL	310,000	488,800	400,000	400,000	1,618,800	4,206,226	0	0	0	0	0
Budget	22,170	108,220	47,826	60,750	228,766	4,123,468	0	0	0	0	0
MSSAAL	28,620	28,786	36,886	36,886	130,286	0	0	0	0	0	0
Budget	117,421	362,883	262,600	0	702,804	0	0	0	0	0	0
Amstrad	7,888	700,000	0	0	707,888	0	0	0	0	0	0
Bull	460,000	460,000	480,648	638,406	1,917,050	0	0	0	0	0	0
Budget	0	0	0	0	0	0	0	0	0	0	0
ACE	0	43,682	43,682	0	87,124	0	0	0	0	0	0
Budget	478,687	800,000	800,000	400,000	2,378,687	0	0	0	0	0	0
Geopl	360,000	360,000	700,000	400,000	1,800,000	0	0	0	0	0	0
Budget	47,260	47,260	47,260	47,260	189,000	0	0	0	0	0	0
Commercian	47,260	47,260	47,260	47,260	189,000	0	0	0	0	0	0
Budget	0	0	0	0	0	0	0	0	0	0	0
Thomson	0	0	0	0	0	0	0	0	0	0	0
MSSPA	206,000	28,876	300,000	500,000	831,876	13,788,028	0	0	0	0	0
Budget	128,876	128,876	128,876	128,876	516,500	12,888,260	0	0	0	0	0
Alam	128,876	128,876	0	0	267,750	0	0	0	0	0	0
Budget	0	60,880	0	0	60,880	0	0	0	0	0	0
Buffett	0	16,000	30,200	30,000	87,400	0	0	0	0	0	0
Budget	20,000	20,000	0	0	40,000	0	0	0	0	0	0
Finus	20,000	20,000	20,000	0	80,000	0	0	0	0	0	0
Budget	26,000	26,000	26,000	25,000	100,000	0	0	0	0	0	0
Intercomp	26,000	26,000	26,000	25,000	100,000	0	0	0	0	0	0
Budget	27,800	27,800	30,200	5,200	80,800	0	0	0	0	0	0
Olivetti	2,641,324	2,604,818	3,126,000	3,126,000	11,506,943	0	0	0	0	0	0
Budget	2,800,000	2,800,000	2,876,000	2,876,000	10,860,000	0	0	0	0	0	0
Unibit	133,376	141,826	133,376	133,376	541,750	0	0	0	0	0	0
Budget	133,376	133,376	133,376	133,376	533,600	0	0	0	0	0	0
Vegas	0	200,000	0	0	200,000	0	0	0	0	0	0
Budget	250,000	200,000	250,000	260,000	900,000	0	0	0	0	0	0
MSSAL	10,880	26,123	40,000	40,000	146,813	146,813	0	0	0	0	0
Budget	131,242	138,033	137,638	138,038	546,861	0	0	0	0	0	0
Philips	707,840	707,840	700,000	1,022,000	3,137,680	0	0	0	0	0	0
Budget	750,000	700,000	700,000	1,022,000	3,122,000	0	0	0	0	0	0
Total Act/Fcast	16,469,334	13,603,274	16,797,434	17,773,782	63,633,804	0	0	0	0	0	0
Budget	12,736,814	14,062,263	16,133,483	16,216,169	67,147,839	0	0	0	0	0	0
% of Budget	121%	87%	111%	117%	117%	0	0	0	0	0	0
Difference	2,732,420	-458,989	1,663,941	2,667,613	6,485,965	0	0	0	0	0	0
YTD Diff	2,732,420	2,284,431	3,828,372	6,485,965	0	0	0	0	0	0	0
YTD % Budget	27%	61%	80%	111%	0	0	0	0	0	0	0

Subsidiary Summary

MSAB	3,088,368	1,048,870	1,641,320	3,372,076	8,048,721	0	0	0	0	0	0
Budget	1,768,480	1,618,887	1,888,870	1,718,810	6,861,127	0	0	0	0	0	0
MSBV	2,038,430	696,938	738,312	694,000	4,168,680	0	0	0	0	0	0
Budget	668,837	828,867	823,277	816,881	3,057,952	0	0	0	0	0	0
MSGMBH	2,227,240	3,886,104	6,274,388	6,418,787	18,806,630	0	0	0	0	0	0
Budget	3,836,360	4,960,084	4,980,168	6,200,666	18,067,116	0	0	0	0	0	0
MSLTD	3,660,707	2,233,992	2,633,778	2,018,850	10,336,127	0	0	0	0	0	0
Budget	1,632,876	1,878,876	1,669,776	2,008,660	7,481,076	0	0	0	0	0	0
ARL	643,497	1,806,363	1,267,376	498,000	4,206,226	0	0	0	0	0	0
Budget	876,770	820,697	1,307,462	1,018,660	4,123,468	0	0	0	0	0	0
MSSPA	3,163,674	3,187,864	3,712,260	3,712,260	13,788,028	0	0	0	0	0	0
Budget	3,132,060	3,124,850	3,338,776	3,283,676	12,888,260	0	0	0	0	0	0
MSSAL	40,880	26,123	40,000	40,000	146,813	0	0	0	0	0	0
Budget	131,242	138,033	137,638	138,038	546,861	0	0	0	0	0	0
MSSQ	707,840	707,840	700,000	1,022,000	3,137,680	0	0	0	0	0	0
Budget	100,000	700,000	700,000	1,022,000	3,122,000	0	0	0	0	0	0
Total Forecast	16,469,334	13,603,274	16,797,434	17,773,782	63,633,804	0	0	0	0	0	0
Total Budget	12,736,814	14,062,263	16,133,483	16,216,169	67,147,839	0	0	0	0	0	0

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X0589949

DOS 5.0 Watch (December 1990)

Account Name	Account Mgr	Status*	Expected Close Date	Expected Ship Date**	DRI Threat?***
Actibus Computer	olivers	N	Jan-91	OAK + 60	N
AEG Olympia	michro	N	Feb-91	OAK + 60	N
Achter	davebr				
Amersham Int'l	davebr				
Amstrad	sandyd	V	Dec-90	May-91	N
Apricot Computers	sandyd	P	Feb-91	May-91	N
Aquarius	olivers	N	Feb-91	OAK + 60	E
Asem	andreab	N	Jan-91	OAK + 60	N
Ataio	ignaciof	V	Mar-91	Sep-91 (#)	N
Brother Int'l - Europe	davebr	P	Jan-91	May-91	N
CMTE-FAST	michro	P	Mar-91	OAK + 60	N
Comoen Technology	davebr				
Comtec	olivers	N	Jan-91	OAK + 30	N
Datatronc (Victor)	magnusl	N	Jan-91	OAK + 30	N
FMC-Electronic	jaapv	P	Apr-91	OAK + 60	N
G2	hansra	N	Dec-90	OAK + 30	N
Geosoft Brander	michro	P	Mar-91	OAK + 60	N
Hartarex	andreab	N	Jan-91	OAK + 60	N
Husky Computers	davebr				
ICL	dalebbr	P	Apr-91	May-91	N
IGS mbH & Co.KG	jaapv	P	Feb-91	OAK + 30	N
Intercomp	andreab	P	Feb-91	OAK + 60	N
Investronica	ignaciof	V	Mar-91 (##)	Sep-91	N
IPC	ignaciof	V	Mar-91	Sep-91 (#)	N
ITOS (CTM)	michro	P	Feb-91	OAK + 30	N
Kontron Elektronik	jaapv	P	Mar-91	OAK + 60	N
Lutz Unger	peterpr	P	Feb-91	OAK + 30	N
Nokia	larsahl	LOI	Jan-91	OAK + 60	N
Office & Elec. Mach.	davebr				
Olivetti	maurb	N	Jan-91	OAK + 60	N
Opus Supplies	sandyd	P	Feb-91	May-91	N
Peacock	olivers	N	Jan-91	OAK + 60	N
Philips	markba	P	Feb-91	March/April	N
Profex Electronic	olivers	N	Jan-91	OAK + 60	N
Pyramid Computer	michro	P	Feb-91	OAK + 30	N
Quattro Computers	davebr				
Real Time Control	davebr				
REIN Elektronik	michro	P	Feb-91	OAK + 30	N
Research Machines	sandyd	P	Jan-91	Sep-91	N
Robotron Ascota	jaapv	S			
Robotron Eurom.	jaapv	S			
Rohde & Schwarz	jaapv	P	Mar-91	OAK + 60	N
Schneider Rund.	michro	N	Jan-91	OAK + 30	N
Schweers	olivers	P	Mar-91	OAK + 60	N
Siemens Nixdorf	michro	N	Jan-91	OAK + 60	N
SMT-Goupil	chrisa	P		French OAK + 60	N
Theuretzbacher & Co	michro	P	Apr-91	OAK + 60	E
Tiki Data A/S	magnusl	P	Feb-91	OAK + 30	N
Tulip	hansra	N	Jan-91	OAK + 30	N
Unibit	andreab	P	Feb-91	OAK + 60	N
Type Industry Prod.	davebr				
Viglen Ltd	davebr	P	Jan-91	May-91	N
Vobis	manfreds	N	Jan-91	OAK + 30	C
Weico	jaapv	P	Apr-91	OAK + 60	N

\*Status: P=Proposal N=Negotiating S=Signed LOI=Letter of Intent V=Verbal OK N/A=Not Applicable

\*\*Expected Ship Date = OAK + number of days (e.g. OAK + 30, 60, or 90)

\*\*\*DRI Threat: C=DRI customer N=No threat E=Evaluating DRI DOS

#Depending on Spanish version availability

##Negotiating thru MS Taiwan (Lyi-Cheng)

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X0589950

EOEM OS/2 1.21 and 1.3 Status

OS/2 1.21

OS/2 1.3

Account Name	Account Mgr	Shipping ("Version"/N)	Expected Ship Date	Required Localized Version(s)*	Will Ship? (Y/N)	Required Localized Version(s)*
AEG Olympia	micbro	N	Apr-91	G	N	
Amstrad	sandyd					
Apricot Computers	sandyd	US			N	
Aquarius	olivers	Y	Mar-91		N	
Asem	andreas	US			Y	I
Banzai	magnusl				Maybe	
Bersu	micbro	N	Apr-91	G		
Bull	chrisa	N	Jan-91		N	
CB Computerbau	olivers	N	Apr-91	G		
Dalatronix (Victor)	magnusl	US			Maybe	
G2	magnusl	N	Mar-91		Y	
GEFA Prozesstechnik	micbro	N	Apr-91	G		
ICL	dalebor	US			N	
Informatik Forum	leapy	N	Mar-91	G		
ITOS	micbro	N	May-91	G	Maybe	
Jet Computer	magnusl					
Kontron	leapy	US				
Musertechnika	EAST	N	Apr-91			
Nokia	larahl	US		Undecided: F/G	Y	Undecided: F/G
Olivetti	maurb	US		VG/F/S/Da/Du/P/R/K	Y	VG/F/S/Da/Du/P/R/K
Passcock	leapy	US		G	N	
Philips	markba	US			Y	
Pyramid	micbro	N	Apr-91	G		
REIN Elektronik	micbro	N	Mar-91	G		
Research Machines	sandyd					
Schneider Rund.	micbro	N	Apr-91	G	N	
Siemens Nixdorf	leapy	US			N	
SMT-Goupil	chrisa	N	Feb-91	G	N	
Telemecanique	chrisa	N	Jan-91		N	
Tulip	hansra	N	Jan-91		N	
Unitbit	andreas	US			Y	I
Unitdata	andreas	US			Y	I
Vobis	manfreds	N	Apr-91	G	N	

\* Da=Danish Du=Dutch F=French G=German I=Italian K=Kanjil P=Portuguese R=Russian S=Spanish

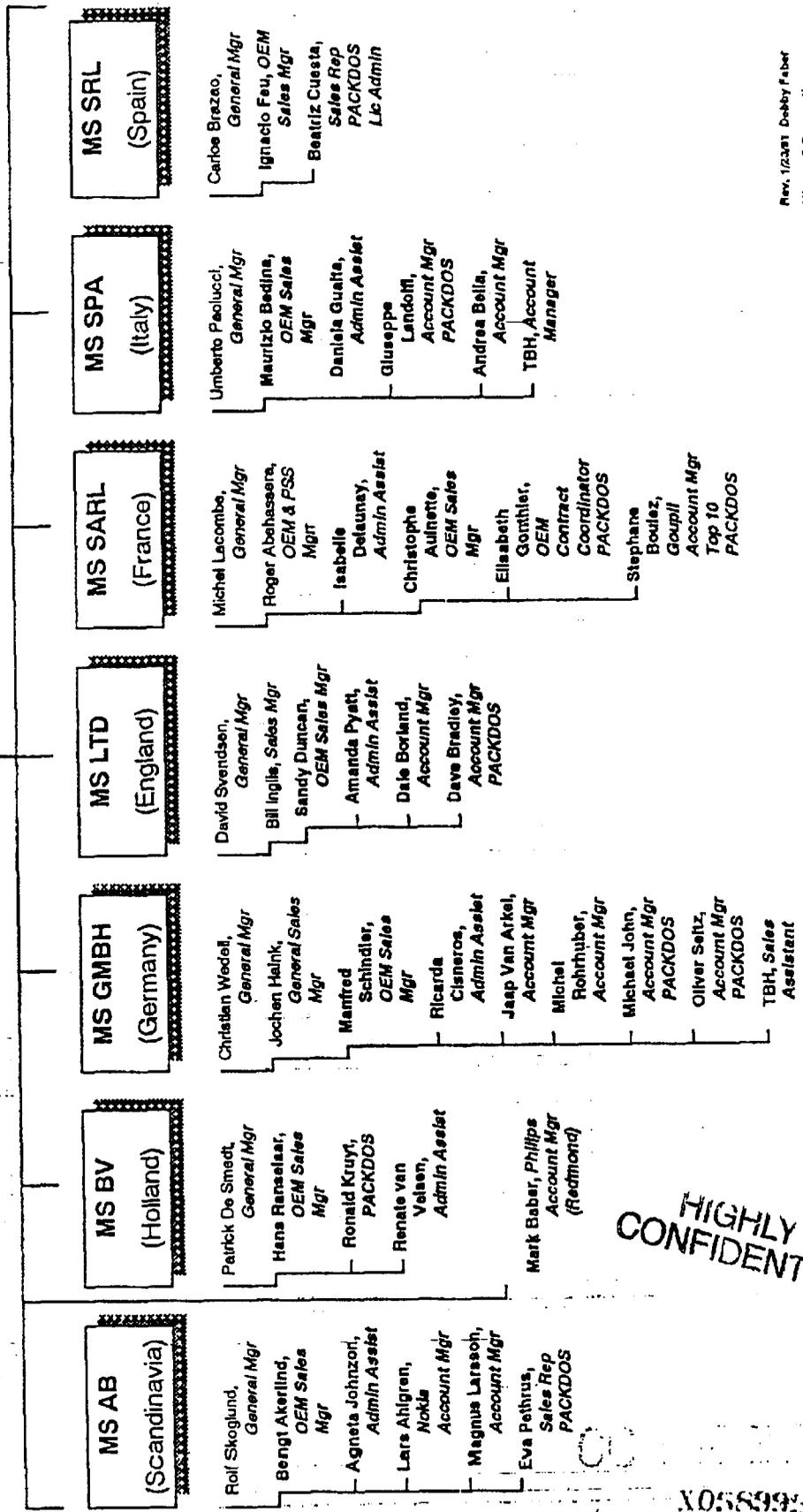
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**European OEM Sales**  
Jeff Lum, Director

Debby Faber, Administrative Assistant



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