



To: Joachim Kempin, Distribution  
 From: Jeff Lum  
 Date: November 15, 1991  
 Re: October Europe OEM Sales Status Report

Attached is the European OEM Sales status report and US OEM sales status reports for October. Please provide me with any feedback that you deem appropriate. Copies of more detailed reports from each subsidiary or account managers are available upon request.

Distribution:

Rolf Sivoglund	MSAB	Tim Beard	10N/1261
Bengt Akerlind	MSAB	Peter Braman	10N/1314
Peter Blum	MSAG	Brad Chase	3/2045
Patrick De Smedt	MSBV	Mark Chestnut	10N/1286
Hans Panselear	MSBV	Douglas Jackson	8S/1077
Jochen Haink	MSGMBH	Anne Josefberg	BP/8161
Manfred Schindler	MSGMBH	Dwight Kroese	1/1080
Juergen Huels	MSGMBH	Paul Maritz	2/2045
Egon Salmutter	MSGESMBH	Neil Miller	8N/2258
David Svendsen	MSLTD	Lori Montson	10N/1249
Sandy Duncan	MSLTD	Sergio Pineda	3/2056
Michel Lacombe	MSSARL	Franz Rau	9S/2122
Pascal Martin	MSSARL	Tom Sherrard	4/2157
Umberto Paolucci	MS SPA	Brad Silverberg	3/2044
Maurizio Bedina	MSSPA	Carl Stork	2/2100
Carlos Brazao	MS SPL	Adam Taylor	3/2053
Ignacio Feu	MSSPL	Ruth Warren	1/1058
Sunir Kapoor	MS Europe	John Williams	6/2061
David Britton	MS Europe		
Robbie Bach	MS Europe		
Hans Apel	MS Europe		
Bernard Vergnes	MS Europe		

MS-PCA 2596212

**HIGHLY  
CONFIDENTIAL**

MX 6172464  
CONFIDENTIAL

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

**October Status Report**  
**Europe OEM Sales**  
**Jeff Lum, Director**

**Revenue (see attachment for details)**

Area	October Actual	October Budget	FY02 Forecast	FY02 Budget	FY02 Diff.	Qtr. % of Budget
Europe OEMs	\$1,375,938	\$0	\$17,000,000	\$15,776,376	\$1,223,624	106%
US OEMs	\$4,081,829	\$3,687,481	\$13,200,000	\$17,526,558	-\$4,326,558	73%
Europe Sales	\$5,458,468	\$3,687,481	\$30,200,000	\$33,302,934	\$3,102,934	90%

**Comments on revenue:** Europe OEM: Typical gravy month for Europe picking up mostly new license due on signings or 1st minimum commitment billings. Leading the way was Elonex's 1st m/c (\$400K) for their new license signed last quarter, and the due-on-signing for CSEI in Spain (\$400K). GmbH also contributed about \$400K of miscellaneous revenue from some small new licenses. I expect the European OEMs will finish to quarter over \$17M on a budget of \$15.8M. I expect Vobis's earned royalties to exceed minimum commitments by over \$750K due their 220K in shipments in the last year. US OEM: Mark had a nasty surprise with NCR in October with the \$1.8M credit in gross revenues coming through after the NCR master agreement was signed in October. This was reflected in the GAAP adjustment in Q4'91 which affected only net revenues in that quarter. This compounds even further the lowered minimum commitments from the new agreement which will be the bulk of Mark's shortfall in \$2.5M in Q2. Braman's revenue continues to suffer with slow shipments by Compaq which accounts for 50% of his deficit. Compaq apparently had their best October ever, but we won't see the benefits of that until next quarter.

**New Business Signed**

Account	Product	Comments
European OEMs		
GES Holland BV	MS-DOS 5.0; Win 3.0	Amendment. M/C = \$21K/year.
V & V Systems (USA), Inc.	MS-DOS 5.0	New agreement. M/C = \$320K.
Opus Technology plc	MS-DOS 5.0	Amendment. M/C = \$500K/1st, \$400K/2nd yr.
Fujitsu Espana, SA	Win 3.1 (Spanish)	New agreement. M/C = \$51,250/year.
US OEMs		
Northgate	OS/2 2.0	Amendment
Atari	MS-DOS 5.0; Win 3.0	3 yrs. per processor.

**General Issues**

**OEM shipments** - Still many inconsistencies with shipments of deliverables to customers. Some get them on time others wait endlessly. Every one of my subs reported shipment problems of one kind or another to their customers. Lorim will start to track and see where the bottleneck is, but I am sure it is in product release services.

**NCR** - We STILL need some sales education on OnLine as NCR's current support plan is not sufficient.

MS-PCA 2596213  
**HIGHLY  
 CONFIDENTIAL**  
 MX 6172465  
**CONFIDENTIAL**

\*\* MICROSOFT SECRET \*\*

**General News**

ZDS - Francis Lorenz, chairman of Groupe Bull has recently resigned his seat on the board at MIPS. AST's first quarter revenue totalled \$197.1M, up 45% from the comparable prior year quarter. North American sales totalled \$126M, up 49% from the comparable prior year quarter. Notebook shipments totalled \$64M or 33% of first quarter revenues. AST recorded net income of \$16.5M. HP PCG reorganized and basically dissolved. Now each PC division as well as the former Personal Business Group, all report directly to VP Bob Frankenberg. HP - Jacques Clay has been renamed the GM of Grenoble—he is no longer VP of PCG, making him now a peer of Duane Zitzner; still reports to Bob Frankenberg.

**Area Summaries**

Finished Goods DOS - Europe

Subsidiary	October Actual	October Budget	FYQ2 Forecast	FYQ2 Budget
MSAB	3,548	3,113	11,000	9,905
MSAG	1,802	1,499	6,000	5,388
MSEV	4,885	2,700	12,000	8,400
MSGESMBH	125	811	300	3,035
MSGMBH	27,883	24,188	97,000	60,357
MSLTD	14,718	3,200	27,000	8,700
MSNV	1,044	2,111	3,000	6,567
MSSARL	10,401	8,400	34,000	20,600
MSSPA	3,881	1,900	8,000	6,000
MSSRL	3,449	3,337	10,000	12,101
TOTAL	71,846	49,220	208,300	170,951

European FG-DOS sales were 146% of budget for the month. Ltd had their best month ever - again; SARL broke the 10K barrier for the first time. GmbH was on its usual roller coaster ride down this month, but still finished above budget. They expect November to bounce back to between 40K and 50K units. GesmbH (Austria) just hired an Account Manager to focus on OEM business so I expect to see the business pick up in that region later in the year. The shrinking hardware market, increased piracy, and unbundled Phoenix product is hurting NV FG-DOS sales.

MS AB (Bengt Akerlind)

ICL has appointed the Finnish side of the company to manage the contractual side of the Microsoft relationship so Larsahl will direct the negotiations from the account management side. Negotiations will be tricky as Fujitsu will be involved and they are directing the worldwide royalty pricing for DOS and Windows.

MS BV (Hans Ranselaar)

The piracy actions against one dealer are generating a lot of response from others in the Netherlands. This has a strong impact on our PP-DOS sales. This month has been one of the best for over one year. The delivery of the PP-DOS from Ireland is taking too long. The hardware market is down 20% in value and 5% in units according to Dataquest. The largest dealer in the Netherlands Infotheek, who also has subsidiaries in England, Denmark and Russia, went bankrupt. Other companies also losing money; Compaq, IBM, and Hewlett Packard. Another problem is that all the manufacturers and distributors are more careful with their credit limit towards the dealers.

**\*\* MICROSOFT SECRET \*\*** MS-PCA 2596214

**HIGHLY CONFIDENTIAL**

**MX 6172466 CONFIDENTIAL**

Tulip for instance has a delivery hold on 30 dealers! People are losing their confidence in the computer business. High tech stocks are down.

Gray import of the Phoenix MS-DOS is hurting our business considerably. The quoted price are so low that we even think of counterfeit copies. The Phoenix representative in Europe will visit BV to discuss actions to prevent this gray market.

The latest figures from Tulip show a contiguous trend toward the 386SX processor. Remarkable is that the sales of 383 and 486 is not increasing accordingly. The 386SX is becoming an standard platform for entry business. IBM offered Tulip to license OS/2 2.0 and Tulip is involved in testing this. The sales of OS/2 from Tulip, 24 this quarter, are such that this is not an important license opportunity for both parties.

MS GMBH (Manfred Schindler)

ESCOM - lowered prices of their computer systems. They will include up to 10 third-party private labelling OEMs. The contract will be for 100K MS-DOS 5.0 and Windows 3.0 pre-installed. Additionally they wish to sign for 25,000 Works for Windows. Actebis says they're going to ship more than 100,000 computer systems over the next 12 months. However, they expect DOS royalties of lower than \$10. Negotiations are ongoing. VOBIS wants to start shipping Multimedia systems and demands a better customer relationship which will be accomplished by assigning a new account manager, StefanIR, who will devote much more time to that customer than we have before. VOBIS was revealing contract Ts&Cs to Aquarius and Actebis and is looking for a partnership with Aquarius for improving quality of their computer systems.

Windows is continuously booming, new OEM licensees going for DOS and Windows. The top OEMs, VOBIS, ESCOM are looking for some partnership to improve their product quality. Such partnerships are other OEMs who will help out with their manufacturing capacity, also 3rd-party-private-labeling deals are increasingly coming up. Distribution strategies change towards VAR concepts that include network design work. This is a clear advantage for Novell. Hardware suppliers like Actebis are going to attack the no-name, low-end market segment by defocussing from CPU-boards and focussing on complete PCs. They see their markets in the 'screw-driver-OEM-market segment of Germany, but also in countries of South-Europe, in particular Spain. More and more DRI appears in negotiations - they have the clear goal to undercut our prices which can become a threat. IBM's strategy is still confusing our customers. However, when IBM starts to focus on DR-DOS, many OEMs start to wonder whether to follow or not. A broader distribution of Windows is the clear success factor for us to save our markets.

MS LTD (Sandy Duncan)

Finished Goods DOS Sales - we have now beaten our FY92 budget and it's still only the end of October!!!!. Last month I interviewed a potential OEM candidate from DRI. He pointed out that our telesales activity is killing his Pack DOS business. Previously DR would sell against our poor customer service - now this is backfiring. Elen is famous at DR and for all the right reasons!!!

DEC is getting VERY serious about the PC business and is looking to MS for help and guidance. I've spend a lot of time this month working with them. Culmination was our presence on their stand at Uniform demonstrating NT on a DEC Station 5000 (Mips R3000). The activity level has been so high that Dale Borland will be working with DEC as their UK account manager.

As the month closes, we hear that SCO has laid off 25 people from their UK and Euro operations in Watford, England.

The first PC superstore opens in England on November 12. No one is sure what impact this will have. No news as yet from our retail guys as to what lines they will carry other than they have bought a large quantity of PS/1s from IBM which they'll be selling at a huge introductory discount. More on this next month.

MS-PCA 2596215

HIGHLY  
CONFIDENTIAL

\*\* MICROSOFT SECRET \*\*

4

MX 6172467  
CONFIDENTIAL

The new shipment process via the Ireland facility is causing delivery problems for ICL's ISU. The products that they order, although not in enormously large quantities, are being handled and delivered irregularly. My ears are starting to hurt from the constant moaning of Mike Daley and his team. After speaking to some of my larger Packaged OEM MS-DOS customers; Arka's sales, for example, have risen due to the increasing demand for PCs within the education market. Tiko and MJN Technical are heavily advertising; Tiko's advertising includes a video, whilst MJN have a six page fold-out in many of the computer magazines. This sort of advertising and the production of 'cheap' PCs compared to many of our Royalty OEMs, is helping to increase the Packaged MS-DOS market share. Hopefully, the increase of Packaged MS-DOS OEMs will provide the opportunity to convert more of them to Royalty contracts.

Natalie Ayres has been hired as the new FG MS-DOS OEM Sales Account Manager and she starts next month. I am looking forward to working closely with her, ensuring that maximum sales are obtained from all our Packaged MS-DOS customers.

MS SARI (Pascal Martin)

DRI: DRI's current focus in France is on the industrial market. Our distribution agreement with Tekelec will help us to address all the customer needs in this new direction: they know this market very well and they are the first key player on it.

Windows ad: We were able to get 36 OEMs to participate in a Windows ad which is a major success. All OEMs, except Compaq, HP and Toshiba let us use their logo.

Three of our Top 10 pack DOS customers (AIF, CIT and TWC 20,000 units yearly altogether) have signed a new agreement: they will sell our "DOS+Windows" package with each PC. This is a major win, because they are key players on this market, and we expect that the others will follow. They are even thinking about adding Works for Windows, due to the fact that the PS/1 386 SX is very cheap and is delivered with Windows and Works. Thanks a lot, IBM!

MS SPA (Maurizio Bedina)

Record sales of PackDOS, at 189% YTD, which unexpectedly somewhat cannibalize RUP sales. We are collecting evidence of packDOS being sold retail, we cannot do much to prevent this. DOS-Win Combo promotion is doing great: for the first month Combo sold 790 units, or 18% of packDOS sales. Perhaps 25% is a good target for next months.

The market continues to be lazy. Retail sales by all vendors, OEM machine shipments are below plans. According to last news by Dataquest in Italy very few hardware vendors are successful, notably all in the area of non-IBM-competibles. This is quite interesting, as they are somewhat gaining mktshare. Sign of confusion in the IBM-clones area? MS is getting good attention by the media and opinion leaders, re OS/2 vs Windows war. After-SMAU seems to be doing great for Italian OEMs: smaller packDOS OEMs are unexpectedly keeping alive thanks to a super aggressive price dump; medium OEMs, typically royalty customers, suffer cash problems but go ahead. Only Olivetti is affected by the same severe problems of international OEMs. Just to give an idea, street prices are now as low as \$1.5k for a 286 and \$2k for a 386, with some 486/20 on sale for \$2.5k. This is far east clones of course.

Cashflow problems affect all of Andrea's OEMs. The worst cash problems we have with UNIBIT, who seems repeating again the old Bit Computers story (ie, chapter 11). Decided with Umberto to go legal immediately and play it hard, to the point of sending a payment injunction.

Very busy month, thanks to a lot of sales contacts from SMAU fair I've brought home new customers and a great many of prospects. I'm working on these guys offering good opportunities. For the first time we have been able to ship Windows to smaller OEMs, the feedback has been really positive, orders are beginning to grow. DOS5&Win3 combo is becoming more and more the best solution for our pkg customers and I'm pushing to get new contracts.

HIGHLY  
CONFIDENTIAL

MS-PCA 2596216

\*\* MICROSOFT SECRET \*\*

5

MX 6172468  
CONFIDENTIAL

MS SRL (Ignacio Feu)

Cornelta represents over 40% of our Pack MS-DOS business. Since they will license MS-DOS from now on, our Pack MS-DOS sales will suffer. Cornelta will sign a license for 20K MS-DOS 5 in November. We could add a Pack Win bundle to the whole deal next month. Win sales represented 20% of our Systems sales in October (35% YTD). This will keep growing in the next months.

25 OEMs became new customers in October (22 for MS-DOS and 3 for Win). Guilamet is among them with 1K MS-DOS pre-installed. Our penetration in the clone importers market keeps growing.

Apps: Schneider bundled 600 Works. On top of these came HP's commitment to bundling 6K Win with their PCs and printers. Apps revenues were 21% of total OEM revenues. Expect this to be 30% by year end. Deals with Noka (100 MNPs for WWord and XL), Olivetti (1K Win apps) and Zenith (WWord and XL) were postponed until Q1CY92. The deal with Olivetti is the most strategic. Will try to turn this around in November. Good news here is that they sold 300 MS-DOS Upgrade to ATT and new orders will come thru in November.

Fujitsu signed the 1K Win license and will translate it into Catalan along with Olivetti and Zenith. Investrónica is close to committing to a Win license. Feeling is they will go for at least 3K units in November.

Feeling is clear: Windows has little presence in the largest corporations in Spain, since they are dominated by Lotus, WP and IBM. Most of them are seriously considering upgrading their PCs to MS-DOS 5 and adopting Windows. This, however, takes lots of effort, since they all have very different hard and soft configurations that create serious compatibility problems when adopting our DOS 5 Upgrade and Win products. Since this is the first time we are seriously approaching this Top LA market and both our Marketing Product Reps and Corp Account Reps are brand new, this means we need to find the solution to each problem by ourselves 1 by 1. It is a very time-consuming process, but the only way to proceed with this approach.

**Key Account Summaries**

European OEMs

Amstrad (Sandy Duncan)

Richard Barrie has started as Amstrad account manager. They finally signed their Windows license (it took 8 months). Maybe a dedicated account manager will produce more timely results.

Apricot (Dale Bortand)

During recent meetings with ICL, they have been very open about their dealings with other vendors regarding product design, new features etc. During a recent trip to the US, specifically to IBM's Boca site, Adrian Chandley and Tim Lapish were given demonstrations of the current working versions of OS/2 2.0. This was by invitation by the vendor as part of IBM's initiative to grow their relationships with the OEM OS/2 customer. Adrian's comments were complementary of this latest product build and he made definitive, although not expressive, concerns about IBM's ability to produce a really good product which would have to be of interest to any OEM who has OS/2 as part of their portfolio or strategy. He said "If IBM continues to improve their product to its deliverable stage in the same way that they have improved the product since I first saw it, then it could certainly be a better DOS than DOS and a better Windows than Windows".

Escom (Manfred Schindler)

The new license agreement shall be signed by the end of this year. One of the third party OEM will be Unikon who presently ship DR-DOS (mainly with his 286 machines). His DRI contract is \$28 for a

\*\* MICROSOFT SECRET \*\*

6

MS-PCA 2596217

HIGHLY  
CONFIDENTIAL

MX 6172469  
CONFIDENTIAL

Packaged DR-DOS. He must have at least this conditions to agree the new contract. Unbundling licensed products is still an issue, we are working with ESCOM to stop this finally.

ICL/Nokia Ltd (Dale Borland/Lars Ahlgren)

Dwight Krossa came over to the UK earlier in the month to meet with ICL's LM/X group. A good, constructive meeting was held and we will be working hard now to convert them over to MS LM/X as a continuation of their relationship with MS.

Paul Martz met with ICL this month. Main topic of discussion was the transition path from OS/2 to NT for ICL as a company and for their customers that are so heavily bought into the OS/2 story. Paul handled the meeting and conjecture brilliantly, but now we have to follow up on this with a careful hand-holding relationship to ensure loyalty to MS not just in the UK but in Europe as well through the Account Managers in Sweden.

There has been further talk on the RISC subjects generally in ICL. They have had discussions with MIPS in the UK and have commented on their interest in joining the ACE Consortium. The political issues that would have arisen due to the heavy commitment by Fujitsu have been heightened by Nokia becoming an ACE Member. This will undoubtedly be an area of great interest over the coming months and years especially with their interest in doing an NT port to SPARC.

ICL as a combined company are not likely to ship DOS 6.0 as a standard offering until '92. This is due to sorting out the development teams and product schedules for the new company.

Another meeting between the X400/500 communications group who designed the mail components for ICL's DRS/Unx offerings proved very useful. A phone conversation between Todd Warren, MS Mercury project Manager and Mr. Glyn Wild, ICL Communications Services Director provided the basis for the meeting. The purpose of the meet was to evaluate the possible use of ICL's Directory Services component of their mail product for MS to use in our Mercury product. It was a constructive meeting and Todd has now had the feedback detailing the product. Next move is upon MS Corp.

Negotiations are underway for the new merged systems agreement. Discussion on pricing and minimum commitments are highly depending on Japan. In short, MSKK will replace the existing Fujitsu agreement with a new one, that will have lower min commits, but higher royalties. However, the process of replacing the Fujitsu agreement will take time. The challenge we are facing is to set royalties and get min commits of ICL without interfering with the process in Japan.

PerttiR and DavidW went on a one week round trip, and met with approx 10 Nokia/ICL LA. The trip was very successful although some accounts have just recently committed much money and work to OS/2. NT Demonstrations were very well received. Creating understanding for our actions do not help these MIS people who have bet their money on OS/2. IBM involvement is expected. PR and DW will return in December. We have sent a NT PDK 1 to ICL.

Olivetti (Maurizio Bedina)

General. Splashy Banking Conference by OS&N in Barcelona. Good event, lots of interesting contacts and new views on OS&N business. In summary, OS&N is heavily relying on banking segment to be profitable again. We are greatly involved in this strategy (see OS/2 section), must help them to be successful. At today's mtg with OS&N and Office, got rumors of Cassonl being on the move very shortly and a first step towards reunification being close: all PC activities would go to Office, OS&N would keep minis & integration components such as networking. The contribution of Office to payments to MS seems to be currently 60%.

Windows royalties. Had three more rounds of negotiations. We seem to have closed on a satisfactory average increase, considering Olivetti owner, Mr Debenedetti, personally announced the future loss and plans to agree on cost REDUCTION with all suppliers. MS would be the only supplier to post an increase. This makes our victory more evident... Will have to start officially drafting Amendment 3, another huge paperwork.

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

7

MX 6172470  
CONFIDENTIAL

HIGHLY  
CONFIDENTIAL

MS-PCA 2596218

OS/2. At the Banking Conference we learned that the situation with OS/2 for OS&N is hot. Banks not only need a smooth migration path to NT asap, but worse, need completion of OS/2 project Olivetti sold them. Olivetti cannot afford the risk of losing business if they push NT too much with OS/2 available now. We should increase and improve our push to overcome this impasse. Olivetti is receptive on NT, but needs more reasons/support to move. Produced a complex memo to highlight this after the Conference. Paulma owns this call, after his mtg with OS&N executives last month: first followup is being done, by organizing a mtg for Davidwo/Pertir at the beginning of December. A strategy mtg would follow, plus a mtg with Allchin about OLE.

Research Machines plc (Dave Bradley)

David Bradley is in mid-negotiation for their new contract. The big sticking issue for them is that they want to progress away from their semi-proprietary 186 machine towards a 386SX platform. In doing so, they want the same DOS/Win royalty on both machines. RM are pushing very hard for very low education royalties as they are very keen to maintain this "preferential" educational pricing which they have had in the past. I am actively trying to put some order and formula to this pricing to make it more standard.

RM have also reported excellent shipment figures for the last quarter, reporting in excess of 15,000 machines, including some 500 server bundles. The reasons for this are that RM won a large deal to supply Kuwait schools and the first half shipment of kit was made during this period to the value of some £1.5 million. It is also the time in the UK schools calendar when the schools resume their term and therefore any previously purchased equipment is required to be shipped.

Schneider Rundfunkwerke (Michael Rohhuber)

Schneider's computer sales are down to a level of 30,000 systems a year. Huge PPB of approx \$2.8M which has prompted negotiations which may result in a reduction of the m/c payments for FYQ2-Q4, worst impact is \$1,875k. We will make them write some PPB off, reduce min commits, and allow recoup above new quarterly commits.

Siemens Nixdorf Informationssysteme AG (SNI) (Jaap VanArkel)

NT Windows - Paul Maritz visited Europe and met SNI's PC and the UNIX division. To be able to position NT in conjunction with workstations for the financial industry, SNI's specifications go back to 1990 where it specified additional features to OS/2. Current NT does not cover this, PaulMa promised a follow-up on those suggestions. MS's NT specialists will help SNI for migrating from OS/2 to NT. SNI considers UNIX as alternative OS if NT fails. Follow-up on this is scheduled for November.

Lan Manager - The project for a fault tolerant server between Cogent and SNI has been stopped for being too expensive. Though, SNI has started to work on another system without Cogent.

Windows Extensions - SNI selected the Media Vision board for their Multi Media PC. Follow-up with MS-Corp product specialist needed. Winball is very interesting to SNI, demo copy wanted.

Novell - SNI's sales force is convinced of the better architecture of Lan Manager, but is disappointed about our marketing (in Germany). Evaluating Novell Lite at the moment.

New Hardware - SNI is working on a notebook with SL chip set, will be introduced Q1 '92. Will be produced in Japan, design (partly) SNI. SNI introduced a Multi processor system with 7 Intel 486 processors. Will be shipped with Unbc Lan Manager for Unbc was demonstrated on this machine at the Systems '91.

Tulip (Hans Ranselaar)

This month we started the new contract negotiations. Tulip is interested in licensing all our products, but they are not putting any development effort in Pen Windows, MM Window or Windows NT. Winball will be a winner within Tulip, and we have to work closely with the development group to ensure that Tulip is

\*\* MICROSOFT SECRET \*\*

8

MX 6172471  
CONFIDENTIAL  
HIGHLY  
CONFIDENTIAL MS-PCA 2596219



involved in testing the product. The M/C for 1992 will be based on shipment of 100K unit in 1992 and 120K units in 1993.

Vobis (Manfred Schindler)

We finally got their royalty reports for the last year and they reported 220K units for the last 4 quarters. All market data points to the fact that they are number 1 in Germany, with IBM falling behind at 180-190K per year. Liven needs more attention, and a dedicated account manager. We need to get out of the supplier-vendor mode and into a more consultative/partnering role.

US OEMs

teresach

Compaq - Compaq made several announcements this month that impacted the relationship between the two companies. These announcements included a major restructuring of the company's operations, poor third quarter financial results and a reorganization of the company into two distinct product divisions - personal computers and systems. In addition, Rod Canlon was removed from his position and replaced by Eckhard Pfeiffer. In the midst of these changes, the Compaq executive review scheduled for Comdex was canceled. This cancellation prompted a round of strategy planning within OEM to determine the next courses of action. Other activities included NT discussions and a Joachim Kempin executive visit to Houston to brief Compaq execs on the state of the industry.

markbu

Compaq - With Compaq's announcement of earnings and lay-offs things are somewhat in disarray with plans for Compaq. Despite the negative press most meetings and goals for the month were completed.

- The meetings at Comdex surrounding MM and the Audio Board project were successful. Compaq has a draft of the Audio Agreement for review.

- We also had a meeting between our SQL personnel ( Dwayne Walker and Gary Voth ) to start planning on how we can leverage our respective organizations.

- MP support in LM 2.1 continues to be a serious issue with Compaq. No-one is seriously looking at the consequences of not supporting this product.

- The one area that did suffer with all of the changes at Compaq was Pen. Essentially no activity occurred as well as a postponement of the November Pen update meeting.

Tandem - SQL Named Pipes - Tandem came back with some additional last minute changes to this license and it is now back in the review loop at Tandem for signature.

- P.C. Mail - Instead of a separate agreement we now are incorporating this into Tandem's Windows, MS-DOS and OS/2 license. Tandem has an initial draft of this amendment for review.

Ungermann-Bass, Inc. - UB made the decision in October to continue their OEM licensing arrangement for LM 2.1 as well as license the Remote Access and Macintosh extensions to the product. UB will also offer packaged product OS/2 on a request basis (i.e., they will not include it with each copy of LM sold).

tomhen

Tandon's shipments for Q1 fell nearly 26% compared to their Q4 shipments. The flat market and low cost producers in Europe are blamed.

Momenta's product announcement comes off splendidly and their booths in Las Vegas and Munich are packed. Hopefully indicating a strong market and revenue potential from Momenta.

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

9

**HIGHLY  
CONFIDENTIAL**

**MX 6172472  
CONFIDENTIAL**

**MS-PCA 2596220**

Commodore reveals that MS may possibly get back into their palmtop design (instead of DRI), if our price and technology proves attractive.

markba

Philips - We have begun the negotiations for the new Philips Master Agreement. The objective is to have the agreement signed and in place on or before January 1, 1992. Philips announced at COMDEX commitment to MS Windows in the US, a MMPC with MM Bookshelf and Works for Windows and Pen Extensions. We have a meeting scheduled for November 19th here at MS with Jaap de Hoog to proceed with the development of the MPC2, discuss the status of the PHAROS Project, discuss the status of the ROSETTA Project, discuss the status of Pen Extensions and the PAID Project, as well as general state of the union of MS and Philips.

Northgate - We have successfully eliminated the SPARC Strategy from Northgate's sales and marketing plans and at the same time confirmed their commitment to Windows NT. I am working with Alex to establish Northgate as an Alpha Site for the pre-loading of Windows Automation Project. The idea here is to reduce the OEM COGS by establishing a more efficient and expeditious way of pre-loading Windows and optimizing the PC for Windows.

Northgate has also agreed to develop a MMPC using Multimedia Extensions.

pattyj

NCR - Progress on the NT migration project has been slow due to NCR's lack of help in getting a list of target accounts to us, but the NT suite at Comdex where NT was demoed on the 3450 was successful. We also received some good insight at Comdex into possible "keys" to getting NCR's commitment to NT from Jim Von Halle and qualified several new opportunities including a Windows bundle. Had an excellent meeting with Alok Mohan at Comdex to find out some reorganization plans for WPD and his view of the status on the NT commitment. Set up some meetings for JD in Augsburg including one with Sigg Grabowski to determine the future for the Augsburg division and assisted in the Win for Pen training of the NCR sales force before Comdex.

tomda

ZDS will report poor performance for Q1. ZDS pays on systems manufactured and their French plant was closed during the month of August. However, ZDS reported this week the layoff of an additional 250 people in the US. Current headcount now stands at 1500. ZDS made several announcements at Comdex, but these were primarily line extensions. ZDS' SL notebook continues to sell well but many of their competitors announced SL machines at Comdex. ZDS' new product announce is still scheduled for Spring Comdex, however ZDS will likely slip their date until May or June. We arranged a meeting between Mike Hallman and ZDS VP of Sales and Marketing Michael Poehner at Comdex. The purpose of the meeting was to re-establish a relationship between Mike and Michael - they worked together at IBM. We also arranged a conference call between Paul Maritz and Bull senior execs to discuss MIPS. Bull is questioning their commitment to MIPS.

jeffd

AST - At Comdex, AST announces a color notebook and 30% lower notebook pricing. AST's multiprocessor PCs were previewed at Networld. AST announced a new Premium 4/33 Server concept which includes selling Lan Server models. AST did not announce VIPER at Networld due to problems with ethernet chips. Steve Ballmer updated Saff on MS's future software plans, listened to Saff's views on other software platforms.

**HIGHLY  
CONFIDENTIAL**

**MS-PCA 2596221**

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

10

**MX 6172473  
CONFIDENTIAL**

darcyh  
DG - Darcyh is still working with DG Purchasing to identify best solution for Ballpoint Mouse licensing.  
DG is leaning towards a Package Product agreement.

**HP Corvallis**

We are working on a final version of the LOI. Key issues are license exclusivity, development and royalty costs. Have gained buy-off from Chrisp to be "Executive Owner." Waiting for signature on MS-DOS 5.0 Amendment. Jointly presented Lion with Tim Williams to Billg/Steveb and Dick Hackborn and Bob Frankenberg at MS/HP Steering committee meeting in Boise on 10/28. Feedback was very positive.

**HP Grenoble**

Meeting with GPCD on November 8th in France. Darcyh will be updating HP on MS' systems strategy, and HP will present charter and their product direction. Darcyh will investigate product opportunities as a result of PCG charter change. Jacques Clay has been named as GM, and no longer has PCG group-wide responsibility.

**HP CND**

Bobkr met with CND to resolve contractual and marketing commitment issues. Much progress was made, and HP is presenting market plans to MS on Nov. 26.

**Atari**

The MS-DOS 5.0 Amendment/Windows 3.X extension is signed!

**pearson**

Hewlett-Packard - The Steering Committee Meeting was the focusing issue for the month and was very productive and successful. In addition, gains were made on the Win per processor negotiations. Amendment 15 was finally completely fleshed out in negotiations. HP Singapore visited to set up US OEM and tech contacts. NT Conference attendees finalized. Comdex demos completed on Win for Pen and NT. BI-dl spec completed (thru series of OEM and WPG) customer meetings, implemented and demoed at Steering Committee Meeting.

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

11

**MS-PCA 2596222  
HIGHLY  
CONFIDENTIAL  
MX 6172474  
CONFIDENTIAL**

REVENUE PERFORMANCE SUMMARY: Month-to-date; Quarter-to-date; Year-to-date Quarter: 2 FY92

Account	October Budget	October Forecast	November Budget	November Forecast	December Budget	December Forecast	FY02 Forecast	FY02 Budget	FY02 Diff.
MSAB	0	2,000	0	0	200,000	150,000	152,000	200,000	-48,000
Nokia	0	0	0	0	1,400,000	660,346	660,346	1,400,000	-739,654
Victor	0	0	0	0	0	119,125	119,125	0	119,125
MSBV	0	0	0	0	40,000	5,250	5,250	40,000	-34,750
G2	0	0	0	0	128,000	127,718	127,718	128,000	-282
Tulip	0	0	67,932	0	682,069	790,000	790,000	790,001	-1
MS GMBH	0	440,193	442,620	100,000	0	250,000	790,169	442,620	347,573
Actebla	0	0	0	0	130,800	65,250	65,250	130,800	-65,250
AEG Olympia	0	0	0	0	100,800	100,800	100,800	100,800	0
Aquarius	0	0	0	0	280,000	475,000	475,000	280,000	225,000
IPC GmbH	0	0	0	0	377,800	0	0	377,800	-377,800
ITOS	0	0	0	0	240,000	0	0	240,000	-240,000
Kontren	0	0	49,800	0	0	47,280	47,280	49,800	-2,280
Pascock	0	0	0	0	310,000	228,875	228,875	310,000	-81,125
Profex	0	0	0	0	107,437	107,437	107,437	107,437	0
Rein	0	0	0	0	104,250	77,837	77,837	104,250	-26,313
Robotron Aso	0	0	0	0	104,000	0	0	104,000	-104,000
Robotron Bue	0	0	0	0	124,000	155,000	155,000	124,000	31,000
Schneider	0	0	0	0	625,000	260,000	260,000	625,000	-375,000
SNi	0	4,788	790,763	390,000	903,125	1,143,875	1,538,888	1,360,888	144,775
Vobis	0	0	360,000	750,000	245,250	785,250	1,205,250	900,250	900,000
MSLTD	0	0	0	100,000	75,000	180,000	250,000	75,000	174,000
Ametrad	0	0	188,604	0	167,800	287,800	287,800	376,104	-88,604
Aprioot	0	0	0	0	220,250	220,250	220,250	220,250	0
Brother Intl	0	0	0	0	280,000	280,000	280,000	280,000	0
Elonex	0	400,000	0	0	0	400,000	800,000	0	800,000
ICL	0	0	0	0	636,250	636,250	636,250	636,250	0
Opus	0	0	0	0	100,000	100,000	100,000	100,000	0
RML	0	0	0	0	800,000	300,000	300,000	800,000	-300,000
Vipion	0	0	0	0	348,000	418,250	418,250	348,000	70,250
MSSARL	0	34,002	0	0	75,000	70,000	104,002	75,000	28,002
Atamis	0	0	3,250	0	46,750	0	0	80,000	-80,000
Bull	0	0	85,000	0	0	0	0	85,000	-85,000
SMT Goupil	0	0	0	0	700,000	0	0	700,000	-700,000
Telemecanique	0	0	0	0	47,250	47,250	47,250	47,250	0
MSSPA	0	5,000	0	0	9,450	65,000	70,000	8,480	60,530
Asem	0	0	0	0	128,875	164,375	164,375	128,875	35,500
Hartarex	0	0	0	0	300,000	325,000	325,000	300,000	25,000
Intracomp	0	0	2,500	0	80,000	80,000	80,000	82,500	-2,500
Olivetti	0	90,456	72,250	65,000	2,875,000	2,875,000	3,030,496	2,947,250	83,206
Unibit	0	0	0	0	137,500	150,000	150,000	137,500	12,500
MSSRL	0	0	0	0	0	10,000	10,000	0	10,000
Atalo	0	0	0	0	12,500	0	0	12,500	-12,500
CSEI	0	400,500	0	0	0	400,000	800,500	0	800,500
IPC SRL	0	0	0	0	25,000	19,406	19,406	25,000	-6,894
MSHQ	0	0	90,002	0	104,999	0	0	195,001	-195,001
PHILIPS	0	0	0	0	1,000,000	1,022,000	1,022,000	1,000,000	22,000
Totals	0	1,378,939	2,163,421	1,405,000	13,612,955	13,339,094	16,121,033	15,776,378	344,657
		0%		85%		96%		102%	

SUBSIDIARY SUMMARY: Month-to-date; Quarter-to-date; Year-to-date Quarter: 2 FY92

Account	October Budget	October Forecast	November Budget	November Forecast	December Budget	December Forecast	FY02 Forecast	FY02 Budget	FY02 Diff.
MSAB	0	2,000	0	0	1,600,000	929,471	931,471	1,600,000	-668,529
MSBV	0	0	67,932	0	850,000	882,668	882,668	918,001	-35,033
MSGMBH	0	444,981	1,642,883	1,240,000	3,321,882	3,658,374	6,341,355	4,664,445	376,910
MSLTD	0	400,000	188,604	100,000	2,328,000	2,672,250	3,172,250	2,516,604	655,646
MSSARL	0	34,002	89,250	0	870,000	117,250	151,252	969,250	-817,998
MSSPA	0	95,456	74,750	65,000	3,600,825	3,629,375	3,789,831	3,675,575	214,256
MSSRL	0	400,500	0	0	37,500	429,406	829,906	37,500	792,406
MSHQ	0	0	90,002	0	1,104,999	1,022,000	1,022,000	1,195,001	-173,001
Totals	0	1,378,939	2,163,421	1,405,000	13,612,955	13,339,094	16,121,033	15,776,378	344,657

HIGHLY CONFIDENTIAL MS-PCA 2596223

(FY02REV.XLS - EUROPE OEMS)

MX 6172475  
CONFIDENTIAL

5:57 PM

FISCAL YEAR 1992 - FORECAST (Actual through September)

FISCAL YEAR 1992 - BUDGET

Account	Q1FY92	Q2FY92	Q3FY92	Q4FY92	Total FY 92	Q1FY92	Q2FY92	Q3FY92	Q4FY92	Total FY 92	% of Budget
MSAB	222,097	152,000	180,000	150,000	674,097	200,000	200,000	200,000	200,000	800,000	84%
Nokia	1,731,425	690,346	780,000	750,000	3,951,771	1,400,000	1,400,000	1,400,000	500,000	4,700,000	83%
Victor	595,625	119,125	119,125	119,125	953,000	0	0	0	0	0	N/A
MSBV	5,250	5,250	5,250	5,250	21,000	20,000	40,000	60,000	80,000	200,000	11%
G2	63,839	127,718	127,718	127,718	447,013	64,000	128,000	128,000	128,000	448,000	100%
Tulip	780,000	780,000	780,000	780,000	3,020,000	780,000	780,000	780,000	780,000	3,000,000	101%
MS GMBH	278,049	780,193	1,000,000	1,000,000	3,058,243	403,207	442,620	643,500	733,500	2,222,827	138%
Actebis	326,250	65,250	400,000	400,000	1,191,500	130,500	130,500	130,500	130,500	522,000	22%
AEG Olympia	128,280	100,500	100,500	100,500	427,780	100,500	100,500	100,500	100,500	402,000	106%
Aquarius	292,791	475,000	475,000	475,000	1,717,791	250,000	250,000	500,000	500,000	1,500,000	115%
IPC GmbH	377,500	0	0	250,000	627,500	377,500	377,500	0	0	1,132,500	85%
ITOS	0	0	0	0	0	240,000	240,000	240,000	0	720,000	0%
Kontron	144,032	47,250	47,250	47,250	286,782	49,500	49,500	49,500	49,500	198,000	146%
Passbook	1,373,280	228,578	228,578	457,780	2,288,216	310,000	310,000	310,000	620,000	1,580,000	146%
Profex	107,437	107,437	107,437	107,437	429,748	107,437	107,437	107,437	107,437	429,748	100%
Rein	77,838	77,837	0	0	155,675	104,250	104,250	104,250	104,250	417,000	37%
Robotron Asc	0	0	0	0	0	104,000	104,000	104,000	104,000	416,000	0%
Robotron Bus	208,597	155,000	155,000	155,000	674,597	124,000	124,000	0	0	248,000	27%
Schneider	625,000	250,000	250,000	250,000	1,375,000	625,000	625,000	625,000	625,000	2,500,000	65%
SNI	1,367,895	1,536,893	1,536,893	1,536,893	5,978,108	1,363,888	1,363,888	1,462,638	1,988,761	6,240,175	96%
Vobis	705,250	1,505,250	1,200,000	1,200,000	4,610,500	355,250	605,250	605,250	636,000	2,501,750	184%
MSLTD	175,438	250,000	150,000	150,000	725,438	38,000	75,000	114,000	154,384	382,384	180%
Amstrad	187,500	287,500	387,500	487,500	1,350,000	438,085	375,104	381,500	375,000	1,580,689	85%
Apricot	735,780	220,250	220,250	682,187	1,768,437	220,280	220,280	220,280	882,187	1,282,837	141%
Brother Int'l	280,000	280,000	280,000	280,000	1,040,000	280,000	280,000	280,000	280,000	1,040,000	100%
Eonex	400,000	800,000	400,000	400,000	2,000,000	0	0	0	0	0	N/A
ICL	636,250	636,250	780,000	780,000	2,872,500	636,250	636,250	580,000	580,000	2,172,500	118%
Opus	182,438	100,000	135,000	135,000	522,438	100,000	100,000	100,000	100,000	400,000	131%
PAIL	375,500	300,000	300,000	300,000	1,275,500	375,500	600,000	300,000	300,000	1,575,500	81%
Viglen	488,500	418,250	640,000	420,000	1,966,750	348,000	348,000	600,000	300,000	1,596,000	123%
MSSARL	72,575	104,002	70,000	70,000	316,577	38,000	78,000	114,000	151,000	379,000	84%
Atlante	77,000	0	0	0	77,000	80,000	80,000	60,000	60,000	200,000	39%
Bull	2,700	0	0	0	2,700	48,000	88,000	144,000	144,000	424,000	1%
SMT Goupil	0	0	0	0	0	600,000	700,000	1,000,000	800,000	2,800,000	0%
Telemecanique	47,250	47,250	47,250	47,250	189,000	47,250	47,250	47,250	47,250	189,000	100%
MSSPA	68,078	70,000	65,000	65,000	268,078	4,725	8,480	14,178	18,900	47,283	567%
Asem	164,375	164,375	164,375	164,375	657,500	128,878	128,878	128,878	128,878	515,500	128%
Hammarax	325,000	325,000	325,000	0	975,000	300,000	300,000	300,000	0	900,000	108%
Intercomp	80,000	80,000	80,000	80,000	320,000	82,800	82,800	65,000	65,000	295,600	83%
Olivetti	3,136,895	3,030,488	3,000,000	3,000,000	12,167,411	3,125,000	2,847,280	3,000,000	3,000,000	12,972,280	107%
Unibit	25,000	150,000	250,000	125,000	550,000	137,500	137,500	137,500	137,500	550,000	100%
MSSRL	10,000	10,000	10,000	10,000	40,000	0	0	0	0	0	N/A
Atajo	0	0	0	0	0	12,800	12,800	12,800	12,800	50,000	0%
CSEI	0	800,500	100,000	100,000	1,000,500	0	0	0	0	0	N/A
IPC SRL	0	19,406	19,406	19,406	76,218	25,000	25,000	25,000	25,000	100,000	88%
MSHQ	0	0	0	0	0	180,000	185,000	230,000	317,000	802,000	0%
Phillips	1,022,000	1,022,000	1,000,000	1,000,000	4,044,000	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000	101%
<b>Tot Act/Forecast</b>	<b>17,695,684</b>	<b>16,121,033</b>	<b>15,768,811</b>	<b>16,039,823</b>	<b>65,615,151</b>	<b>15,164,477</b>	<b>15,776,374</b>	<b>16,692,125</b>	<b>15,877,024</b>	<b>63,500,000</b>	<b>103%</b>
<b>Budget</b>	<b>15,154,477</b>	<b>15,776,374</b>	<b>16,692,125</b>	<b>15,877,024</b>	<b>63,500,000</b>						
<b>% of Budget</b>	<b>117%</b>	<b>102%</b>	<b>94%</b>	<b>101%</b>	<b>103%</b>						
<b>Difference</b>	<b>2,541,207</b>	<b>344,659</b>	<b>-633,314</b>	<b>162,589</b>	<b>2,115,151</b>						
<b>YTD Diff</b>	<b>2,541,207</b>	<b>2,865,866</b>	<b>1,952,552</b>	<b>2,115,151</b>							
<b>YTD% Budget</b>	<b>28%</b>	<b>53%</b>	<b>78%</b>	<b>103%</b>							

Subsidiary Summary - FORECAST

Subsidiary Summary - BUDGET

MSAB	2,549,117	831,471	1,019,125	1,019,125	5,518,838	MSAB	1,800,000	1,800,000	1,800,000	700,000	5,500,000	100%
MSBV	819,109	862,968	895,468	895,468	3,483,013	MSBV	834,000	918,000	938,000	998,000	3,648,000	96%
MSGMBH	6,015,049	5,341,355	5,500,437	5,979,312	22,836,153	MSGMBH	4,675,032	4,964,445	5,260,075	6,000,448	21,000,000	109%
MSLTD	3,311,377	3,172,250	3,242,750	3,494,687	13,221,064	MSLTD	2,316,095	2,516,604	2,535,780	2,631,851	10,000,000	132%
MSSARL	199,825	151,252	117,250	117,250	585,377	MSSARL	783,250	969,250	1,355,250	892,250	4,000,000	16%
MSSPA	3,789,406	3,789,831	3,854,375	3,404,375	14,817,989	MSSPA	3,748,600	3,575,575	3,635,550	3,340,275	14,300,000	104%
MSSRL	10,000	829,906	129,406	129,406	1,098,718	MSSRL	37,500	37,500	37,500	37,500	150,000	73%
MSHQ	1,022,000	1,022,000	1,000,000	1,000,000	4,044,000	MSHQ	1,160,000	1,195,000	1,230,000	1,317,000	4,902,000	82%
<b>Total Forecast</b>	<b>17,695,684</b>	<b>16,121,033</b>	<b>15,768,811</b>	<b>16,039,823</b>	<b>65,615,151</b>	<b>Total Budget</b>	<b>15,154,477</b>	<b>15,776,374</b>	<b>16,692,125</b>	<b>15,877,024</b>	<b>63,500,000</b>	<b>103%</b>

MS-PCA 2596224

(FYQ2REV.JLS - EUROPE OEMS)

MX 6172476  
CONFIDENTIAL

5:57 PM

HIGHLY  
CONFIDENTIAL

REVENUE PERFORMANCE SUMMARY: Month-to-date; Quarter-to-date; Year-to-date Quarter: 2 FY82

Account	Oct Budget	Oct Actual	Nov Budget	Nov Forecast	Dec Budget	Dec Forecast	FY02 Forecast	FY02 Budget	FY02 Diff.
Braman	41,283	0	82,977	82,977	42,534	42,534	125,511	185,794	-41,283
Commodore	0	0	758,640	673,140	0	0	673,140	758,640	-85,500
Compaq	0	2,703	4,298,788	3,375,000	0	0	3,377,703	4,298,788	-921,085
Mormonta	0	4,250	0	0	0	0	4,250	0	4,250
Northgate	750,020	782,100	79,895	77,270	82,110	79,811	936,981	911,825	27,156
Positive	595,000	0	0	0	0	0	0	595,000	-595,000
Tandem	0	17,580	0	0	0	0	17,580	0	17,580
Tandon	1,017,325	842,733	17,325	0	17,850	0	842,733	1,052,500	-209,767
UB	208,004	0	0	71,200	0	0	71,200	208,004	-136,804
Chestnut	166,283	125,000	120,447	0	42,534	0	125,000	329,284	-204,284
AT&T	25,410	1,350,525	1,240,710	75,000	28,180	75,000	1,500,525	1,292,300	208,225
AST	1,790,387	754,681	108,433	1,098,000	108,668	80,000	1,903,681	2,006,479	-102,798
Data General	7,000	16,013	308,280	200,000	0	0	216,013	313,250	-97,237
HP	781,984	543,780	132,000	800,000	0	0	1,043,780	893,984	149,818
NCR	809,885	-786,337	901,415	50,000	8,570	80,000	-686,337	1,719,790	-2,386,087
Wyse	375,000	375,000	0	0	0	0	375,000	375,000	0
Zenith	150,150	33,532	2,300,150	2,150,000	154,700	320,000	2,903,532	2,805,000	-101,468
Totals	6,697,491	4,081,580	10,344,830	8,323,587	484,237	647,145	13,052,292	17,526,558	-4,474,266
		61%		80%		134%		134%	

ACCOUNT TEAM SUMMARY: Month-to-date; Quarter-to-date; Year-to-date Quarter: 2 FY82

Account	Oct Budget	Oct Actual	Nov Budget	Nov Forecast	Dec Budget	Dec Forecast	FY02 Forecast	FY02 Budget	FY02 Diff.
Braman	2,811,832	1,549,386	5,237,425	4,279,557	142,484	122,145	6,031,098	7,991,551	-1,940,453
Chestnut	4,085,859	2,432,194	5,107,405	4,044,000	341,743	625,000	7,001,194	9,535,007	-2,533,813
Totals	6,897,691	4,081,580	10,344,830	8,323,587	484,237	647,145	13,032,292	17,526,558	-4,474,266

FISCAL YEAR 1982 - FORECAST (Actual through October)

Account	Q1FY82	Q2FY82	Q3FY82	Q4FY82	Total FY '82
Braman	0	125,511	166,794	166,794	459,099
Commodore	1,104,216	673,140	888,375	623,761	3,295,492
Compaq	3,978,083	3,377,703	3,525,000	3,675,000	14,555,788
Mormonta	4,250	4,250	4,250	4,250	17,000
Northgate	756,984	936,981	801,800	871,560	3,478,325
Positive	595,000	0	100,000	120,000	815,000
Tandem	38,555	17,580	0	186,868	221,004
Tandon	1,302,787	842,733	1,000,000	1,000,000	4,145,500
UB	392,706	71,200	264,000	289,000	1,026,906
Chestnut	128,804	125,000	125,000	125,000	503,804
AT&T	2,221,805	1,500,525	1,000,000	800,000	5,522,330
AST	1,915,725	1,903,681	2,300,000	2,400,000	8,519,406
Data General	434,878	216,013	250,000	250,000	1,150,891
HP	862,633	1,043,780	1,000,000	1,200,000	3,806,433
NCR	1,778,510	-686,337	1,200,000	1,800,000	3,812,173
Wyse	375,800	375,000	375,000	375,000	1,500,800
Zenith	2,520,842	2,503,532	2,600,000	2,600,000	10,224,374
Totals	18,118,966	13,052,292	15,480,219	15,677,324	62,528,801
Budget	16,851,804	17,526,558	18,090,613	19,171,271	71,640,246
% of Budget	108%	74%	86%	83%	87%
Difference	1,267,162	-4,474,266	-2,610,394	-3,293,947	-9,111,445
YTD Diff	1,267,162	-3,207,104	-5,817,498	-9,111,445	
YTD% Budget	25%	-44%	65%	87%	

FISCAL YEAR 1982 - BUDGET

Account	Q1FY82	Q2FY82	Q3FY82	Q4FY82	Total FY '82	% of Budget
Braman	0	125,511	166,794	166,794	459,099	69%
Commodore	1,104,216	673,140	888,375	623,761	3,295,492	84%
Compaq	3,978,083	3,377,703	3,525,000	3,675,000	14,555,788	81%
Mormonta	4,250	4,250	4,250	4,250	17,000	N/A
Northgate	756,984	936,981	801,800	871,560	3,478,325	68%
Positive	595,000	0	100,000	120,000	815,000	62%
Tandem	38,555	17,580	0	186,868	221,004	N/A
Tandon	1,302,787	842,733	1,000,000	1,000,000	4,145,500	69%
UB	392,706	71,200	264,000	289,000	1,026,906	106%
Chestnut	128,804	125,000	125,000	125,000	503,804	30%
AT&T	2,221,805	1,500,525	1,000,000	800,000	5,522,330	67%
AST	1,915,725	1,903,681	2,300,000	2,400,000	8,519,406	106%
Data General	434,878	216,013	250,000	250,000	1,150,891	66%
HP	862,633	1,043,780	1,000,000	1,200,000	3,806,433	110%
NCR	1,778,510	-686,337	1,200,000	1,800,000	3,812,173	61%
Wyse	375,800	375,000	375,000	375,000	1,500,800	66%
Zenith	2,520,842	2,503,532	2,600,000	2,600,000	10,224,374	101%
Totals	18,118,966	13,052,292	15,480,219	15,677,324	62,528,801	67%

Account Team Summary - FORECAST

Braman	8,180,551	6,051,098	6,630,219	6,927,324	27,789,192
Chestnut	9,838,415	7,001,194	8,850,000	8,950,000	34,739,609
Total Forecast	18,118,966	13,052,292	15,480,219	15,677,324	62,528,801

Account Team Summary - BUDGET

Braman	7,951,167	7,991,551	7,848,225	8,344,214	32,135,157	86%
Chestnut	8,900,637	9,535,007	10,242,388	10,827,057	39,505,089	86%
Total Budget	16,851,804	17,526,558	18,090,613	19,171,271	71,640,246	87%

HIGHLY CONFIDENTIAL MS-PCA 2596225

(FY02REVJ.XLS)

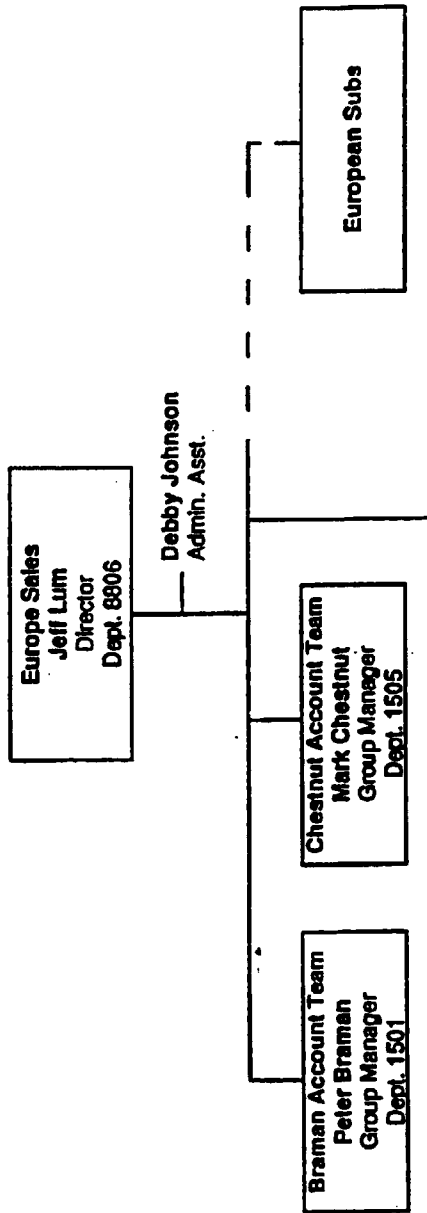
MX 6172477  
CONFIDENTIAL

REVENUE PERFORMANCE SUMMARY: Month-to-date: Quarter-to-date: Year-to-date											Quarter: 2FY92	
Account	Oct Budget	Oct Actual	Nov Budget	Nov Forecast	Dec Budget	Dec Forecast	FY02 Forecast	FY02 Budget	FY02 Diff.	YTD Actual	YTD Budget	
Commodore	0	0	758,640	673,140	0	0	673,140	758,640	-85,500	1,777,356	1,662,431	
Compaq	0	2,703	4,296,788	3,375,000	0	0	3,377,703	4,296,788	-921,085	7,355,765	6,591,288	
Misc	41,283	0	82,977	82,977	42,534	42,534	125,511	166,794	-41,283	125,511	333,588	
Moments	0	4,250	0	0	0	0	4,250	0	4,250	8,900	0	
Northgate	750,020	782,100	79,695	77,270	82,110	79,611	838,981	911,825	27,156	1,705,973	1,815,126	
Positive	595,000	0	0	0	0	0	0	595,000	-595,000	595,000	1,190,000	
Tandem	0	17,580	0	0	0	0	17,580	0	17,580	54,135	0	
Tandon	1,017,325	842,733	17,325	0	17,850	0	842,733	1,062,900	-309,767	2,148,900	2,105,000	
UB	208,004	0	0	71,200	0	0	71,200	208,004	-136,804	483,906	386,283	
<b>Totals</b>	<b>2,611,632</b>	<b>1,649,366</b>	<b>5,237,425</b>	<b>4,279,587</b>	<b>142,494</b>	<b>122,145</b>	<b>6,061,098</b>	<b>7,991,951</b>	<b>-1,940,453</b>	<b>14,231,649</b>	<b>13,942,719</b>	
		63%		82%		88%		76%		Thru 11/15/91	89%	

FISCAL YEAR 1992 (ACTUAL THRU OCTOBER) AND FISCAL 1993 FORECAST											
Account	Q1FY92	Q2FY92	Q3FY92	Q4FY92	Total FY 92	Q1FY93	Q2FY93	Q3FY93	Q4FY93	Total FY 93	Total
Commodore	1,104,216	673,140	688,373	623,761	3,099,492						0
Budget	793,791	758,640	829,878	878,511	3,260,817	581,825	400,000	400,000	395,361	1,747,986	0
Compaq	3,978,083	3,377,703	3,625,000	3,676,000	14,955,788						0
Budget	4,292,900	4,296,788	4,606,500	4,703,343	17,903,131	3,780,000	3,900,000	4,000,000	4,100,000	15,780,000	0
Misc	0	125,511	166,794	166,794	459,099						0
Budget	166,794	166,794	166,794	166,794	667,176	41,894	0	0	0	41,894	0
Moments	4,250	4,250	4,250	4,250	17,000						0
Budget	0	0	0	0	0	16,950	6,750	6,780	6,780	37,200	0
Northgate	786,994	838,981	901,800	871,580	3,479,335						0
Budget	903,301	911,825	895,025	847,535	3,557,686	675,000	675,000	675,000	675,000	2,700,000	0
Positive	595,000	0	100,000	120,000	815,000						0
Budget	595,000	595,000	0	382,500	1,572,500	0	0	0	0	0	0
Tandem	36,885	17,580	0	166,960	221,094						0
Budget	0	0	0	0	0	198,000	214,650	220,980	240,700	674,300	0
Tandon	1,302,767	842,733	1,000,000	1,000,000	4,145,500						0
Budget	1,062,900	1,062,900	1,062,000	1,062,000	4,209,000	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000	0
UB	392,706	71,200	294,000	299,000	1,026,906						0
Budget	147,281	208,004	296,031	313,531	864,847	334,000	97,900	97,900	97,900	629,800	0
<b>Tot Act/Forecast</b>	<b>6,180,551</b>	<b>6,061,098</b>	<b>6,630,210</b>	<b>6,927,324</b>	<b>27,780,162</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Budget</b>	<b>7,951,167</b>	<b>7,991,951</b>	<b>7,848,225</b>	<b>8,344,214</b>	<b>32,135,157</b>	<b>5,607,289</b>	<b>5,293,900</b>	<b>5,400,200</b>	<b>5,486,311</b>	<b>21,787,690</b>	<b>0</b>
<b>% of Budget</b>	<b>103%</b>	<b>76%</b>	<b>84%</b>	<b>83%</b>	<b>86%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Difference</b>	<b>229,384</b>	<b>-1,940,453</b>	<b>-1,218,006</b>	<b>-1,416,890</b>	<b>-4,345,995</b>	<b>-5,607,289</b>	<b>-5,293,900</b>	<b>-5,400,200</b>	<b>-5,486,311</b>	<b>0</b>	<b>0</b>
<b>YTD Diff</b>	<b>229,384</b>	<b>-1,711,099</b>	<b>-2,929,075</b>	<b>-4,345,995</b>							
<b>YTD%Budget</b>	<b>103%</b>	<b>89%</b>	<b>88%</b>	<b>86%</b>							

HIGHLY CONFIDENTIAL MS-PCA 2596226

MX 6172478 CONFIDENTIAL



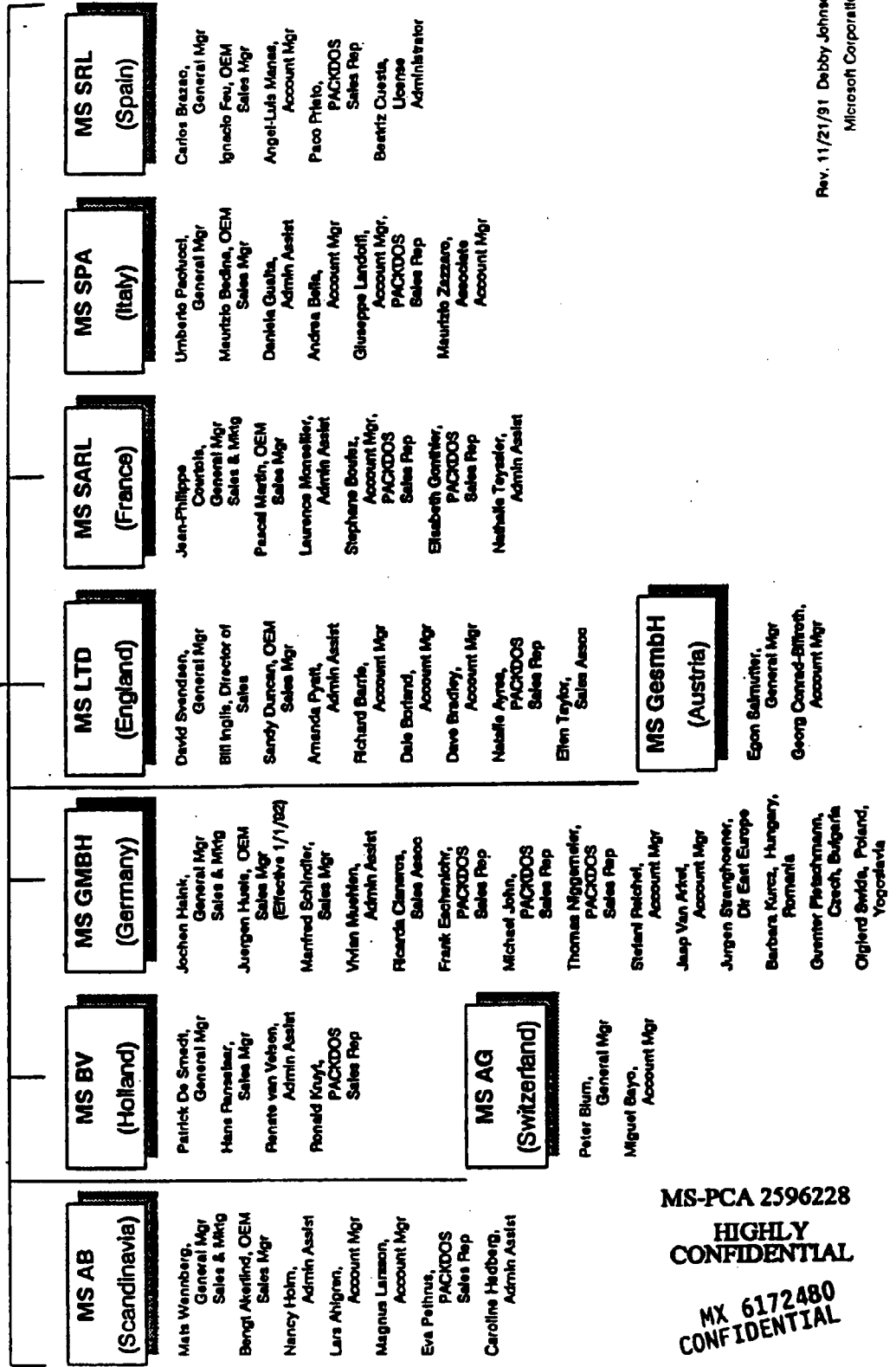
- |   |   |  |  |
|---|---|--|--|
| Mark Baber<br>Northgate, Philips                            | Rich Abel<br>Hewlett-Packard                            | Lori Morrison<br>Associate Account Manager | Bengt Akerlind<br>MS AB (Scandinavia)  |
| Mark Butick<br>Compaq, Tandem/UB                            | Jeff Daniels<br>AST                                     |  | Maurizio Bedina<br>MS SPA (Italy)      |
| Teresa Chapman<br>Compaq                                    | Tom Davis<br>Zenith                                     |  | Sandy Duncan<br>MS LTD (England)       |
| Debbie Flynn  | Darcy Hottle<br>Atari, Data General,<br>Hewlett-Packard |  | Ignacio Feu<br>MS SRL (Spain)          |
| Tom Henningsgard<br>Commodore, Momenta,<br>Positive, Tandon | Patty Lazarus<br>NCR/AT&T                               |  | Pascal Martin<br>MS SARL (France)      |
|   | John McLauchlan<br>AT&T, Wyse                           |  | Hans Ranselaar<br>MS BV (Holland)      |
|   |   |  | Manfred Schindler<br>MS GMBH (Germany) |

MS-PCA 2596227  
**HIGHLY  
 CONFIDENTIAL**  
 MX 6172479  
**CONFIDENTIAL**



**European OEM Sales**  
Jeff Lum, Director

Debby Johnson, Administrative Assistant



MS-PCA 2596228

**HIGHLY CONFIDENTIAL**

**MX 6172480 CONFIDENTIAL**