



To: Joachim Kempin, Distribution
From: Jeff Lurn
Date: May 4, 1992
Re: March Europe OEM Sales Status Report

Attached is the European OEM Sales status report and US OEM sales status reports for March. 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 Skoglund	MSAB
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Peter Blum	MSAG
Patrick De Smedt	MSBV
Hans Ranselaar	MSBV
Jochen Haink	MSGMBH
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Tricia Green	MS Europe
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Tim Beard	10N/1261
Peter Braman	10N/1314
Brad Chase	3/2045
Mark Chestnut	10N/1286
Douglas Jackson	8S/1077
Arne Josefsberg	BP/8181
Dwight Krossa	1/1080
Paul Maritz	2/2045
Neil Miller	8N/2258
Lori Morrison	10N/1249
Sergio Pineda	3/2056
Franz Rau	8S/2122
Brad Silverberg	3/2044
Carl Stork	2/2100
Adam Taylor	3/2053
John Williams	6/2061

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March Status Report

Europe OEM Sales

Jeff Lum, Director

Revenue (see attachment for details)

Area	March Actual	March Budget	FYQ3 Actual	FYQ3 Budget	Qtr. % of Budget
Europe OEMs	15,962,075	13,332,634	19,634,562	16,692,125	118%
US OEMs	1,926,525	584,713	21,382,695	19,282,834	111%
Europe Sales	17,888,600	13,917,347	41,017,257	35,974,959	114%

Comments on revenue: Europe OEM finished \$2.6M over budget for the month and \$3M over (118%) for the quarter. Biggest contributors this month included GMBH which signed more than \$2.2m in new major agreements and AB, who finished the month \$600K over budget for the month. New agreements outstanding at LTD for RML, Opus, and others will push us way over budget for Q4. US OEM: Braman Team March revenue was \$1.2 million against a plan of \$141,000. This is the result of Commodore's revenue of \$1M being reported in March instead February. Their additional revenue comes from higher than forecasted Works and Windows revenue; \$781K against a plan of \$338K for both products. Chestnut Team The group finished Q3 at 110% of budget - \$11.5 million actual vs. \$10.5 million budget. Strong performances by AST, HP, NCR and Logitech more than offset weak performances by AT&T and Zenith. Q4 revenue is looking very positive - new business signed with AT&T and HP will be recognized as Q4 revenue, and both AST and NCR shipments for Q3 should insure healthy royalty billings for both accounts in Q4.

New Business Signed

Account	Product	Comments
European OEMs		
Rexton Danplex A/S	MS-DOS ROM 3.22	New Agreement. M/C = \$17,500/year.
International Computers Ltd.	Multiple Products	New Agreement. M/C = \$5.9M/\$6.3M/\$6.7M.
Unic Gruppen A.S.	Windows 3.1	New Agreement. M/C = \$111,000/year.
Rohner Consultant	DOS 5.0, Windows 3.1	New Agreement. M/C = \$60,000/year.
Tulip Computers International	Multiple Products	New Agreement. M/C = \$2.9M/\$3.1M.
Aashima Technology B.V.	MS-DOS 5.0, Windows 3.1	New Agreement. M/C = \$480,000/year.
Actebis Computer GmbH	MS-DOS 5.0, Win 3.0, WFW	Amendment. M/C = \$1.9M/\$3.1M.
Protech Poland Ltd	MS-DOS 5.0, Win3.0, EPak	Amendment. M/C = \$648,000/year.
Conex Rolf Rossbacher GmbH	MS-DOS 5.0, Windows 3.1	New Agreement. M/C = \$133,800/year.
Synelec Datensysteme GmbH	MS-DOS 5.0, Windows 3.X	New Agreement. M/C = \$168,000/year.
BBSK Ges.m.b.H	MS-DOS 5.0, Windows 3.1	New Agreement. M/C = \$75,300/year.
Cumana Limited	MS CD-ROM Ext. 2.1	New Agreement. M/C = \$25,000/year.
MJN Technology Ltd	MS-DOS 5.0, Windows 3.1	New Agreement. M/C = \$636,000/year.
Dassault	MS-DOS 5.0, Windows 3.0	New Agreement. M/C = \$42,000/year.
Normerel	MS-DOS 5.0; Win 3.0, OS/2	New Agreement. M/C = \$855,000/year
Groupe TVF	MS-DOS, Win 3.1; MMW, WFP	New Agreement. M/C = \$400K/\$1M.
Muller S.A.	MS-DOS 5.0	New Agreement. M/C = \$15,500/year
C.D.C. SpA	MS-DOS 5.0; Windows 3.1	Amendment. M/C = \$190,000/year.
US OEMs		
CompuDyne	MS-DOS	3 year, per processor, \$15- \$17
Media Vision	EZ Windows	5,000 unit first order
Creative Labs	EZ Windows	1,000 unit first order
Tandon	MM WFW	Added to WFW Amendment
Tandon	MM Bookshelf	Adds \$55K to commits
AT&T/NCR	MS Office	Per sys w/Safari
NCR	Mouse	10K unit commit
Wyse	Windows 3.1	Per processor, 3 years

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General Issues

Quality of the ODKs for Windows 3.1 were near disastrous for us this time around. Complaints flew in about unreadable tapes, "MS Confidential" printed on every page of the end user doc, and references to the mouse left in the doc when the code was removed! We really need to shore up our QC in product release services. This is so embarrassing for us and a real disservice to the OEM who is trying to meet our retail product ship dates.

(GMBH) The update of Windows 3.0 to 3.1 is somewhat painful. This is caused by two reasons. The subsidiary is offering free updates of the retail product through a coupon which is saying that the customer will get an update of all products. It is not clearly defined for the customers which versions we will update for free

(LTD) We're getting more pirates and grey importers every month. Latest is a company called ELJTE who are a mother board manufacturer in Taiwan and another company called ACRO (also Taiwanese) who are offering to do "custom" packaging of DOS and Windows for OEMs complete with the license agreement. We need help at MS Ltd - CAN WE HAVE SOMEONE DEALING WITH PIRACY ISSUES IN THE SAME WAY AS GMBH ????

(LTD) Digital are taking up too much of Dale's time. Dale will produce a business plan in April to cover our EZ DOS, FG DOS and "Other OEM" strategy for FY '93. We need to get more help from other groups at MS Ltd. Large Accounts in particular haven't been helping with DEC seminars which is causing strain between us and DEC.

(LTD) Best news of the month is with OPUS. Joachim spoke with Adam Harris when he was here to meet with IBM. Davebr hopes to get a signed contract for DOS/Windows from Opus in the first half of April. Adam Harris made a point of telling JK just how happy he is with MS since Joachim's visit in January. OPUS WILL BE DROPPING DR DOS FROM THEIR MACHINES AND THEIR ADVERTISING !!! - Instead it's WINDOWS WINDOWS WINDOWS !

(SARL) IPC license seems to be definitively lost : during the CeBit, a Taiwanese OEM proposed to them a MS-DOS + Windows box for \$88, without any hardware, which makes IPC France very unhappy (current MS price is \$135). Moreover, an OEM license for MS-DOS and Windows is in negotiation in Singapore on a per processor basis.

(SP) A new action by the Guardia di Finanza, this time in Rome, seized 15,000 copied disks. We still cannot manage to ride these actions. With the US Embassy in Rome we organized a key meeting with government and ministries officials to present them the piracy problem, in preparation for the two new Justice Commissions of the (new) chambers. The BSA activity is infact demanding a lot of time. The MTF coordinator resigned, frightened by internal struggles (!) of members, and we already hired a new one. This delays a bit the design and implementation of the Dealer Project.

PBTEAM

Compaq: A variety of issues are outstanding for the Windows Agreement including: Upgrade rights, Compaq video drivers in the Windows Retail Box, Compaq protection if MS changes our business model (i.e. sells Windows direct) and a stronger most Favored Nation Clause.

Positive still wants to load Applications on their hard drives, and then collect payment from end-users via phoned in credit card number. Maples feels this would not help MS distribution, without hurting the existing channels.

Northgate: Is overdue and on credit hold for shipments of packaged mice. They are having extreme cash flow problems and are on a monthly payment schedule to meet their quarterly minimum commitments. They are current on those payments.

MCTEAM

ZDS - ZDS is likely to choose a competitor if we are not able to deliver Winball by September. We're working hard to keep them on the hook.

Hewlett-Packard - HP WPG's patience with HP is waning. We need to get a clear read from HP on their intentions regarding working with us on a resource printing project in April or WPG will start actively pursuing other lesser printer OEMs.

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General News

BV ZYZ Systems was forced to place an advertisement in a number of magazines offering a free MS-DOS 5.0 upgrade for each customers. This as a part of a piracy settlement.

GmbH Cebit was a good success for MS in Germany. More than 60 OEMs were showing Windows 3.1. All the customers like the new product. On Cebit we got the impression from our customers that the market is very quiet right now and the operating system discussion is not over. The presentation of OS/2 from IBM was very poor. They had only 4 PC's where they showed OS/2 on the Cebit. These presentations have been very shaky and we heard customers leave the presentation saying "This is very slow."

(GMBH) During Cebit we had a dinner for all our OEM customers where we invited about 150 persons and 170 showed up in the end. This was a big success.

A new cooperation is upcoming which is formed by Actebis and Schneider. Schneider will buy PC's manufactured by Actebis from now on.

The merger between Peacock and Escom will not happen.

SARL We signed four new agreements (BEM Muller, Dassault, Groupe TVF, Normeret) this month for more than \$3M of minimum commitments !

We just hired a new OEM Account Manager, Laurent Delaporte. He should start in May/June timeframe. Laurent will manage some "easy accounts" to start with and focus on the OEM DOS business which suits his background well.

SPA computer market is still no good. Retail sales (in lira) at 73% MTD, 82% YTD. Under heavy attack by IBM. Major distis have been asked by IBM to resell OS/2 and cards, will very likely do it. EIS and Ingram started distributing DR-DOS.

PBTEAM

Philips is re-organizing the PC Division in the US and Montreal and reducing man power in both locations.

CompUSA: Have opened 5 new stores since January.

Reported earnings of \$216M, up 50% from this period last year.

Creative Labs: Will announce a frame grabber board for under \$500 at Comdex.

Media Vision: Shipped 7 new products in March.

MCTEAM

NCR - NCR will make a press release at Win World announcing NT running on MP machines and will contribute machines for MS booths and NT suite.

NCR - NCR will announce immediate availability of Windows for Pens on the 3125 at Windows World.

AST - AST Research Demonstrates Symmetric Multiprocessor.

ZDS - ZDS has provided a letter of intent to use the Ready-to-Run logo, is actively using the logo in advertisements, etc. for Z-note product line

ZDS - ZDS has decided to enter the direct marketing business (catalog/mail order). Jerry Baldwin, formerly of CompuAdd has joined ZDS to head this effort.

SUN - Sun has reportedly been approached by IBM to become a member to the IBM/Apple Taligent consortium.

Hewlett-Packard - Five new vice-presidents were elected by HP's board of directors. Dick Belluzzo, Doug Carnahan, Richard Love, Ray Smelek and Richard Watts were all promoted from general manager positions to VP.

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4

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Account News

MJN (LTD)

We have another new OEM. Natalie has signed her first agreement. MJN are committed to 3 years DOS/Windows per processor at 12,500 annual commitment. They'll also bundle an MS Mouse with every system. Even better they'll bundle XL and WordFW (White Box) with EVERY 486.

Groupe TVF (SARL)

Groupe TVF (a holding including HCI) signed a royalty licence with MS for MS-DOS, Windows, MM Windows and Pen Windows. The minimum commitment is \$ 400k for the first year and \$ 1 M for the second. This new customer has been taken from DRI!

Normerel (SARL)

Normerel is know our biggest French OEM with a \$1.6M per processor MS-DOS and Windows agreement.

Phillips

Phillips has announced the MPC 2 for distribution in the US and Europe. This product adds CD-ROM/XA to the standard MPC specifications. Has announced a CD-ROM/XA Bridge card for the MPC.

Hewlett-Packard

HP announced NewWave 4.0, now positioned as a desktop manager. NewWave 4.0 diminishes the need to have NewWave compliant applications to derive the full user benefits. NewWave 4.0 supports OLE 1.0.

Area Summaries

Finished Goods DOS - Europe

Subsidiary	March Actual	March Budget	FYQ3 Actual	FYQ3 Budget
MSAB	3,996	2,547	16,423	6,792
MSAG	1,564	1,800	4,624	5,323
MSBV	3,961	2,700	12,049	7,200
MSGESMBH	540	1,062	1,300	3,002
MSGMBH	14,215	30,635	96,888	86,477
MSLTD	16,844	17,000	52,902	36,500
MSNV	1,365	2,111	4,177	5,629
MSSARL	5,880	10,100	19,208	50,100
MSSPA	3,553	2,000	12,046	5,900
MSSRL	3,954	3,763	9,488	10,662
TOTAL	55,872	73,718	229,105	217,585

BV

Finished Goods DOS sales

The sales was good this month, in units we did 147% of budget, but we are facing serious problems because of *Grey import and Piracy*. These are 7 cases we know of, let's just try to imagine the number of cases we don't see and it is clear how big a problem this is. Most of this information comes from OEM customers like G2 and Computer Cash & Carry. Of the 7 cases only one case it is clear to us that the packages are the original, in the other cases we really don't know.

GmbH

The forecast for March was 15,000 units of package MS-DOS incl. DOS/Windows combo packages. Actually we achieved 14,359 units which is 50% of our budget with 30,635 units. This was mainly caused by Cebit. In addition we see that we forced some backholding on orders through the new version of Windows which will be delivered in April. According our April forecast we expect to ship in total 30,350 units.

License Business

In our license business we were able to clean up several situations where we had either huge PPBs or we had companies who didn't follow our rules of the contract. We signed two new amendments with Schneider and Escom. In the Escom contract several mistakes had to be corrected which is done now. With IPC we still have no new contract because we have to set the situation right where the customer wants to sublicense other customers which they for sure did in the past, but we will not allow this in the future. For Itos and AEG we are waiting for approval from the US. All the t&cs are mainly agreed on.

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We are in the process of negotiation of more than 130.000 units of new business..

Market Trends

The market is getting slower but there is still a high demand for Windows and Multimedia. Escorn is planning to offer all systems with a CD-Rom drive instead of a 5 1/4" floppy drive.

LTD

A successful month despite the fact that many of our customers were holding back DOS/Win orders as they waited for Win 3.1. Sales missed budget by less than 160 units (99%). We still shipped a very healthy 4,000 units of Windows, keeping our penetration up to 23% although this is well down on our normal penetration of at least 50%. Everything points to being a record month in April which should see our FG DOS sales peaking at over 20K units for the first time !

One of the most interesting (frightening !!) aspects of March sales were 3 new business opportunities. For the first time (due to the drop in sales) we had time to do some limited prospecting. Natalie came up with three new OEMs who ordered a total of 2,200 units between them for their first orders !!! What are we missing ????????????

Market Trends

David Bradley and I visited PC World in Croydon. WHAT A DUMP. Neither of us could see what they were offering the consumer. Stocks were low, nobody could offer any product guidance or assistance and the displays were scrappy with little thought about attracting people to look/play with the hardware etc. I understand that the new superstore on the Hendon Way is much more impressive - perhaps worth a visit in April.

Dell have announced that the UK accounts for 15% of group turnover and profits. 12-15% of UK sales are through VARS.

Olivetti have cut UK prices by an average 29%. A 386SX is now £999 (from £1,785 !!!). They'll maybe sell some now - but this is still £400 dearer than OPUS !

DR claim 15% of the PC operating system market - this is bullshit !

Meanwhile DEC has also reduced PC prices in the UK, by up to 41%

IBM claim to have shipped OS/2 2.0. At the Which? computer show (apparently very dull and smaller than ever) IBM were dressed casually etc - apparently repeating a theme from the US launch. They were taking orders at £99 per copy at the show - but no evidence of any product ready to be taken away !

SPA

Sales of PackDOS keep great at 198% YTD. The positive trend slowed down somewhat this month due to several factors (everybody was at CeBIT, and the wait for Windows 3.1), it's expected to ramp up again with the availability of Win 3.1. We'll arrange for 3 bundles: DOS+Win, DOS+Win+Winworks, DOS+Win+Winpublisher. To present them and introduce the new Win 3.1 giusl produced a mailing to 500 customers & prospects. The new packDOS salesrep, Giorgia Palazzo (Giorp) hired and running. A trainee for start, she will take care of prospecting and of smaller customers.

SRL

Pack DOS sales over budget (3,954 uns or 105% vs budget), in spite of migrating CSEI (15K uns) and Comelta (20K uns) to royalty business. Expectation is we will ship a total of 35K units in FY92.

Fosen, ex-DRI customer, signed a 1K-unit Pack DOS agreement. Another win against DRI.

Win shipments to OEMs were 21.6% vs Pack DOS shipments (1K uns). Several OEMs delayed purchase until April, since Win 3.1 is at the end of the corner. This will increase to over 1.5K uns in April.

OEM Mouse sales were 230 units or 56.7% vs budget (128% vs YTD budget). Working on a Win+ Bulk Mouse box in order to sell both together to OEMs. This will increase sales.

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Key Account Summaries

European OEMs

Amstrad (Richard Barrie)

They launched their new machines at CEBIT. They are mainly Intel machines that have been badged by Amstrad. Other OEMs such as Apricot and Elonex have been publicly quoted as unhappy with the arrangement. They want Intel to stick to selling chips.

Amstrad also "launched" a colour notebook, but later discussions with them revealed that they still haven't worked out how or who they'll buy it from !!!!

Richard Barrie and I met with Miller to discuss their royalties. "Too High" said Miller. We told him that we understood that he believes he has a "bad" deal. He agreed. We told him we also had a "bad" deal and that it wasn't getting any worse. This will get even spicier when they start pushing for a Windows royalty for their new 486 machines (not currently covered - but they announced at CEBIT that these would come complete with Windows !)

Apricot (Dale Borland)

They need to get their amendment signed to reduce their min commit payments now that we're into the second year of the agreement. Otherwise fairly quiet.

BULL

We are continuing to work on LM/U. Bull is starting the port to their own Unix, and they are also negotiating with IBM the port to RS/6000. We should have more information in April.

Digital

Digital will probably do a bundle campaign from April on. The idea is to sell the computer with undefined software and the final user will choose one or more products of a list. They will define the list in April (WinWord, Excel, PowerPoint and MS Office will be in the list).

They have canceled two presentations to their sales force in Bilbao and Barcelona. The only one confirmed is in Madrid on April, 6th.

ESCOM (Michael John)

Manfred Schmitt met Jochen Haink at CeBIT. They agreed on a deal where Escom will be supplying highend applications through their mailorder house. Also we will get four pages of their Extrablatt to advertise Microsoft products.

Manfred Schmitt will attend the OEM briefing in Monte Carlo. Escom will start offering systems with CD-Rom drives instead of 5 1/4" floppies soon. This will be a major step in the direction of our Multimedia efforts.

Groupe TVF

Groupe TVF is a holding of three companies : *Handtop Computers International*, *Intrade* and *TVF Communications*. Two of them (Intrade and TVF Comm.) are selling and distributing in France 386SX to 486DX PCs, standalone or in specific solutions (with fax machines, printers, word-processors, modems, videotex or multimedia s/w) ; the third one, HCI is manufacturing and distributing worldwide notepads and palmtops : the "Handtop" line.

Actually, HCI signed partnership agreements with Taiwanese OEMs, especially Teco : Teco will produce Handtops and HCI will add some hardware (RF or infrared I/O, customized case,...). For the distribution, HCI will keep all the industrial market worldwide, and both will sell Handtop to the "business" market, roughly : North America, Germany and Asia for Teco and the rest of the world for HCI.

IBM (Spain)

They are now defining the bundle strategy for this year. With PS/1 they are now bundling with Windows and Lotus Primera with two of the three new models. They will include the third one in the campaign. With PS/2 models 70, 80 and 90, they are planning to prepare a SW list with Lotus 123, Framework and Dbase IV, all of them in CUI. They need to include a Word Processor. The candidates are WordPerfect 5.1 and Word 5.5. The dealer must choose SW of the list when they buy a computer, but the dealer is not forced to choose all of them.

They will change the discount policy to their channel. The plan is to do a three-monthly discount based on the HW+SW revenue of the previous three months. Up to date, they applied the discount depending on the number of units per order.

ICL/Nokia LTD (Lars Ahlgren/Dale Borland)

Diane and I met with Ninian Eadie (President, ICL Europe) at CEBIT. What a waste of time !! - Eadie is clearly no threat to us but similarly he's of no benefit either. He represents the "old" ICL of public schoolboys that are afraid of their own shadow. (and decisions !)

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I've been concerned that Dale hasn't been handing the account over properly. I'll talk to him as he needs to drop this responsibility to make way for his new challenges.

Mills is getting very unhappy with the way he's dealing with MS. He's written to Dale and wants to focus his relationship through the UK. He feels that AB have a bad relationship with Norokorpi (he knows that the Swedes and Finns don't mix well!), he doesn't think that AB have as good a relationship with Redmond and finally he doesn't seem to be too happy with Norokorpi either!

All the actions froze because of their merger. Many changes in the structure are taking place. They are preparing now their merger with Fujitsu. The strategy they are following now is UNIX (ICL strategy), and all the focus Nokia was doing in Windows environment is going down.

Normere!

Normere! is back in the French OEM business! Moreover, they signed a two year, per-processor license agreement for MS-DOS and Windows preinstalled everywhere, even on the 286 PCs...

Olivetti (Maurizio Bedina)

Agreements. TAM Agreement signed. Windows RTR and Compatible Agreement signed. Pending TrueImage: produced final version, at Olivetti for signature. Europewide umbrella DOS Upgrade distribution: Agostinucci met Jeffsa, restarted negotiations. Amendment 3: produced draft 1.1 to incorporate new royalty for Win upgrade and MM Extensions (both successful sales, beating our minimum goals!); ok'd by Douglasj, presented to Olivetti for signature.

Comms server for NT. While in the US Maurz met Mattra and agreed on a royalty platform that is very suitable for Olivetti. Thanks to our new agreement with DCA, now we can offer to Olivetti reasonable royalties, allowance for per-client license. Only "tough" provision is reporting per-server anyway, but allowing 3-month delay Olivetti should be able to live with it.

Multimedia. Olivetti agreed to license MM Extensions for their upgrade kit at a standard royalty. Probably they clarified with Mediavision and are now ready to ship. Good for us. Presented them the new asset of MM into Win 3.1, will present Bombay asap. During Perttir/Brandt mtg Olivetti came out with request of info re our integration with Kodak's PhotoCD std. Maurz is trying to gather it from MM group.

NT-OS/2. Brandt met in the US Perttir to go through several issues. Olivetti is very happy of the relationships with Perttir. On the Rabobank front, feedback from Mensi is good with some warning (now that Olivetti+Rabo agreed to stay with OS/2 1.3 waiting for NT, we should help ensuring OS/2 1.3 works well as a solution, at least for a while).

ROM DOS and Works. Quickly trying to finalize this. Managed to have a prototype machine, which Maurz brought to Redmond and showed to Donnag and her group. Trying now to solve Olivetti's request to have their voice annotation stuff work with Works. Donnag owes a quotation for doing a change to Works (!) but we'll try to avoid this and lobby for a dirtier (ie quicker) solution using Works' bookmarks. The goal is to have the machine with MS Works embazoned out for the summer.

Trueimage. With some last changes, finalized by Maurz with Douglasj, the Agmt seems now to meet Olivetti's nonstd requirements, thus being shortly signable. Meanwhile the new PG printers which run TI have already been released by Olivetti (which is surely better for us than for them, contractwise).

Peacock Computer

We agreed on a deal for three years. Every year they commit to 80,000 MS-DOS, 60,000 Windows and 50,000 Works for Windows. This deal is worth overall \$13m. for the three years. Also they are interested to be a Sparta beta customer.

Schneider Rundfunkwerke AG (Andreas Niegel)

The new amendments are signed. Schneider is on price guideline now. They committed 50,000 units over this calendar year and all prepaids will be written off December 31. If they are not used. They wrote of \$1.2m from their former prepaids. We are concentrating now to deliver support from our side to get them back on the successful track. They decided to buy PCs manufactured by Actebis in the future.

Siemens Nixdorf Informationssysteme AG (SNI) (Jaap VanArkel)

General This month a major change took place in the SNI organisation. The VM department responsible for the SNI marketing research and marketing communication was dissolved. Marketing communication is now in the System Planning division of Dr. Bodo. This gives the planning departments more influence on the position of their products in the market.

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DOS - SNI will build a Sinix system based on EISA hardware. Changes to the BIOS settings can only be made from DOS. (Due to the EISA architecture). The system will run Unix full time, only when a change has to be made in the BIOS, DOS must boot the system. There is only a need for a stripped DOS version IO.SYS, MSDOS.SYS, command.com. Currently I am informing if and at what price I can offer embedded DOS. (Quantities >10K a year.)

NT - SNI still very NT minded. Dr. Bodo, Vice President Planning, told me SNI is pushing NT into major accounts and tells these accounts that OS/2 will not be supported in the future.

I brought SNI (Dr. Kopitch) together with our MS GmbH people to come to a mutual approach/strategy towards corporate accounts. In a joined visit to the Deutsche Bank with (Microsoft NT marketing and Consulting), Microsoft made a very bad impression. SNI will try to get MS in again. MS GmbH people are now trying to work with SNI to resolve this conflict.

SNI France is almost ready with their Mips 4000 SC machine and need technical input to be able to write NT device drivers. (System will be introduced the end of '92). Daily NT support for SNI France will be done from SNI Augsburg WA T2.

Siemens - Several hardware producing Siemens divisions are showing interest in NT. Siemens Halbleiter-CO. This Siemens organisation produces chips and semiconductors. In this Siemens division the Siemens MIPS chip will be produced. Siemens Production Automation in Erlangen. Mr. Fabian from SNI development will inform Siemens about NT and support their hardware development.

LANMAN: Due to the difficult decision for end users between OS/2 and Windows, SNI expects a strong market for Unix systems. The acceptance of named pipes in the Unix world leads to acceptance of LAN Manager for Unix. Total units in the next 5 years: 30.000

SNI is getting acceptable performance from their LM/U systems (in comparison with OS/2 LAN Manager). SNI ported LM/U 2.0 to their MX300 in less than two months. Rumours that SNI wants a port of LAN Manager to BS2000. No confirmation.

Multimedia: SNI is planning the development of high end Multi Media DVI system. Are waiting for DVI windows device driver from Asymmetrix. SNI decided to stop their Multi Media PC with Windows 3.0 and MM extensions 1.0 and directly go to version 3.1. They want to include the applets Music box and Alarmclock in the win 3.1. Multi Media machine with Windows 3.1. I am looking for a possibility to license them these applets separately.

Notebook: Working on the mouse driver for DOS for the notebook with built in trackball. Expected units shipments 10K until October. All notebooks will be with Windows 3.1 pre-installed. One non German large account wants 1000 units wants with run OS/2 2.0 on this system. SNI will try to deliver this notebook with Windows pre-installed.

Tulip (Hans Ranselaar)

Tulip was not very please with the LAN manager Council booth at the Cebitt in Hannover. The cost of 18K Dm. were to high compared to the cost of a comparable booth which would go for a third of this. Also there was more interest for the multi-media stuff etc. instead of LM. If the council booth is not in the networking hall next time, Tulip will not be interested to participate.

Tulip is still missing Sytos as a part of their network offer. It was obviously very difficult for them to communicate with Sytos on this one. The also noted that the upgrade from the Sytos software is not organized via Microsoft.

Novell will start bundling DR-DOS 6.0 with Novell light. Tulip is not very interested because they did standardize on MS-DOS.

Tulip is willing to bundle the ball-point clip with all their notebooks machines, including a Ball-point fulfillment card.

Vobis (Stefanie Reichel)

On April 3rd we had a meeting with Vobis to get their royalty reports signed. They are reporting 83.410 systems in Q3 FY92. Out of these 83.410 systems they shipped 52.913 systems with Windows. This is a penetration of 63%.

The relationship between MS and Vobis is improving more and more and we get contact to several key persons within the company. Even Dahmen is slowing down in arguing about policies and t&c's of the Vobis contract. Lieven himself mentioned in a meeting with Bernard Vergnes that he is satisfied with the situation right now.

We are in the process of arranging a meeting between Bill Gates and Lieven during the OEM briefing in Monte Carlo. Also we will have meetings arranged between Brad Chase, Jeff Lum and their marketing people in Aachen. Also Brad wants to visit one or two of their stores.

US OEMs

markba

PHILIPS: We accomplished a great deal with Philips this month. At the CD-ROM Conference we scheduled a meeting in Eindhoven for April 2nd with Kodak to finalize the licensing of PhototCD. We received final signature on Amendment 3 of the old Master Agreement which allows for all pre-pays to be brought current and eliminate all of the pre-paid balance for Philips. We also received final signature of the 1992 Philips Reseller Agreement for Packaged Products world-wide.

Philips is in the process of re-organizing their PC Division and reducing their man power in Montreal and Knoxville. This comes as a result of declining sales in the US and control being shifted back to Eindhoven. Knoxville will be strictly a sales organization and purchasing in Montreal has been removed from the product planning and selection process.

The transition of Philips to Donhar is almost complete and we will officially introduce Don to Philips at Windows World.

COMPAQ: Teresach and I have completed the transition with Compaq. After intensive negotiations in Houston, the Windows Letter of Intent was signed by Doug Johns and Steveb. Compaq will ship Windows/MS-DOS preinstalled on a variety of desktop and laptop systems in the June time frame. The per system agreement covers stair step pricing for volumes ranging from 250K and up. A system is defined simply as any system that ships with a pointing device.

Compaq has agreed to partner with MS on the 3Com upgrade to LM Program.

debbiefl

CompUSA: At the WinHEC meeting, Steve Dukker brought up several issues that he needed to have addressed in the amendment before he would sign it. The changes were discussed and mutual agreement was reached. Steve signed the amendment that committed Compudyne to a 3 year per processor MS-DOS and a 3 year per system Windows agreement. We continue to look for common ground for applications business. There also appears to be some interest in Pen and Sparta. With the amendment executed, more time will be available to pursue these additional business opportunities.

Media Vision: The activity level with Media Vision was in high gear this month. They wanted to have the most current Windows product in the channel before the end of their month (3/27). This turned out to be a real challenge, as the EZ Windows product was not due to be finished until the end of March. Microsoft also did not have a testing program in place for HIVs to receive a compatible logo, and Media Vision needed the logo for their new products. A license for EZ Windows and an amendment suspending their Multimedia Windows commitments also needed to be executed before product could be released. Additionally, they wanted credit on their order. Things came together with the help of Claudiar, Print Northwest, Susanwr, Rickpo, Joshh and Peterbra. Media Vision was very happy with what Microsoft was able to pull off. Pamelago and Debbiefl made a visit to disclose them on Bombay. The work we were able to do with EZ Windows helped make it a very positive meeting.

Creative Labs: Creative Labs was slightly behind Media Vision in getting Windows 3.1 into their upgrade kits. However, after Egghead placed an opening order for 1000 units, things got busy very quickly. Luckily, the work with Media Vision enabled things to go through very smoothly. One reason why things went more slowly with Creative Labs was because they insisted on being able to deliver Windows 3.1 on CD. Initial approval was given for them to deliver on CD, but the pressure of the Egghead order forced them to sign the amendment and the license so they would have access to Windows 3.1 on floppy until we can come up with a CD solution. MS did a MM Works demo for Larry Samuels at the CD-ROM conference, and he agreed to a 50K commitment. Creative Labs was also disclosed on our plans for Bombay.

tomhen

Austin: Closed them on two year extension to MS DOS & Windows contract, which includes Easy MS DOS and Easy Windows. Closed MS Mouse extension which runs until their Mitsumi direct agreement can come into effect. Austin is ready to ship Windows 3.1 April 6, advertise the Windows Ready to Run logo, and put Ready to Run stickers on their systems monitors. Austin will be going public within the next two months, to raise additional funding for expansion.

**** MICROSOFT SECRET ****

Commodore: Belgium GM had proposed WFW bundle to a banks employees even though they did not have a WFW license. Enabled them to fulfill this obligation with inexpensive package product. Windows per system commitment that we were expecting has had a set back, Commodore has decided for right now they can't commit to shipping Windows on 100% on any one of their systems. Tomhen will go directly to their sales force to understand this limitation.

Swan: Closed them on Windows GUI upgrade bundle (Windows, VGA monitor) to their installed Customer Systems, this agreement also included German MS DOS and Windows. Also closed them on new OnLine Agreement (\$2500 variety). Got Windows RTR Logo Agreement closed. Swan is ready to ship Windows 3.1 April 6, advertise the Windows Ready to Run logo, and put Ready to Run stickers on their systems monitors.

Tandon/Positive: Closed them on per system Multimedia Works for Windows and MM Bookshelf. Closed them on \$15,000 OnLine agreement. Got Windows RTR Logo Agreement closed. Tandon is ready to ship Windows 3.1 April 6, advertise the Windows Ready to Run logo, and put Ready to Run stickers on their systems monitors. In fact Tandon will have MM Systems with Windows 3.1 on-the-shelves in Bizmart on April 6!

ronmca

Tandem: Worked with Tandem PC product management in Austin to put in place a free upgrade program for customers who purchased Tandem systems with Windows from the time period of March 1, 1992 through April 6, 1992. Worked with the customer to arrive at a shipment plan for Microsoft Windows v3.1, possibly using Phoenix or Donnelly as the documentation vendor. Renewed their OnLine contract for another year.

Ungermann-Bass, Inc.: Coordinated 3/25/92 meeting between Dwayne Walker, MS BUM for Networking and key U-B personnel at their Santa Clara facility. Goal of the meeting was to place U-B in the strategic integrator program. Dwayne has signed up to do so. U-B has been sent the appropriate information and contracts. This will make serious strides towards cleaning up many outstanding supports issues which U-B has in the field with their LM customers.

Coordinated 3/30/92 high level briefing meeting between Paul Maritz and Dwayne Walker from MS and Ralph Ungermann, CEO, and Bruce Brown, GM - Americas and Australia. MS presented future plans for OS and Networking as well as inclusion of U-B in the MS Strategic Integrator program.

THStyme: Negotiated outline of a license agreement for MS-DOS v5.0 and Windows v3.1 which is mutually agreeable to both the customer and MS. License will be prepared and submitted to customer for approval and sign-off.

Atari: They have paid their delinquent quarterly royalty minimum. They have quit manufacturing PCs themselves and buy product from a Taiwan vendor. They need to have an amendment to their license to halt shipment and billing for the foreign language versions of the MS-DOS and Windows ODKs.

Northgate: They have requested we restructure their license to allow lower commitments, inclusion of OS/2 v2.0 and per processor license for Windows v3.1. Sent them a proposal outlining such a plan and will meet with their executives on the way back from WinWorld to negotiate the restructure.

Markbu

NCR

Resolved communication issues surrounding Billg attendance at the executive review. In a conversation between Steveb and Tom Mayes it was agreed that Billg will attend but this will cause a rescheduling of the date to at least late May or June. The first of the OS/2 to NT migration training sessions are scheduled for the second week in April in Clemson. Billand has been working successfully to involve NCR in the MS Banking strategy.

Established relationship with George Simmons, AVP Pen Computing. NCR will announce immediate availability of Pen for Windows at Windows world. This was originally planned for a June release but through outstanding efforts on the part of both MS and NCR this was moved back to coincide with MS' announce date. They will also be participating in the press review program and will be the featured Pen machine in the May seminar program. NCR will also be the focus MP machine at Windows World. We will have a 8 processor 3550 MP machine on stage during Billg's keynote demonstrating NT as well as several machines in MS booths.

Obtained verbal agreement on the final wording of the Windows per system amendment for Safari Systems. Expect signature in April. Mouse Agreement was signed off and is now in place. Amendment #2 for LM Client pricing is in signature at MS.

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11

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The LADDR source code issue was resolved by MS agreeing to give source to NCR.

AT&T

AT&T MS Office Amendment signed by AT&T. Is now in signature at MS. Pen group met with ATT to discuss a new phone based pen product being developed by Bell Labs. Resolved outstanding billing issue between MS and AT&T for Q1 and Q2.

Johnmc

AST - Amendment to identify Windows systems and add new arrangement for Custom Configuration program is almost complete. Only detail left to finalize commitment of AST to guarantee MS that standard models outside of the configuration program will not be offered through the same offer as Custom Configuration customers. AST was given a 30 day no charge window for "free to the customer" upgrade. AST will offer a 90 day free upgrade program to its customers of which 30 days will be royalty free. Pre installation utilities provided in the ODK gave AST much grief. A conference call was set up with philba to identify problems. Phil proposed MS to send an Install Lite implementation to help. This solution did not help. AST voiced their concern about not confiding in them for development of utilities. Gained agreement to have Tom Yuen interview in Windows launch Video. Arranged for AST product support to be trained by alexn. AST very happy about preparation of their PSS group for Windows 3.1. Met with Jim Schraith, VP and Julie Irving, Dir of Advantage systems to review discuss and outline cooperative marketing opportunities and plans. Meeting was good, with some very good ideas/opportunities exchanged. Possible opportunities for marketing are Merchandising MS software with AST machines in "gondolas" in Computer City locations, and co-merchandising at Costco with concept of palletizing promotion. Developed new contact at AST, John Kies, Controller. John has agreed to provide quarterly revenue information. AST has been enrolled in Sparta and FFII beta programs. Set up escalation path for AST WinWorks PSS staff to get direct answers through MS PSS.

Wyse Technology - Received signed Amendment from Wyse. Amendment adds Windows 3.1 on a per processor basis. Amendment also extends original term 1 1/2 years to have total commitment from Wyse for 3 years for Windows. Total Dollar commitment is for \$8.3 million. Amendment also allows recoupment of pre-paid royalties at 50 cents on the dollar in excess of the minimum commitment. Wyse system development of NT going better than expected. Wyse delivered to MS an SMP 7000i for which the SMP HAL is scheduled to be completed by the end of April.

Tomda

ZDS was informed of the Winball schedule slip this month. We continue to work to close Winball. The slip of the product will make closure difficult but not impossible. ZDS will agree to extend their license for DOS and Windows for three years. ZDS will also agree to a two year per system Mouse royalty deal. Jerry Baldwin, formerly of CompuAdd has joined ZDS and will head a ZDS direct marketing effort. Enrico Pesatori, ZDS CEO will meet at Winworld with Billg, Steveb and Joachimk to discuss the ZDS/MS relationship, Winball, DT4, etc. The ZDS account transition has begun this month. The account will be transitioned to Gregg who will assume account responsibility on April 13.

Sun Microsystems is interested in renewing discussion that would determine the fate of their \$3 million prepaid balance and the licensing of the latest versions of MS-DOS and Windows. Sun is interested in becoming better informed on NT. SUN has reportedly been approached by IBM to join Taligent. After some delay, we have received Sun royalty reports for the past three quarters.

Jeffd

Logitech was transitioned to Tom Davis.

Data General transitioned on hold.

East Coast Territory transition is completed.

Windows World meetings are set up with Cardinal, Dauphin, Summagraphics, and TRAK.

Darcyh

HP Corvallis

Corvallis has decided not to use Schedule Plus as their PIM solution. This will reduce the royalty by \$5 to \$80 for the applications. This is seen as good decision by MS, as Schedule Plus was NOT designed as a PIM product and was a

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force fit. Corvallis is still working on defining their solution. Had meeting regarding the Lion agreement with Corvallis attorney and Petermi. This went very well, and has moved the process along substantially. Next step is to complete the Statement of Work which requires resolution of Interlnk and Mouse source adaptation issues. Expect HP to sign agreement by mid-April.

HP Grenoble

Grenoble is continuing their evaluation of Sparta, and is eagerly waiting the next release of the beta. Will be setting up a meeting in June with Mikene and Jacques Clay. Grenoble is still interested in licensing the mouse, but is evaluating price vs. quantity commitment. Darcyh is working with a new marketing manager, to address this. Delivered the Windows Amendment to Rocky Scales. Will be discussing this first of April. Expect signature by 4/30.

HP Sunnyvale

We have presented a proposal to Sunnyvale for Edison. This included enhanced fax capabilities for MS Mail, Schedule Plus for the PIM, and Winball. They will make their decision by first of April. We have a royalty discussion meeting set for 4/13, and will determine what should be in a LOI. Royalties are in the range of \$50-60 excluding MS-DOS/Windows. We have scheduled a meeting on 4/13 with Robg and Sunnyvale's Interactive Television Appliance Group to discuss Haiku and other consumer related technologies.

HP Colorado Networks Division (CND)/Information Networks Division (IND)

We are continuing our negotiations of the LM/UNIX 2.0 Amendment. Bobkr, Darcyh, and Cindyha have had conference meetings with HP's attorney to negotiate. Key issues are HP wants rights to LM/UNIX 3.x, and HP wants their remaining \$2.07M balance for development costs for LMX 1.1, which MS will NOT give. HP needs this amendment more than MS therefore expect signature by mid-April. Additionally, we are working with HP to get PR for LM completed.

Momenta

Have been working with Momenta to ensure they receive all necessary materials to ship their product on April 6. Met with the Windows champ and marketing communications manager to discuss areas in which Momenta can be more involved with selling with SMSD. Will be hosting a strategy meeting with Windows for Pen Marketing group and Momenta on 4/21.

Richab

Hewlett-Packard

Richab and Markche presented HP Boise with a draft LOI encompassing the phased cooperative scenario that HP proposed to us in February. Follow up negotiations are scheduled for early April. This will be a topic of the April 15th Ballmer / Carnahan meeting in Boise.

A productive meeting with HP's Vancouver Printer Division was held where we presented our vision of printing, an overview of our resource based printing architecture and our view of the implications for Vancouver's ink jet products. Both mid-level engineering and product marketing management were in attendance and we obtained commitments to have follow on discussions with *both* sides of the house. Prior contact with Vancouver was almost exclusively focused on the engineering organization.

HP provided WPG under NDA detailed revision history of the LaserJet printer family. This information will be extremely helpful for the JUMBO test effort and represents a new level of commitment and support from HP for JUMBO.

A large contingent from several HP divisions met with MS Applications and Systems program managers to share their vision for color printing devices and to air their concern for our lack of commitment to color. The intent of meeting with this audience was to sell the users of APIs on the opportunity and to build internal demand from the applications for OS support of color.

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

Quarter: 3 FY92

Account	Jan Budget	Jan Actual	Feb Budget	Feb Actual	Mar Budget	Mar Actual	FYQ3 Actual	FYQ3 Budget	FYQ3 Diff.
Braman	466,283	125,000	125,647	300,000	42,534	10,536	435,536	634,464	-198,928
Commodore	0	20,874	829,875	0	0	1,041,063	1,061,937	829,875	232,062
Compaq	0	0	4,608,500	4,573,870	0	6,375	4,580,245	4,608,500	-28,255
Comp USA	0	0	0	1,000,000	0	0	1,000,000	0	1,000,000
Creative Labs	0	101,500	144,000	0	0	0	101,500	144,000	-42,500
Headland	0	0	95,000	0	0	0	0	95,000	-95,000
MediaVision	0	0	135,000	77,330	0	0	77,330	135,000	-57,670
Momenta	0	0	0	0	0	0	0	0	0
Northgate	734,627	743,880	79,002	0	81,396	3,549	747,429	895,025	-147,596
Positive	0	-700,630	0	0	0	0	-700,630	0	-700,630
Tandem	0	19,055	0	0	0	10,375	29,430	0	29,430
Tandon	1,017,325	1,911,814	17,325	9,243	17,850	143,083	2,064,140	1,052,500	1,011,640
UB	296,031	131,250	0	256,580	0	0	387,830	296,031	91,799
Chestnut	41,283	62,500	282,976	11,560	162,756	0	74,060	487,015	-412,955
AT&T	25,410	384,994	1,512,418	408,015	26,180	148,409	941,418	1,564,008	-622,590
AST	1,834,266	892,601	109,412	1,774,377	112,727	144,375	2,811,353	2,056,405	754,948
Data General	7,000	0	311,791	220,312	0	65,355	285,667	318,791	-33,124
HP	716,170	569,711	148,800	496,834	0	113,155	1,179,700	864,970	314,730
Logitech	0	0	397,500	1,421,655	0	0	1,421,655	397,500	1,024,155
NCR	1,059,665	1,933,183	920,415	130,385	8,670	113,025	2,176,593	1,988,750	187,843
Wyse	375,000	375,000	0	0	0	0	375,000	375,000	0
Zenith	128,700	55,300	2,278,700	2,149,977	132,600	127,225	2,332,502	2,540,000	-207,498
Totals	6,701,760	6,626,032	11,996,361	12,830,138	584,713	1,926,525	21,382,695	19,282,834	2,099,861
		99%		107%		329%		90%	

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

Quarter: 3 FY92

Account	Jan Budget	Jan Actual	Feb Budget	Feb Actual	Mar Budget	Mar Actual	FYQ3 Actual	FYQ3 Budget	FYQ3 Diff.
Braman	2,514,266	2,352,743	6,034,349	6,217,023	141,780	1,214,981	9,784,747	8,690,395	1,094,352
Chestnut	4,187,494	4,273,289	5,962,012	6,613,115	442,933	711,544	11,597,948	10,592,439	1,005,509
Totals	6,701,760	6,626,032	11,996,361	12,830,138	584,713	1,926,525	21,382,695	19,282,834	2,099,861

FISCAL YEAR 1992 - FORECAST (Actual through March)

FISCAL YEAR 1992 - BUDGET

Account	Q1FY92	Q2FY92	Q3FY92	Q4FY92	Total FY '92
Braman	628,599	788,980	435,536	857,794	2,710,909
Commodore	1,104,216	652,858	1,061,937	532,511	3,351,522
Compaq	3,978,063	3,400,516	4,580,245	3,726,000	15,684,824
Comp USA	0	0	1,000,000	187,500	1,187,500
Creative Labs	0	3,000	101,500	155,000	259,500
Headland	0	0	0	0	0
MediaVision	0	32,098	77,330	82,500	191,928
Momenta	0	0	0	0	0
Northgate	766,994	940,650	747,429	876,600	3,331,673
Positive	595,000	0	-700,630	0	-105,630
Tandem	36,555	35,695	29,430	94,050	195,730
Tandon	1,302,767	994,823	2,064,140	1,173,300	5,535,030
UB	392,706	507,149	387,830	220,250	1,507,935
Chestnut	3,604	13,622	74,060	150,000	241,286
AT&T	2,221,605	2,466,116	941,418	1,500,000	7,129,139
AST	1,915,725	2,005,487	2,811,353	2,600,000	9,332,565
Data General	434,876	392,762	285,667	0	1,113,305
HP	562,653	1,238,648	1,179,700	1,900,000	4,881,001
Logitech	1,040,310	1,097,339	1,421,655	1,900,000	5,459,304
NCR	1,778,510	-509,866	2,176,593	1,900,000	5,345,237
Wyse	375,800	375,000	375,000	500,000	1,625,800
Zenith	2,520,642	2,317,357	2,332,502	2,350,000	9,520,501
Totals	19,658,625	16,752,234	21,382,695	20,705,505	78,499,059
Budget	17,494,801	18,558,058	19,282,834	20,951,271	76,286,964
% of Budget	112%	90%	111%	99%	103%
Difference	2,163,824	-1,805,824	2,099,861	-245,766	2,212,095
YTD Diff	2,163,824	358,000	2,457,861	2,212,095	
YTD%Budget	26%	48%	76%	103%	

Account	Q1FY92	Q2FY92	Q3FY92	Q4FY92	Total FY '92	% of Budget
Braman	580,794	629,264	634,464	636,464	2,480,986	10%
Commodore	793,791	758,640	829,875	878,511	3,260,817	10%
Compaq	4,292,500	4,298,788	4,608,500	4,703,343	17,903,131	8%
Comp USA	0	0	0	500,000	500,000	23%
Creative Labs	0	144,000	144,000	240,000	528,000	4%
Headland	0	95,000	95,000	125,000	315,000	3%
MediaVision	0	135,000	135,000	217,500	487,500	3%
Momenta	0	0	0	0	0	N/A
Northgate	903,301	911,825	895,025	847,535	3,557,686	9%
Positive	595,000	595,000	0	382,500	1,572,500	-
Tandem	0	0	0	0	0	N/A
Tandon	1,052,500	1,052,500	1,052,500	1,052,000	4,209,500	13%
UB	147,281	208,004	296,031	313,531	964,847	15%
Chestnut	166,791	166,794	487,015	366,794	1,187,394	2%
AT&T	1,120,900	1,292,300	1,564,008	1,991,580	5,968,788	11%
AST	1,762,201	2,006,479	2,056,405	2,031,680	7,856,765	11%
Data General	313,250	313,250	318,791	411,000	1,356,291	8%
HP	778,242	893,964	864,970	920,583	3,457,759	14%
Logitech	358,000	357,500	397,500	397,500	1,510,500	36%
NCR	1,711,250	1,719,750	1,988,750	2,020,750	7,440,500	7%
Wyse	444,000	375,000	375,000	375,000	1,569,000	10%
Zenith	2,475,000	2,605,000	2,540,000	2,540,000	10,160,000	9%
Totals	17,494,801	18,558,058	19,282,834	20,951,271	76,286,964	10%

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Account Team Summary - FORECAST

Braman	8,804,900	7,355,769	9,784,747	7,905,505	33,850,921
Chestnut	10,853,725	9,396,465	11,597,948	12,800,000	44,648,138
Total Forecast	19,658,625	16,752,234	21,382,695	20,705,505	78,499,059

Account Team Summary - BUDGET

Braman	8,365,167	8,828,021	8,690,395	9,896,384	35,779,967	9%
Chestnut	9,129,634	9,730,037	10,592,439	11,054,887	40,506,997	11%
Total Budget	17,494,801	18,558,058	19,282,834	20,951,271	76,286,964	10%

4/23/92

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

Quarter: 3 FY92

Account	January Budget	January Actual	February Budget	February Actual	March Budget	March Actual	FYQ3 Actual	FYQ3 Budget	FYQ3 Diff.
MSAB	0	0	0	364,500	200,000	1,831,280	2,195,780	200,000	1,995,780
Nokia	0	0	0	0	1,400,000	0	0	1,400,000	-1,400,000
Victor	0	206,931	0	0	0	412,640	619,571	0	619,571
MSBV	0	142,750	0	6,000	60,000	5,250	154,000	60,000	94,000
G2	0	0	0	0	128,000	102,281	102,281	128,000	-25,719
Tulip	0	62,500	286,756	138,183	463,244	725,000	925,683	750,000	175,683
MS GMBH	0	129,013	643,500	461,197	0	1,926,222	2,516,432	643,500	1,872,932
Actebis	0	0	0	0	130,500	982,964	982,964	130,500	852,464
AEG Olympia	0	0	0	0	100,500	100,500	100,500	100,500	0
Aquarius	0	0	0	0	500,000	475,000	475,000	500,000	-25,000
IPC GmbH	0	0	0	0	377,500	0	0	377,500	-377,500
ITOS	0	0	0	0	240,000	0	0	240,000	-240,000
Kontron	0	0	49,500	13,538	0	33,712	47,250	49,500	-2,250
Peacock	0	0	0	0	310,000	228,875	228,875	310,000	-81,125
Profex	0	0	0	0	107,437	122,400	122,400	107,437	14,963
Rein	0	0	0	11,000	104,250	0	11,000	104,250	-93,250
Robotron Asc	0	0	0	0	104,000	0	0	104,000	-104,000
Robotron Bue	0	0	0	0	0	0	0	0	0
Schneider	0	0	3,000	0	622,000	125,000	125,000	625,000	-500,000
SNI	0	2,217	1,315,138	0	147,500	1,368,675	1,370,892	1,462,638	-91,746
Vobis	0	0	552,000	1,239,216	53,250	-10,500	1,228,716	605,250	623,466
MSLTD	0	64,175	0	110,000	114,000	49,875	224,050	114,000	110,050
Amstrad	0	0	204,000	80,764	187,500	256,736	337,500	391,500	-54,000
Apicot	0	0	132,040	0	88,210	220,250	220,250	220,250	0
Brother Int'l	0	0	0	0	260,000	260,000	260,000	260,000	0
Elonex	0	0	0	0	0	400,000	400,000	0	400,000
ICL	0	0	0	0	550,000	0	0	550,000	-550,000
Opus	0	0	0	0	100,000	0	0	100,000	-100,000
RML	0	0	0	0	300,000	0	0	300,000	-300,000
Viglen	0	0	0	0	600,000	418,250	418,250	600,000	-181,750
MSSARL	0	161,000	0	90,745	114,000	236,874	488,619	114,000	374,619
Atlantis	0	112,150	3,500	0	46,500	50,000	162,150	50,000	112,150
Bull	0	60,750	144,000	0	0	50,000	110,750	144,000	-33,250
SMT Goupil	0	0	0	0	1,000,000	0	0	1,000,000	-1,000,000
Telemecanicq	0	0	0	30,529	47,250	16,721	47,250	47,250	0
MSSPA	0	21,430	0	0	14,175	139,695	161,125	14,175	146,950
Asem	0	0	0	0	128,875	164,375	164,375	128,875	35,500
Hantarex	0	0	0	0	300,000	150,000	150,000	300,000	-150,000
Intercomp	0	0	6,054	0	48,946	50,000	50,000	55,000	-5,000
Olivetti	0	0	0	24	3,000,000	3,000,000	3,000,024	3,000,000	24
Unibit	0	0	0	0	137,500	250,000	250,000	137,500	112,500
MSSRL	0	163,875	0	0	0	7,500	171,375	0	171,375
Ataio	0	0	0	0	12,500	0	0	12,500	-12,500
CSEI	0	0	0	0	0	0	0	0	0
IPC SRL	0	0	0	0	25,000	0	0	25,000	-25,000
MSHO	0	0	20,003	0	209,997	0	0	230,000	-230,000
PHILIPS	0	0	0	0	1,000,000	1,812,500	1,812,500	1,000,000	812,500
Totals	0	1,126,791	3,359,491	2,545,696	13,332,634	15,962,075	19,634,562	16,692,125	2,942,437
		0%		76%		120%		118%	

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

Quarter: 3 FY92

Account	January Budget	January Actual	February Budget	February Actual	March Budget	March Actual	FYQ3 Actual	FYQ3 Budget	FYQ3 Diff.
MSAB	0	206,931	0	364,500	1,600,000	2,243,920	2,815,351	1,600,000	1,215,351
MSBV	0	205,250	286,756	144,183	651,244	832,531	1,181,964	938,000	243,964
MSGMBH	0	131,230	2,563,138	1,724,951	2,796,937	5,352,848	7,209,029	5,360,075	1,848,954
MSLTD	0	64,175	336,040	190,764	2,199,710	1,605,111	1,860,050	2,535,750	-675,700
MSSARL	0	333,900	147,500	121,274	1,207,750	353,595	808,769	1,355,250	-546,481
MSSPA	0	21,430	6,054	24	3,629,496	3,754,070	3,775,524	3,635,550	139,974
MSSRL	0	163,875	0	0	37,500	7,500	171,375	37,500	133,875
MSHQ	0	0	20,003	0	1,209,997	1,812,500	1,812,500	1,230,000	582,500
Totals	0	1,126,791	3,359,491	2,545,696	13,332,634	15,962,075	19,634,562	16,692,125	2,942,437

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(FYQ3REV.XLS - EUROPE OEMS)

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FISCAL YEAR 1992 - FORECAST (Actual through March)

FISCAL YEAR 1992 - BUDGET

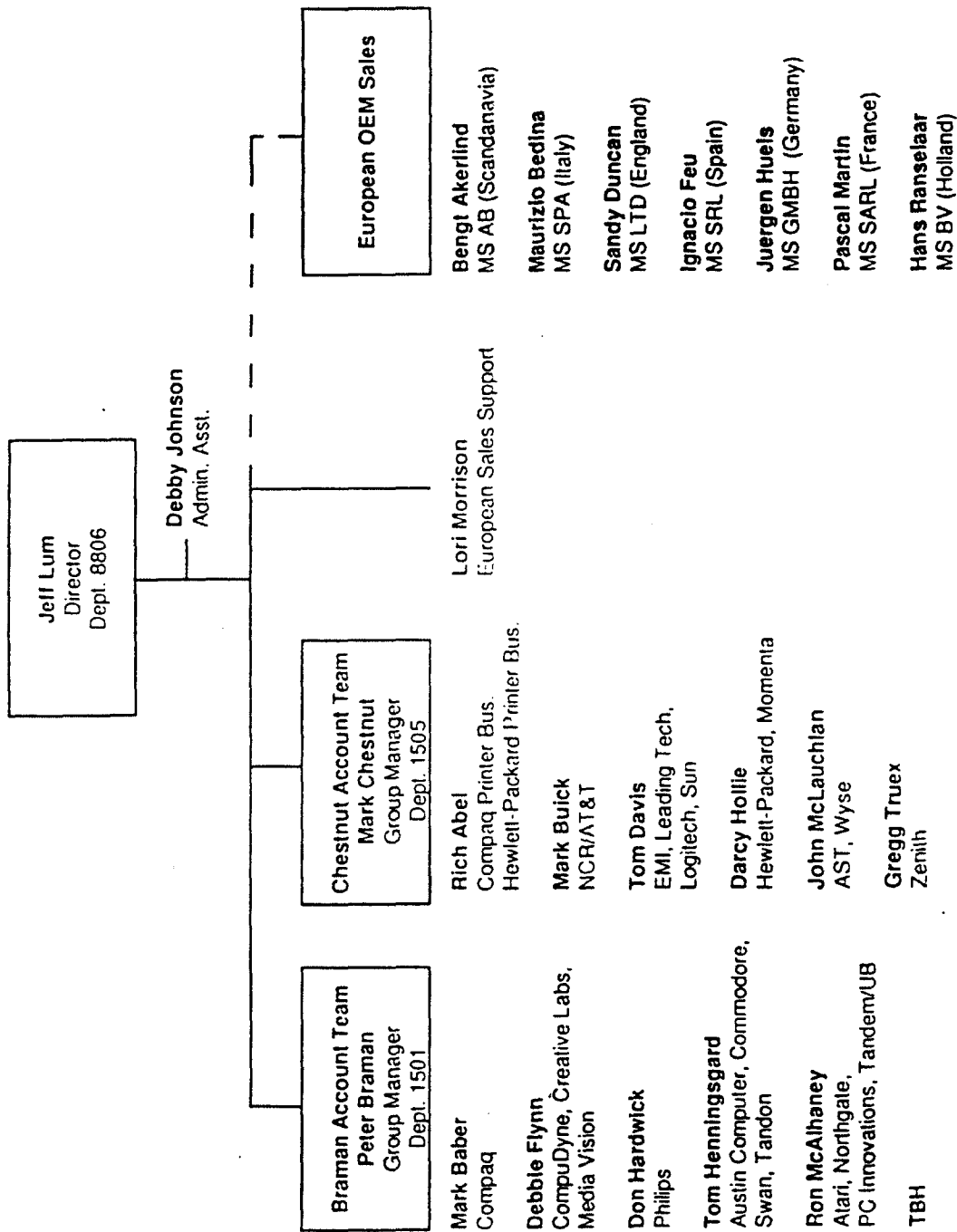
Account	Q1FY92	Q2FY92	Q3FY92	Q4FY92	Total FY '92	Q1FY92	Q2FY92	Q3FY92	Q4FY92	Total FY '92	% of Budg
MSAB	222,067	187,619	2,195,780	1,307,625	3,913,091	200,000	200,000	200,000	200,000	800,000	48
Nokia	1,731,425	660,346	0	0	2,391,771	1,400,000	1,400,000	1,400,000	500,000	4,700,000	5
Victor	595,625	119,125	619,571	370,000	1,704,321	0	0	0	0	0	N/A
MSBV	5,250	45,250	154,000	5,250	209,750	20,000	40,000	80,000	80,000	200,000	10
G2	63,859	127,719	102,281	127,718	421,577	84,000	128,000	128,000	128,000	448,000	9
Tulip	750,000	750,000	925,683	762,500	3,188,183	750,000	750,000	750,000	750,000	3,000,000	10
MS GMBH	278,049	1,343,534	2,516,432	1,000,000	5,138,015	403,207	442,620	643,500	733,500	2,222,827	23
Actebis	326,250	-52,581	982,964	400,000	1,656,633	130,500	130,500	130,500	130,500	522,000	31
AEG Olympia	126,260	100,500	100,500	100,500	427,760	100,500	100,500	100,500	100,500	402,000	10
Aquarius	292,791	475,000	475,000	475,000	1,717,791	250,000	250,000	500,000	500,000	1,500,000	11
IPC GmbH	377,500	377,500	0	250,000	1,005,000	377,500	377,500	377,500	0	1,132,500	85
ITOS	0	0	0	0	0	240,000	240,000	240,000	0	720,000	0
Kontron	148,032	47,250	47,250	47,250	289,782	49,500	49,500	49,500	49,500	198,000	14
Peacock	1,373,250	228,875	228,875	457,750	2,288,750	310,000	310,000	310,000	620,000	1,550,000	14
Protex	107,437	114,362	122,400	107,437	451,636	107,437	107,437	107,437	107,437	429,748	10
Rein	77,938	77,938	11,000	0	166,876	104,250	104,250	104,250	104,250	417,000	40
Robotron Asc	0	0	0	0	0	104,000	104,000	104,000	104,000	416,000	0
Robotron Bue	209,597	0	0	155,000	364,597	124,000	124,000	0	0	248,000	147
Schneider	625,000	625,000	125,000	250,000	1,625,000	625,000	625,000	625,000	625,000	2,500,000	65
SNI	1,367,695	1,259,903	1,370,892	1,536,375	5,534,865	1,393,888	1,393,888	1,462,638	1,989,761	6,240,175	89
Vobis	705,250	2,120,586	1,228,716	1,200,000	5,254,552	355,250	605,250	605,250	936,000	2,501,750	210
MSLTD	175,438	128,563	224,050	150,000	678,051	38,000	76,000	114,000	154,364	382,364	177
Amstrad	187,500	427,000	337,500	487,500	1,439,500	438,095	376,104	391,500	375,000	1,580,699	91
Apricot	735,750	220,250	220,250	592,187	1,768,437	220,250	220,250	220,250	592,187	1,252,937	141
Brother Intl	260,000	260,000	260,000	260,000	1,040,000	260,000	260,000	260,000	260,000	1,040,000	100
Elonex	400,000	800,000	400,000	400,000	2,000,000	0	0	0	0	0	N/A
ICL	536,250	536,250	0	0	1,072,500	536,250	536,250	550,000	550,000	2,172,500	49
Opus	152,439	0	0	135,000	287,439	100,000	100,000	100,000	100,000	400,000	72
RML	375,500	0	0	450,000	825,500	375,500	600,000	300,000	300,000	1,575,500	52
Viglen	488,500	418,250	418,250	420,000	1,745,000	348,000	348,000	600,000	300,000	1,596,000	109
MSSARL	72,675	66,282	488,619	70,000	697,576	38,000	76,000	114,000	151,000	379,000	184
Atlantis	77,000	43,560	162,150	0	282,710	50,000	50,000	50,000	50,000	200,000	141
Bull	2,700	20,250	110,750	0	133,700	48,000	96,000	144,000	144,000	432,000	31
SMT Goupil	0	0	0	0	0	600,000	700,000	1,000,000	500,000	2,800,000	0
Telemecanique	47,250	63,117	47,250	47,250	204,867	47,250	47,250	47,250	47,250	189,000	108
MSSPA	68,078	76,625	161,125	65,000	370,828	4,725	9,450	14,175	18,900	47,250	785
Asam	164,375	164,375	164,375	164,375	657,500	128,875	128,875	128,875	128,875	515,500	128
Hantarex	325,000	0	150,000	0	475,000	300,000	300,000	300,000	0	900,000	53
Intercomp	50,000	50,000	50,000	50,000	200,000	52,500	52,500	55,000	55,000	215,000	93
Olivetti	3,136,955	2,965,456	3,000,024	3,000,000	12,102,435	3,125,000	2,947,250	3,000,000	3,000,000	12,072,250	100
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	0	171,375	10,000	191,375	0	0	0	0	0	N/A
Ataio	0	0	0	0	0	12,500	12,500	12,500	12,500	50,000	0
CSEI	0	400,500	0	100,000	500,500	0	0	0	0	0	N/A
IPC SRL	0	19,406	0	19,406	38,812	25,000	25,000	25,000	25,000	100,000	39
MSHQ	0	0	0	0	0	160,000	195,000	230,000	317,000	902,000	0
Philips	1,022,000	1,022,000	1,812,500	1,812,500	5,669,000	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000	142
Tot Act/Fcast	17,695,684	16,439,810	19,634,562	16,910,623	70,680,679	15,154,477	15,776,374	16,692,125	15,877,024	63,500,000	111

Budget	15,154,477	15,776,374	16,692,125	15,877,024	63,500,000
% of Budget	117%	104%	118%	107%	111%
Difference	2,541,207	663,436	2,942,437	1,033,599	7,180,679
YTD Diff	2,541,207	3,204,643	6,147,080	7,180,679	
YTD%Budget	28%	54%	85%	111%	

Subsidiary Summary - FORECAST

Subsidiary Summary - BUDGET

MSAB	2,549,117	967,090	2,815,351	1,677,625	8,009,183	MSAB	1,600,000	1,600,000	1,600,000	700,000	5,500,000	146
MSBV	819,109	922,989	1,181,964	895,468	3,819,510	MSBV	834,000	918,000	938,000	958,000	3,648,000	106
MSGMBH	6,015,049	6,717,867	7,209,029	5,979,312	25,921,257	MSGMBH	4,675,032	4,964,445	5,360,075	6,000,448	21,000,000	123
MSLTD	3,311,377	2,790,313	1,860,050	2,894,687	10,856,427	MSLTD	2,316,095	2,516,604	2,535,750	2,631,551	10,000,000	106
MSSARL	199,625	193,209	808,769	117,250	1,318,853	MSSARL	783,250	969,250	1,355,250	892,250	4,000,000	33
MSSPA	3,769,408	3,406,456	3,775,524	3,404,375	14,355,763	MSSPA	3,748,600	3,575,575	3,635,550	3,340,275	14,300,000	100
MSSRL	10,000	419,906	171,375	129,406	730,687	MSSRL	37,500	37,500	37,500	37,500	150,000	487
MSHQ	1,022,000	1,022,000	1,812,500	1,812,500	5,669,000	MSHQ	1,160,000	1,195,000	1,230,000	1,317,000	4,902,000	116
Total Forecas	17,695,684	16,439,810	19,634,562	16,910,623	70,680,679	Total Budg	15,154,477	15,776,374	16,692,125	15,877,024	63,500,000	111

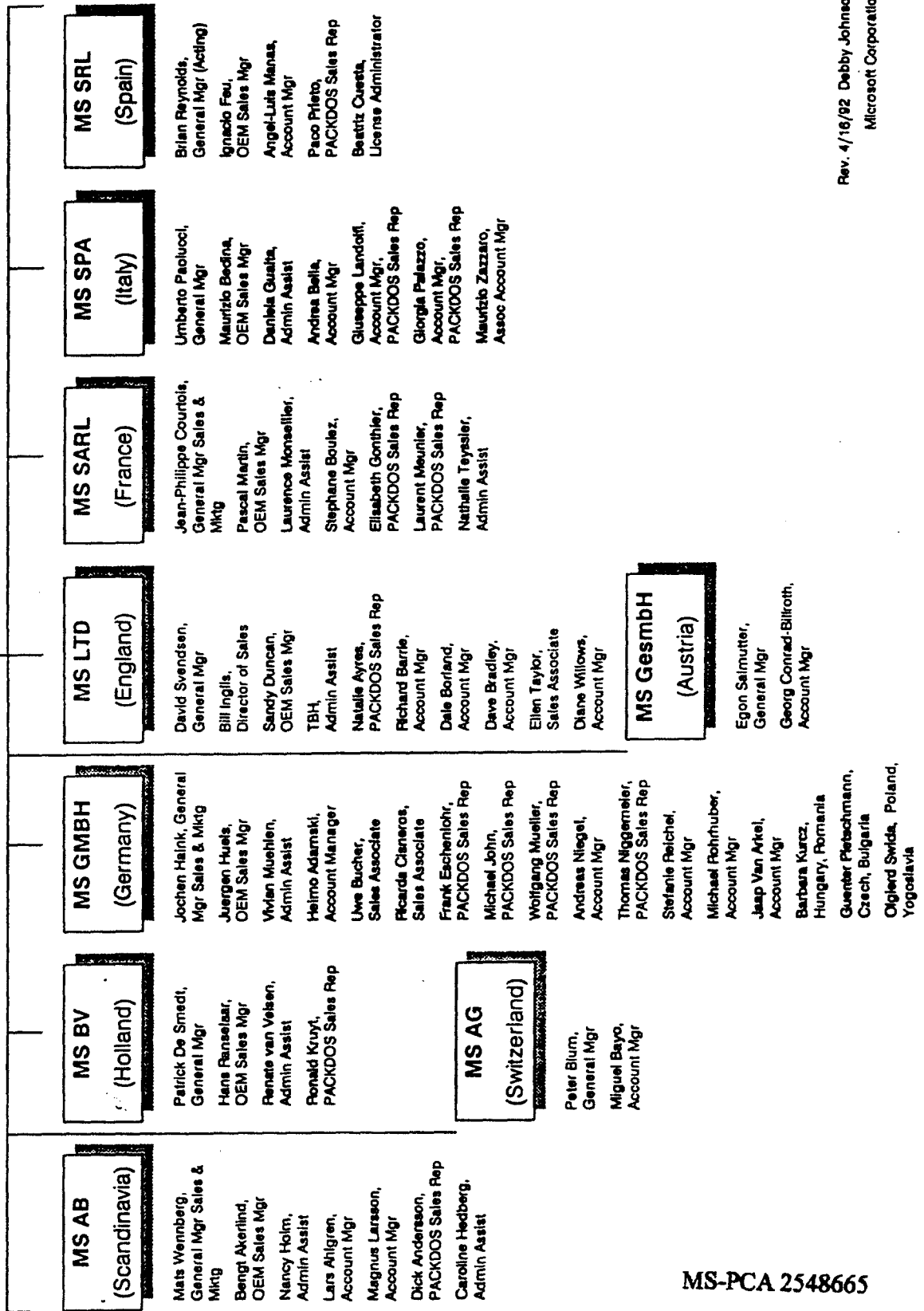


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