

December Status Report
Europe OEM Sales
Jeff Lum, Director

Plaintiff's Exhibit

7312

Comes V. Microsoft

Revenue (see attachment for details)

Area	December Actual	December Budget	FYQ2 Actual	FYQ2 Budget	Qtr. % of Budget
Europe OEMs	13,802,301	13,612,953	16,439,810	15,776,374	104%
US OEMs	901,093	484,237	15,030,689	17,526,558	86%
Europe Sales	14,703,394	14,097,190	31,470,509	33,302,932	94%

Comments on revenue: **Europe OEM:** We finished 104% of budget for the quarter in spite of a \$1M credit to ICL for their cumulative unused OS/2 commitments since the inception of the license. GmbH was the star performer this month with Vobis finally reporting for the last four quarters which put them \$1.5M over budget for the quarter. **US OEM:** Braman's and Chestnut's groups brought in revenue as expected for the month. Revenue for the quarter was short \$1.8M - the biggest sources for the shortfall was the unexpected and unbudgeted \$1.8M credit for NCR's restructuring, and both Compaq's and Zenith's shortfalls of \$1.2M for weak shipments. AT&T was the top performing account in the group - \$1.2 million over budget for Q2, primarily due to continued strong FAA packaged product orders. HP was well over budget as they upgraded their internal users to MS-DOS 5.0 and reported those royalties this quarter. This helped offset a horrendous quarter. If we are able to hook HP for their Lion project this year we may be able to recover in the US by Q4 if we can also swing a few short term opportunities in Q3 and Q4.

New Business Signed

Account	Product	Comments
European OEMs		
Switch Computers	MS-DOS, Shell, Windows	New Agreement. M/C = \$85,500
Sydeo Purchase BV	MS-DOS, Shell, Windows	New Agreement. M/C = \$1,160,000
Future Technologies	MS-DOS, Shell, Windows	New Agreement. M/C = \$95,400
Atlantis	MS-DOS, CS, CW	New Agreement. M/C = \$250,000
IPCI, SA	MS-DOS, Windows	New Agreement. M/C = \$103,500
US OEMs		
Tandem	LM/Un (Named Pipe Code)	For SQL Gateway to Non Stop SQL
Tandem	P.C. Mail	Distribution Agreement for P.C. Mail in US
Philips	MS-DOS, Windows	New Master Agreement \$21.75M

We finally signed the Philips agreement which renewed their systems product licenses (3 years, per processor, and preinstalled DOS and Windows).

General Issues

LAN Manager/NT: We need a very crisp story on migration of LM customers to NT as well as an understanding of our pricing strategy.

Multimedia Extensions: We need new Royalty Pricing ASAP, based on the Win 3.1 announcement.

Windows for Pen - Subsidiary training is desperately needed.

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Account Issues

Amstrad the major issue emerging in December is Amstrad's request to re-negotiate their agreement (see account summary)

Pision news from Pision that Lotus may be entering the hardware business with their own design to compete with the HP 95LX. Pision also report the hard sell from Lotus for a ROMable version of 1-2-3. Ray Kanemori has been alerted to this.

Compaq very concerned about MS' falling purchases of Compaq systems.

Nothgate There is a problem with MS paying NG on PC purchases in a timely fashion. This has resulted in a significant A/R problem and relationship issue for NG.

Closing ZDS on Winball is now dependent upon Systems meeting Winball development schedule. ZDS to decide based upon schedule March 1.

AST MS's recent decision to not include Extended Services support in OS/2 leaves AST in a difficult spot. They are committed to supplying an IBM equivalent version of OS/2 but they want to add LADDR. AST is requesting to ship IBM's version of OS/2 1.31 instead of MS's because extended service support is more important to them than LADDR. Also, Dave Maritz did promise Michele directly that supporting extended services would not be a problem and today MS can not delivery on this promise.

MS not allowed.

Account News

Commodore sold its 3 millionth Amiga; the last million sold within the last 12 months. Also sold 1 million C64's above their plan within the last 12 months. This caused them to ramp-up production capacity for this 10 year old product. They dropped the SRP for CDTV \$799. This was apparently in response to CDI systems with an SRP of \$1,000 selling for around \$800.

NCR's E&M Atlanta division has decided to move to MS-DOS 6, rather than sticking with OS/2.

NCR-Augsburg is strongly considering Works and Winball for their Windows Workstations.

NCR Augsburg loses responsibilities for MS-DOS and Windows and only retains engineering resources for 3130 and 35 development. Augsburg will continue to manufacture level 1 and level 2 systems.

AST protested the Desktop IV bid this month.

AST let go 30 employees

Area Summaries

Finished Goods DOS - Europe

Subsidiary	December Actual	December Budget	FYQ2 Actual	FYQ2 Budget
MSAB	7,041	3,397	15,631	9,907
MSAG	1,776	1,949	6,286	5,386
MSBV	6,644	2,700	16,986	8,400
MSGESMBH	872	1,103	1,325	3,035
MSGMBH	46,446	31,839	101,965	87,570
MSLTD	14,043	2,500	40,926	8,700
MSNV	3,681	2,111	7,085	6,567
MSSARL	13,371	8,500	38,512	39,500
MSSPA	3,028	2,100	12,700	6,000
MSSRL	2,321	4,600	10,996	11,501
TOTAL	99,223	60,799	252,412	186,566

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AB Through reliable sources we know that DRI has shipped around 1,500 DR-DOS during 1H FY92 in Sweden. Keeping in mind that MS-DOS 5 Upgrade has been rolling during same period, and some buyers not knowing the difference have placed orders, it can be concluded that the actual OEM ship rate is between 500 and 1k. Assuming that the volumes are comparable in other Nordic markets, I estimate that DRI is doing less than 5,000 units a year to OEMs. The total PC (excluding Mac) market is around 580k units in FY92. Conclusion: DRI has less than one percent market share!

BV Good sales in both the Netherlands(264%) and Belgium(176%) for this month. We expect that the sales in the Netherlands will decrease in January because two major FG DOS customers are converted to royalty. Hans believes he can gain more customers away from DRI if we lower prices for FG-DOS. We should do this - down to \$60 should be competitive without interfering with royalty pricing.

GmbH Sales of PackDos went up from 26,045 units to 46,446 units. This was mainly caused by the anti-piracy-actions we took in the beginning of December. D&G a customer who was buying these counterfeits bought 10,000 PackDos. The concept with our delivery partners seems to be well accepted by the market. We have to find additional delivery partners for PackDos, because D&S sells the major portion of PackDos and Macrotron was only able to sell 300 units.

LTD The FG DOS business is an area for concern. In December we sent out 26 licenses and only saw 7 of these returned. The volume of sales and related inquiries means that time isn't available to follow up on these leads. More people are needed - sales of DOS and Windows this year will exceed £6 Million against a budget of less than £1.4M. Looking forward to the second half of the year it looks as though the level of sales experienced in recent months will continue. Our forecast for the next six months is 72,000 units. DOS revenues alone should exceed £4.3M. Most FG DOS OEMS have reported a VERY busy December - normally a fairly quiet time for business customers. Maybe we can glean from this that this new found channel is catering to the home market? - We'll be following up on this in the next two months as Natalie starts to meet with our top FG DOS customers.

SARL Packdos 5 Stock supplying: We have a shortage on PackDos in 5" format since the 20th of December although in September, we have forecasted 2500 units to be shipped in December and in January. We have received about 500 units in December and had a lack of about 1000 units at the end of the month.

SPA Sales of PackDOS keep great, at 195% YTD. Some delay in receiving packages from Ireland resulted maybe in missing some sales; hope to recover pace next month.

SRL Pack DOS sales were 50.5% vs budget (103% vs budget on a YTD basis). Although we got 14 new customers in December and January we will see a relevant sales increase, it will be very tough to meet our aggressive FY92 Budget after CSEI and Comelta (15K and 20K) license agreements. Win shipments represented 63% of our Pack DOS shipments (6 new deals). Top contributors were Sitelsa (1K uns) and ICL (350 uns).

Market Trends

MS AB (Bengt Akerlind)

Competition is very stiff during the last months. Dealers are selling at very low margins in order to keep market share. Relations with IBM are slowly improving. MSAB has been doing special retail packages for IBM that helps boost their HW sales and our Windows penetration. In Finland we are trying to cut a royalty deal with IBM for Win Excel. Will make or break in January. IBM Sweden placed an order for 5,000 Windows in late December. Can be interpreted as if OS/2 2.0 will slip beyond March. Relations with DEC are developing tremendously well.

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MS BV (Hans Ranselaar)

Total market is still very weak and it is a pleasant surprise that the FG DOS sales is so much above budget. This is probably due to our successful piracy fight and the dedicated sales force. Wang is going to discontinue Up-Word and will offer their customers Win Word 2.0 instead. Official announcement will be made early January.

MS GMBH (Juergen Huels)

Juergen
The negotiation with Escom went very well. We were able to sign an agreement based on standard pricing. Escom is our first customer with WinWorks licensed. We believe that we will sign up more agreements for WinWorks in January and February. We started negotiations with Vobis, Nokla, Peacock and others. IPC wants to terminate their contract effective beginning of January and has started to negotiate a new license-contract with us. We believe that this is the best way to get several problems solved like licensed products sold with CPU-boards and the MS-DOS-Windows-Works 2.0 bundle. We still investigate unbundling of MS-DOS and Windows from several Taiwan OEMs and we are in discussions with several dealers to stop this. OEM-Windows for example is offered for 30% of our SRP. Low-cost OEMs are trying to get value added to their machines. Concepts include FG sales of applications as well as working models bundled with Windows.

Escom and Vobis are trying to build partnerships with several PC-manufacturers. Very often we are asked to make proposals for higher min commits for a group of OEMs so they can leverage their royalties.

MS LTD (Sandy Duncan)

The most thrilling event in December had to be our very first OEM customer conference in the UK! We targeted our regular contacts (rather than key decisions makers) in our top royalty and pack DOS accounts. Some 50 people attended (target 55) the launch of our "OEM Partnership Program" which is the basis of our effort to keep our OEMs better informed and improve customer relationships in 1992 and beyond. The event went off brilliantly - many thanks to Dale Borland for all of his hard work organising the event as well as to Jeff Lum for an excellent key note speech. To date we've received more than ten letters from customers thanking us for such an excellent event!

Also worthy of significant praise is David Bradley for securing our first major convert from Pack DOS. TTKo have signed a three year, per processor agreement for DOS, Windows and the productivity pack. They'll also ship our serial mouse with every system. DOS and Windows will be pre-installed. The deal will be worth at least \$1.2M over three years. Well done Dave!

The Stockholm training was generally well received by everyone - the only issue seems to be that it was too long! The most popular aspect by far was the product updates on DOS and Windows. We should make this kind of update a quarterly experience! Thanks to Barry Spector for organising this!

Prices of new machines (particularly 486!) still appear to be falling. Latest record breaker of note is from TTKo. 486/33, 210MB HD, 8MB memory, 14 in monitor, Super VGA, DOS/Win and MS-Mouse for LESS THAN £1,800.

Acorn announced their new RISC chip. The ARM 600 has very low power requirements < 1.5 mA per MHz and is a full 32-Bit RISC chip with both endian support and an "Object Oriented" MMU. Apple are reportedly interested for their product code-named "Newton".

Taiwanese clone maker ARCHE has pulled out of the UK market with little explanation. Their operation will now be run from France.

DEC have announced that they intend to beef up their S/W distribution efforts in the UK. They want to sell £6M plus this year and are looking at new channels for PathWorks. This might have some knock on effect for the NBU?

As Compaq announced that 190 workers have been made redundant at their UK manufacturing plant, NEC are rumoured to be expanding their Telford plant to include their European PC manufacturing. (currently they only build printers and monitors in England)

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MS SAREL (Pascal Martin)

RCE won't renew the agreement : they will sell our LAN Manager retail product with their boards.
Normerel is back in the OEM business ; they should sign a per-processor agreement for MS-DOS 5 & Windows 3 (pre-installed), from 3/1/92 to 3/1/94. More information next month.
Bull may choose HP (Precision) or IBM to replace their DPX mini-computer line. This is an issue to be decided in high political circles.

MS SFL (Ignacio Feu)

34% of total OEM revenues was Apps revenues. Top contributors were IBM (XL, WWord, Works) and ICL (Win, XL). This will keep growing in the upcoming months.
OEM Mouse sales were 50% vs budget (151.6% vs YTD budget). The cheaper Bulk Mouse to be launched in January will help increase sales.

Key Account Summaries

European OEMs

Amstrad (Richard Barrie)

Amstrad announced big price cuts across the range in December in time for the Christmas season. A PC 386 with mono monitor and 30MB hard drive is now £399 and their entry level SX (which includes Windows) moves to £749. Dealer margins stay at 20%, which means that you could pick up an Amstrad 386 SX for as little as £600. Their Q3 royalty report will demonstrate the success of this strategy.
The share price at the end of December had slipped to 22.5p - this actually values Amstrad at 50% of their net asset value ! Hopefully the PC industry is too strapped for cash to consider a takeover - we don't want their contract to fall into say Compaq or ICL's hands !!!!!!!!
Major issue with Amstrad this month is their threat to suspend all future M/C payments on their DOS agreement. They want to re-negotiate - which we're happy to do now while we have the upper hand (contract expires in August). However they want no M/Cs and lower royalty rates. This isn't as daft as it sounds since they may have decided to make their entry level system an SX box - where we get \$15 per system rather than the \$2 we get on 8086 !

Bull (Pascal Martin)

We had a high level meeting with Bull : the attendees were Mr. Lepicard and Mr. Digeon from Bull, and Pertir, Hansw, Pascalm and Stephane from MS. Mr. Lepicard (VP for Strategic Architecture) is a key person, very close to Mr. Lorentz (CEO), and Mr. Digeon (VP for Networking) seems to be listened for his knowledge in the system business.
Key achievements for this meeting were to (1) reposition the relationship at the "Systems Integration" division level at Bull, rather than the "PC Integration" division level (2) sell the MS systems story. Bull will be interested in porting NT to their RISC platform of choice.

ESCOM (Michael John)

After a very cooperative meeting we got the amendment 2 signed. The total minimum commitment is now US\$ 5,230,000.-. The contract is standard pricing, but we couldn't convince Mr. Schmitt (President) to sign a longer term than one year. We agreed on a meeting at ESCOM with our marketing specialists to plan the positioning and advertisement of all Microsoft products. It will take place in the second week of January 92. We are still working on amendment 3 for Multimedia.

Mike Know the outcome

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ICL/Nokia Ltd (Lars Ahlgren/Dale Borland)

Early information from ICL's Swedish Sales Company indicates that the unit shipments for the year have been good despite the ICL merger and a disastrous CYQ3. This indicates a good Q4. Profitability is low however. Other early information from purchasing indicates earned royalties around \$1.4M on the "Nokia" agreement. Assuming that ICL LTD reports \$600k, ICL total has been making their first \$2.0M quarter. 300 people will be laid off in Sweden. The Systems division will be reorganised. A small group will remain in Stockholm (our guess was everything would go to Helsinki). This group will be headed by Chris Cussens who reportedly is close to David Mills.

The operative work with ICL has with very few exceptions circled around the agreement. It became clear by the middle of the month that the goal of reaching an agreement before year end was too optimistic. The "Nokia" agreement is now amended to include all HW output by ICL in the UK. Jeff Lum met with Jukka Norokorpi and his staff in early December to negotiate pricing for MS-DOS and MS-Windows as agreed in between Fujitsu and the MS Far East OEM team. This will take some time as ICL's price expectations are way out of line, and they are also disappointed that Fujitsu would not help them out on the worldwide negotiations as FJ was more concerned about getting the best deal for Kanji they possibly could.

Olivetti (Maurizio Bedina)

Agreements. New Win3.1 royalties and Amendment 3: accepted, the pending MFN clause seems to have been forgotten by Olivetti; proceeding with drafting Amendment 3.

General. Olivetti completely messed up for all December. While this didn't affect Joachim's visit, it affected Pertir/Hansw's visit. Their accounting is messy too, but fortunately they are eventually paying their delinquent amounts (frozen for a bureaucratic detail). What is still frozen is expenditure for the TAM. The order for packaged applications for internal use is finally arrived, after 3 years (!) of dragging forward. It's 1,207 mixed Windows apps, for a total revenue of 192 Mlit.

Comms server for NT. Vespa had an useful call, will come to Italy in January to meet Dondolini and basically try sell them our (-DCL) SNA product. While the fact our stuff is matched by an equivalent Unix version by DCL is attractive, I think Olivetti hoped to take an active part in designing it to better suit their banking needs. Learning that they are out of the loop may be sad.

Multimedia. Hughc clarified that in no way Olivetti can cheat us and customize Mediavision boxes. Nonetheless Olivetti is dragging this forward trying to understand which is the best solution, and this is delaying licensing of MMW. Converti in January owes news re the engineer who was supposed to work in our devpt team in Redmond.

OS/2. Pertir meeting went just satisfactorily. Olivetti audience was too mixed, spanning too much on lower level people. However subsequent talks with Brandl clarified that Olivetti found the mtg useful anyways as first step. They produced a memo outlining what they understood, which I forwarded to Pertir, Davidwo, Paulma. Proposing to Pertir & Co to come and meet Olivetti again, at higher level, to analyze the memo and agree on the actions to be taken to make NT migration concrete. This migration process is very slow and painful, is not expected to show immediate results. To summarize, we'd like to: avoid Olivetti going to OS/2 2, switch away from 1.3 and onto Win 3.1 on the client side, start converting their PM banking apps & tools to Win 32 API, abandon Unix as server platform for LSX and pass to NT (to keep OLE functionalities), and maybe ultimately adopt NT also for clients.

ROM DOS. This issue suddenly became very hot as Olivetti were told that our localized versions' ship dates are late vs forecast, falling at the end of Q1 next year. They asked us officially to drop a special alpha, untested, unsupported, unwarranted, to allow them to fulfill their supply contracts. Thanks to Lori, both IPG, PMs, managed to accomplish this. Olivetti will get a special alpha by mid-January.

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OPUS (David Bradley)

Bradley needs to spend more time with Opus. Despite the fact we're doing a lot more with them than before. It's a concern that he may have too many accounts. I'll be reviewing this (and the group structure as a whole) following the sub review. We have an excellent chance of recovering their confidence and even getting a Windows win out of them - but it's going to need more than we've put in so far. April is the real crunch as their DOS agreement expires on March 31 so we don't have much time to resolve this!

Siemens Nixdorf Informationssysteme AG (SNI) (Jaap VanArkel)

SNI doesn't consider Windows 3.x as a right product for the banking environment, the Windows NT is the good OS/2 successor product. SNI has their own SNA comm. subsystem on OS/2. Our goal now is to get them to license our Comm. server for NT. This should be doable because now we will have much more complete product to fulfill their requirements.

SNI will lower their hardware prices. They are looking in possibilities of using cheaper components (AMD, etc.) and shortening their hardware test cycles.

Notebook- The new notebook (introduction during CEBit) will go with Windows. The tracking device is build in and we have to make an adjustment to the agreement for the mouse driver

PEN Windows - Still evaluating OEM hardware. Big chance (80%) that they will OEM NCR pen system.

Tulip (Hans Ranselaar)

The visit of JoachimK to Nol van Eck was highly appreciated. We could solve the two outstanding points in the contract negotiation very easily. Tulip discussed the plan for the development of a new office machine and ask MS for input on the software side. JoachimK confirmed that we are working on the development of software suited to the hardware Tulip is going to develop and will have to continue discussions on this in the near future. One other major point could also be cleared e.g. the localization issue.

Victor (Magnus Larsson)

Early rumours from Victor are still talking about hard times and decreasing volumes. Q4 was as always the strongest of all quarters but still the figures are dropping compared to last year. Judging from the last report, Europe is doing well whereas Sweden is the disaster. We now believe that the time is right for some aggressive MS bundles. Victor has committed to do a SWOT with us.

Victor will have a major launch of new products in February.

Vobis (Manfred Schindler)

We had a meeting with Vobis together with JoachimK and we identified possibilities to kick DR-DOS out of Vobis. The only obstacle is Lleven's personal commitment to DRI. Lleven has not determined any strategies for CY 92 although he feels that his current strategy will not fit to the changed market place and he is feeling stiff competition from Escom. Stefanie Reichel is picking up account work and will focus on more marketing issues.

US OEMs

Compaq (teresach)

Activities in December focused around the Compaq Executive Review and attempts to jump-start Compaq's Windows license. The Executive Review revolved around Compaq's new organization and their goals for the future. Topics included innovation on the desktop, future of RISC vs. x86, and an overview of Compaq's product directions. The review resulted in setting goals for several follow-up meetings. Unfortunately, Compaq moved rather slowly in December on the Windows license. We countered with asking for executive-level attention and activities had picked up by month-end, despite the holiday.

Compaq (markbu)

With Compaq's reorganization essentially complete, I spent time understanding the LM relationship as it now will exist at Compaq. Vic Mahadevan is now the Director of MS Systems in the new Systems Division who is responsible for the implementation of MS Networking products on Compaq Hardware. He will also own the JIA or whatever it becomes. Pen is also moving forward with the exception of Kathleen Harrington, all new people at Compaq in that group. We will need to re-educate Compaq on our products and strategy in that area.

Phillips (markba)

The month of December was dedicated to the negotiation and the closer of a new three year, per processor, MS-DOS and Windows Master Contract for Phillips. Phillips was given verbal approval to ship against this contract until January 15th, when the signed originals are to be sent to MS. I am still working on a contract for MS Money and Works for Windows which should be concluded by January 15th.

We received the signed LOI from Phillips for the MPC2 Product Line. Presently there is an Executive Briefing scheduled for late January to discuss the next steps for MPC2, as well as other strategic issues.

CompUSA (debbiefl)

A meeting has been scheduled for 1/9/92. Debbiefl has talked to the president and has discussed the possibility of licensing Windows. CompUSA would like to see their pricing tied to the SRP of their product line. Currently, their DOS price is out of line for what they tell us they are shipping. Per processor, pre-installed Windows should look much more attractive with a reduction in the DOS royalty. Additional topics for the meeting include per copy Solution Series products and mice. One of the most important objectives of the meeting is to start a relationship that will allow MS access to their decision making process, rather than being a victim of it.

for definition file.

NO

jeff dm

NCR (patty)

The new Mouse Distribution Agreement and the Master License Amendment are very close to signature but will be closed in January due to the short month. Gained Paul Maritz's agreement to become more involved in the NCR NT struggle and the first meetings are being scheduled now. I brought Mike Hallman up-to-date on the NT status with NCR and Tom Mays had to reschedule his December call with Steve Ballmer for January 8th. E&M Columbia signed the letter agreement allowing them to receive NT code from Clemson and are anxious to send a developer and 3550 machine to Redmond to begin the porting process. E&M Atlanta is planning to come to Redmond on January 9th to offer their feedback and requirements for DOS 6 and I expect a forecast from Augsburg for Windows Workstations in early January.

Zenith (tomda)

This has been a month of high activity in the ZDS account. ZDS has decided to enter the mass market at January '92's CES show. The estimated first year volume for this channel is 50k to 100k machines. We have submitted proposals for Works and Mouse with final decisions to be made in January. We have also submitted a proposal for Winball. We have successfully delayed decision on a peer-to-peer product until March.

AST (jeffd)

Fear prevails as AST fires thirty people this month. Saff and Bruce Edwards believe the most responsible action AST must take in the short term is to continue cutting costs. The termination decisions have been made for VP and Engineering positions. Product marketing is next. Directors such as Dan Shepard, Larry Fortmueller, and Genelle Trader are particularly vulnerable. FYQ2 91 is the first time in AST's history that their minimum commitment (\$1.76M) was larger than their reported revenues (\$1.68M).

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HP Corvallis (darcyh)

Presented the LOI for Lion and the Windows/MS-DOS per processor Amendment on 12/20. The goal continues to sign both of these by end of January. Key changes have been agreed to for both the Windows/MS-DOS 5.0 per processor amendment and the Lion apps agreement, with the exception of HP's requirement for a separate Address Book application in addition to Schedule Plus. The Schedule Plus group has committed to presenting HP an Address Book spec by Jan 31. Have scheduled a meeting on January 17 to sign both Amendment and LOI.

HP Grenoble (darcyh)

Grenoble visit on 12/12 for a meeting with Alex and Philba to discuss pre-installation of MS-DOS and Windows. Grenoble is considering pre-installation for an upcoming 386/25mhz network capable machine in May and for a 486/25mhz network ready machine in Fall '92. Key issues are Windows license prices. Darcyh is working on a proposal for both Grenoble and HP Sunnyvale. Will be presenting in a meeting with Division GMs in January. Darcyh is working with GPCD LM team to get signed up for MCL annual contract.

HP Sunnyvale (darcyh)

Working with Sunnyvale to determine best Windows/Windows Apps. bundle option. Key issues are Windows license price and opportunities for HP to differentiate machines, and maintain price margins for current Dealer distribution channel. Sunnyvale will be releasing a high performance 486sx/25, upgradeable CPU, video machine that excels in speed over equivalent competitors. Will be proposing Excel, WFW, and MS Office for these high-end office targeted machines. Hosting CPCD on 1/9 to discuss software bundles for planned Mobile Pen PC. Working with this group to sign up for MCL agreement.

HP CND (darcyh)

Working to schedule meeting with Nick Ordon, Marketing Manager for HP IND, HP division that is now responsible for LMX marketing. Bobkr and Darcyh will be reviewing HP's LM strategy, and confirm HP's commitment to LM in light of recent Novell announcement. LM for UNIX 2.0 amendment is currently being edited by legal. Will delay signing of amendment for LMX 2.0 until HP commits to Press release endorsing LM.

HP Boise (richab)

Richab substantially completed getting up to speed on HP issues, Windows Printer Group products and technology during this short month. Problems relating to culture and personality differences between HP and MS raised their head at a project review meeting in Boise in early December, as they have from time to time in the past. Richab got a first hand indoctrination to the roots of these feelings and now has a keen appreciation for the account management challenge of keeping them at bay. In a separate visit, Richab completed introduction meetings with executives in Boise.

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

Quarter: 2 FY92

Account	October Budget	October Actual	November Budget	November Actual	December Budget	December Actual	FYQ2 Actual	FYQ2 Budget	FYQ2 Diff.
MSAB	0	2,000	0	41,682	200,000	143,937	187,619	200,000	-12,381
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	40,000	40,000	5,250	45,250	40,000	5,250
G2	0	0	0	0	128,000	127,719	127,719	128,000	-281
Tulip	0	0	67,932	0	682,068	750,000	750,000	750,000	0
MS GMBH	0	440,193	442,620	-16,406	0	919,747	1,343,534	442,620	900,914
Actebis	0	0	0	0	130,500	-52,581	-52,581	130,500	-183,081
AEG Olympia	0	0	0	0	100,500	100,500	100,500	100,500	0
Aquarius	0	0	0	0	250,000	475,000	475,000	250,000	225,000
IPC GmbH	0	0	0	0	377,500	377,500	377,500	377,500	0
ITOS	0	0	0	0	240,000	0	0	240,000	-240,000
Kontron	0	0	49,500	13,887	0	33,363	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	-8,038	107,437	122,400	114,362	107,437	6,925
Rein	0	0	0	0	104,250	77,938	77,938	104,250	-26,312
Robotron Asc	0	0	0	0	104,000	0	0	104,000	-104,000
Robotron Bue	0	0	0	0	124,000	0	0	124,000	-124,000
Schneider	0	0	0	0	625,000	625,000	625,000	625,000	0
SNI	0	4,788	790,763	0	603,125	1,255,115	1,259,903	1,393,888	-133,985
Vobis	0	0	360,000	915,336	245,250	1,205,250	2,120,586	605,250	1,515,336
MSLTD	0	0	0	0	76,000	128,563	128,563	76,000	52,563
Amstrad	0	0	188,604	175,000	187,500	252,000	427,000	376,104	50,896
Apricot	0	0	0	0	220,250	220,250	220,250	220,250	0
Brother Intf	0	0	0	0	260,000	260,000	260,000	260,000	0
Eionex	0	400,000	0	0	0	400,000	800,000	0	800,000
ICL	0	0	0	0	536,250	536,250	536,250	536,250	0
Opus	0	0	0	0	100,000	0	0	100,000	-100,000
RML	0	0	0	0	600,000	0	0	600,000	-600,000
Viglen	0	0	0	0	348,000	418,250	418,250	348,000	70,250
MSSARL	0	34,002	0	8,932	76,000	23,348	66,282	76,000	-9,718
Atlantis	0	0	3,250	43,560	46,750	0	43,560	50,000	-6,440
Bull	0	0	96,000	20,250	0	0	20,250	96,000	-75,750
SMT Goupil	0	0	0	0	700,000	0	0	700,000	-700,000
Telemecaniq	0	0	0	15,867	47,250	47,250	63,117	47,250	15,867
MSSPA	0	5,000	0	10,500	9,450	61,125	76,625	9,450	67,175
Asem	0	0	0	0	128,875	164,375	164,375	128,875	35,500
Hantarex	0	0	0	0	300,000	0	0	300,000	-300,000
Intercomp	0	0	2,500	0	50,000	50,000	50,000	52,500	-2,500
Olivetti	0	90,456	72,250	0	2,875,000	2,875,000	2,965,456	2,947,250	18,206
Unibit	0	0	0	0	137,500	150,000	150,000	137,500	12,500
MSSRL	0	0	0	0	0	0	0	0	0
Atajo	0	0	0	0	12,500	0	0	12,500	-12,500
CSEI	0	400,500	0	0	0	0	400,500	0	400,500
IPC SRL	0	0	0	0	25,000	19,406	19,406	25,000	-5,594
MSHQ	0	0	90,002	0	104,998	0	0	195,000	-195,000
PHILIPS	0	0	0	0	1,000,000	1,022,000	1,022,000	1,000,000	22,000
Totals	0	1,376,939	2,163,421	1,260,570	13,612,953	13,802,301	16,439,810	15,776,374	663,436
		0%		58%		101%		104%	

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

Quarter: 2 FY92

Account	October Budget	October Actual	November Budget	November Actual	December Budget	December Actual	FYQ2 Actual	FYQ2 Budget	FYQ2 Diff.
MSAB	0	2,000	0	41,682	1,600,000	923,408	967,090	1,600,000	-632,910
MSBV	0	0	67,932	40,000	850,068	882,969	922,969	918,000	4,969
MSGMBH	0	444,981	1,642,883	904,779	3,321,562	5,368,107	6,717,867	4,964,445	1,753,422
MSLTD	0	400,000	188,604	175,000	2,328,000	2,215,313	2,790,313	2,516,604	273,709
MSSARL	0	34,002	99,250	88,609	870,000	70,598	193,209	969,250	-776,041
MSSPA	0	95,456	74,750	10,500	3,500,825	3,300,500	3,406,456	3,575,575	-169,119
MSSRL	0	400,500	0	0	37,500	19,406	419,906	37,500	382,406
MSHQ	0	0	90,002	0	1,104,998	1,022,000	1,022,000	1,195,000	-173,000
Totals	0	1,376,939	2,163,421	1,260,570	13,612,953	13,802,301	16,439,810	15,776,374	663,436

Goupil

MSC 00794429

FISCAL YEAR 1992 - FORECAST (Actual through December)

FISCAL YEAR 1992 - BUDGET

Main data table comparing Forecast and Budget for fiscal year 1992 across various accounts like MSAB, Nokia, Victor, MSBV, G2, Tulip, etc. Columns include Q1FY92, Q2FY92, Q3FY92, Q4FY92, Total FY 92, and % of Budget.

Subsidiary Summary - FORECAST

Subsidiary Summary - BUDGET

Summary table for subsidiaries, comparing Forecast and Budget for accounts like MSAB, MSBV, MSGMBH, MSLTD, MSSARL, MSSPA, MSSRL, and MSHQ.

MSC 00794430

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

Quarter: 2 FY92

Account	Oct Budget	Oct Actual	Nov Budget	Nov Actual	Dec Budget	Dec Actual	FYQ2 Actual	FYQ2 Budget	FYQ2 Diff.		
Braman	41,283	0	82,977	0	42,534	0	0	166,794	-166,794		
Commodore	0	0	758,640	652,858	0	0	652,858	758,640	-106,782		
Compaq	0	2,703	4,298,788	3,378,688	0	19,125	3,400,516	4,298,788	-898,272		
Creative Labs	0	0	144,000	0	0	3,000	3,000	144,000	-141,000		
Headland	0	0	95,000	0	0	0	0	95,000	-95,000		
MediaVision	0	0	135,000	32,098	0	0	32,098	135,000	-102,902		
Momenta	0	4,250	0	0	0	0	4,250	0	4,250		
Northgate	750,020	782,100	79,695	53,550	82,110	105,000	940,650	911,825	28,825		
Positive	595,000	0	0	0	0	0	0	595,000	-595,000		
Tandem	0	17,580	0	18,865	0	1,250	35,695	0	35,695		
Tandon	1,017,325	842,733	17,325	152,090	17,850	0	994,823	1,052,500	-57,677		
UB	208,004	0	0	507,149	0	0	507,149	208,004	299,145		
Chestnut	166,283	125,000	120,447	84,000	42,534	220	209,220	329,284	-120,044		
AT&T	25,410	1,350,525	1,240,710	712,005	26,180	403,587	2,466,117	1,292,300	1,173,817		
AST	1,790,387	754,681	106,433	1,107,287	109,659	143,521	2,005,489	2,006,479	-990		
Data General	7,000	16,013	306,250	376,750	0	0	392,763	313,250	79,513		
HP	761,964	543,780	132,000	651,694	0	43,175	1,238,649	893,964	344,685		
NCR	809,665	-766,337	901,415	108,000	8,670	148,500	-509,837	1,719,750	-2,229,587		
Wyse	375,000	375,000	0	0	0	0	375,000	375,000	0		
Zenith	150,150	33,532	2,300,150	2,247,110	154,700	36,715	2,317,357	2,605,000	-287,643		
Totals	6,697,491	4,081,560	10,718,830	10,080,144	484,237	904,093	15,065,797	17,900,558	-2,834,761		
		61%		94%		187%		119%			

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

Quarter: 2 FY92

Account	Oct Budget	Oct Actual	Nov Budget	Nov Actual	Dec Budget	Dec Actual	FYQ2 Actual	FYQ2 Budget	FYQ2 Diff.		
Braman	2,611,632	1,649,366	5,611,425	4,793,298	142,494	128,375	6,571,039	8,365,551	-1,794,512		
Chestnut	4,085,859	2,432,194	5,107,405	5,286,846	341,743	775,718	8,494,758	9,535,007	-1,040,249		
Totals	6,697,491	4,081,560	10,718,830	10,080,144	484,237	904,093	15,065,797	17,900,558	-2,834,761		

FISCAL YEAR 1992 - FORECAST (Actual through December)

FISCAL YEAR 1992 - BUDGET

Account	Q1FY92	Q2FY92	Q3FY92	Q4FY92	Total FY '92
Braman	0	0	166,794	166,794	333,588
Commodore	1,104,216	652,858	668,375	623,761	3,049,210
Compaq	3,978,063	3,400,516	3,525,000	3,675,000	14,578,579
Creative Labs	0	3,000	100,000	200,000	303,000
Headland	0	0	95,000	125,000	220,000
MediaVision	0	32,098	135,902	217,500	385,500
Momenta	4,250	4,250	4,250	4,250	17,000
Northgate	766,994	940,650	901,800	871,560	3,481,004
Positive	595,000	0	100,000	120,000	815,000
Tandem	36,555	35,695	0	116,934	189,184
Tandon	1,302,767	994,823	960,500	937,500	4,195,590
UB	392,706	507,149	264,000	299,000	1,462,855
Chestnut	128,604	209,220	125,000	125,000	587,824
AT&T	2,221,605	2,466,117	1,000,000	500,000	6,187,722
AST	1,915,725	2,005,489	2,300,000	2,400,000	8,621,214
Data General	434,876	392,763	250,000	250,000	1,327,639
HP	562,653	1,238,649	1,000,000	1,200,000	4,001,302
NCR	1,778,510	-509,837	1,200,000	1,500,000	3,968,673
Wyse	375,800	375,000	375,000	375,000	1,500,800
Zenith	2,520,642	2,317,357	2,600,000	2,600,000	10,037,999
Totals	18,118,966	15,065,797	15,771,621	16,307,299	65,263,683
Budget	16,851,804	17,900,558	18,465,515	19,753,771	72,971,648
% of Budget	108%	84%	85%	83%	89%
Difference	1,267,162	-2,834,761	-2,693,894	-3,446,472	-7,707,965
YTD Diff	1,267,162	-1,567,599	-4,261,493	-7,707,965	
YTD%Budget	25%	45%	67%	89%	

Account	Q1FY92	Q2FY92	Q3FY92	Q4FY92	Total FY '92	% of Budget
Braman	166,794	166,794	166,794	166,794	667,176	80%
Commodore	793,791	758,640	829,875	878,511	3,260,817	94%
Compaq	4,292,500	4,298,788	4,608,500	4,703,343	17,903,131	81%
Creative Labs	0	144,000	144,000	240,000	528,000	57%
Headland	0	95,000	95,000	125,000	315,000	70%
MediaVision	0	135,000	135,902	217,500	488,402	79%
Momenta	0	0	0	0	0	N/A
Northgate	903,301	911,825	895,025	847,535	3,557,686	98%
Positive	595,000	595,000	0	382,500	1,572,500	52%
Tandem	0	0	0	0	0	N/A
Tandon	1,052,500	1,052,500	1,052,000	1,052,000	4,209,000	100%
UB	147,281	208,004	296,031	313,531	964,847	152%
Chestnut	295,794	329,264	534,464	536,464	1,695,986	35%
AT&T	1,120,900	1,292,300	1,564,008	1,991,580	5,968,788	104%
AST	1,762,201	2,006,479	2,056,405	2,031,680	7,856,765	110%
Data General	313,250	313,250	318,791	411,000	1,356,291	98%
HP	778,242	893,964	864,970	920,583	3,457,759	116%
NCR	1,711,250	1,719,750	1,988,750	2,020,750	7,440,500	53%
Wyse	444,000	375,000	375,000	375,000	1,569,000	96%
Zenith	2,475,000	2,605,000	2,540,000	2,540,000	10,160,000	99%
Totals	16,851,804	17,900,558	18,465,515	19,753,771	72,971,648	89%

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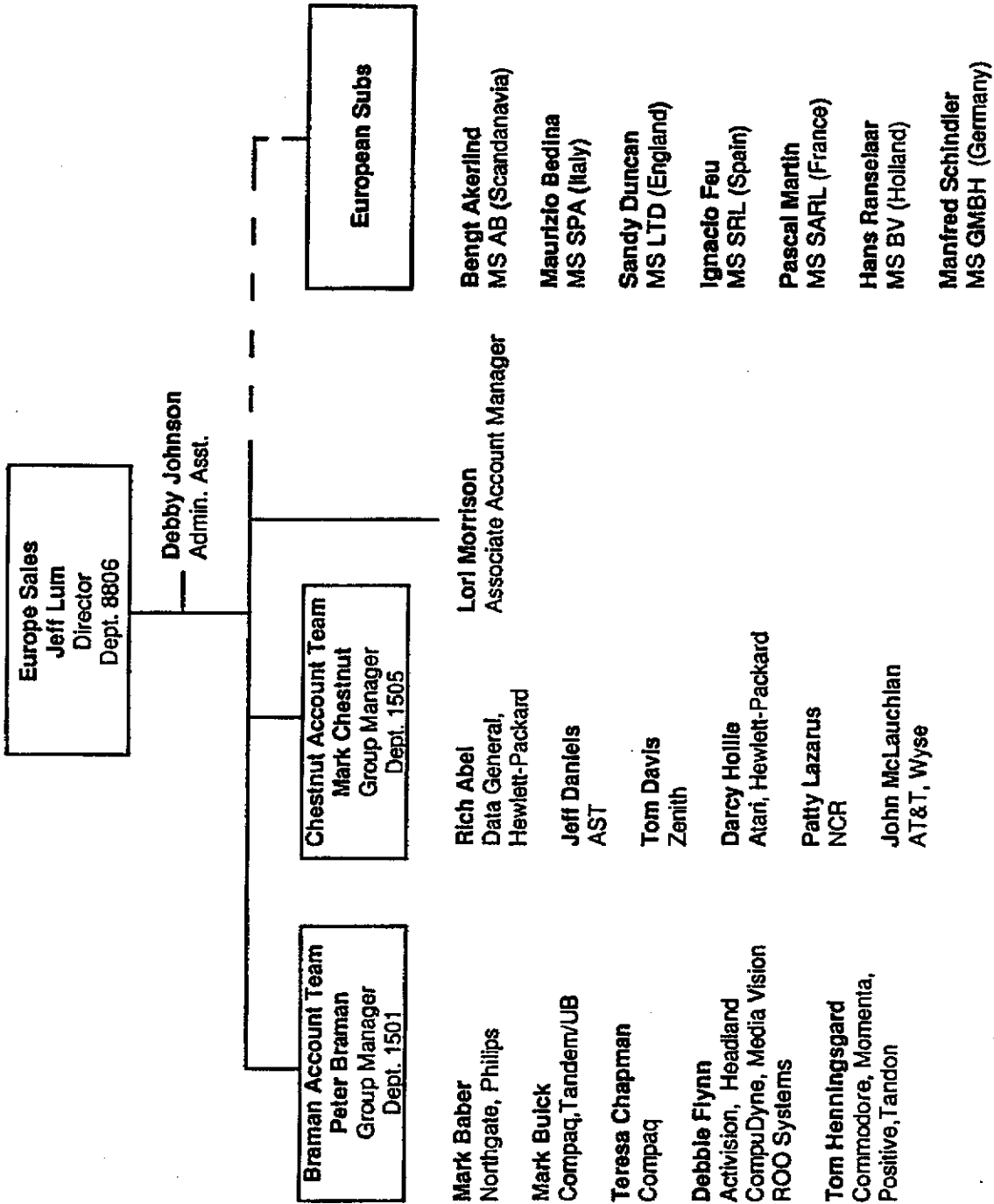
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Account Team Summary - FORECAST

Account Team Summary - BUDGET

Braman	8,180,551	6,571,039	6,921,621	7,357,299	29,030,510
Chestnut	9,938,415	8,494,758	8,850,000	8,950,000	36,233,173
Total Forecast	18,118,966	15,065,797	15,771,621	16,307,299	65,263,683

Braman	7,951,167	8,365,551	8,223,127	8,926,714	33,466,559	87%
Chestnut	8,900,837	9,535,007	10,242,388	10,827,057	39,505,089	92%
Total Budget	16,851,804	17,900,558	18,465,515	19,753,771	72,971,648	89%

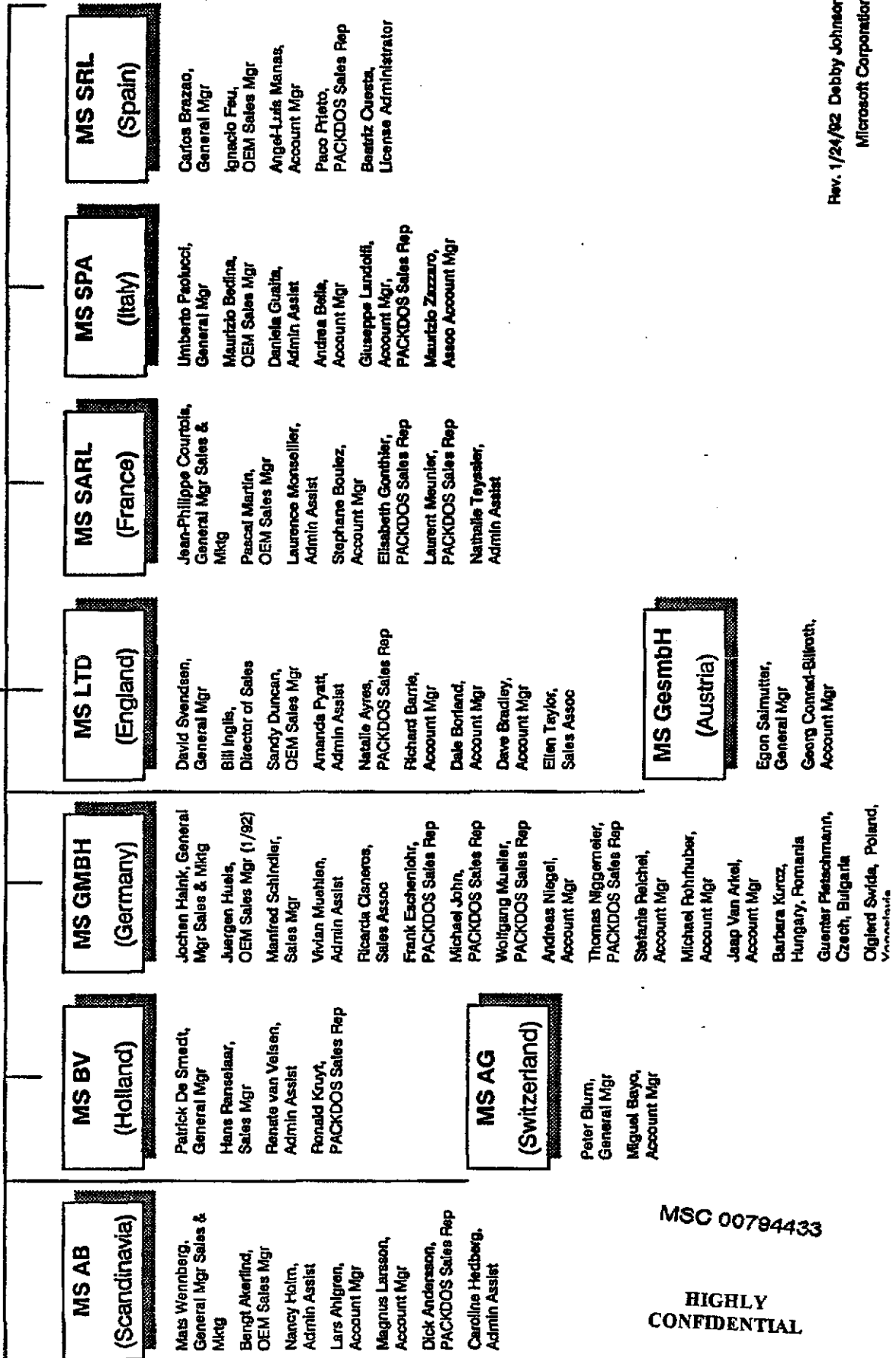


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