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395  
Comes v. Microsoft

# Microsoft Memo

To: Joachim Kempin  
From: Richard Fade *Rf*  
Date: 09/20/90  
Re: OEM SALES  
August 1990 STATUS REPORT

Attached is the OEM Status Report package.

cc: Jeff Lum  
John Jenkins  
George Downing  
Melvin Henderson-Rubio  
Ted Hannum  
Steve Ballmer 1/2  
Mike Murray 1/2  
Paul Maritz 2/2  
Russ Werner 3/1  
Carl Stork 4/1

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## AUGUST STATUS REPORT US OEM DIVISION

September 11 1990  
Richard Fade

Revenue for August was \$18M vs budget of 13M, QTD \$31M vs \$33M (94%). YTD same. We made \$5M progress against budgeted revenue for the quarter. I expect September revenues to be strong at \$6M, bringing Q1 total revenue to our previously forecast \$37M. (This includes the \$2.7M we have billed 3Com but may never receive). Forecast for Q2 is \$40M vs budget of \$38.4M.

NEW BUSINESS SIGNED:		
Account	Product	Comments
Positive Corp	Windows v3.0	\$960k/yr. \$32 /sys
Eltech	OS/2	\$42k /yr
Compuadd	MS-DOS 5.0 per processor lic.	No min/roy increase
HP	MS DOS ROM	
Linotype	Truelmage	\$250k source agrmnt
Lasermaster	Windows v3.0	FG Promo \$65/copy
3Com	LAN Manager v2.0	No change in \$9m min
DuPont	MS-DOS	\$6k annual commit
Future Domain	CD-Rom Ext	\$125k /yr
Software Tool	Stat Pack, Bookshelf, SBC	\$600k /yr
Strategic Dim	OS/2 v1.21	\$43k /yr
XYCOM	MS-DOS	\$30k /yr

### NEWS:

**Tandy** and MS sign Multi Media LOI and immediately conduct 4 city press and ISV tour.

**Everex** announced and released OS/2 v1.21 on August 15th.

**3Com** stock drops by 30% in response to lowered financial expectations. 3Com also announced Netware drivers for it's 386 server will be available Q1 CY91.

**AST** verbally agrees to Win 3 / RAMPAGE board bundle. we will ink in September.

**DG** lays off 2000 employees in early September addressing continued weak performance.

**DCA** releases "Select CS" to good reviews. Baxter immediately orders 25 to put into service.

**Sun** continues to enhance it's product and distribution options ( see RISC Watch).

**Compaq** reports 215K+ quarter: OS/2 2.0 bundle plan dies after repositioning

Win/PM APIs: OS/2 1.21 ships.

**DCA** signed up their first customer for the DCA/MS Select Comm Server Product.

**Baxter Healthcare's** order is for (25) sixty-four user systems. They will be using these servers to handle \$2 million dollars worth of orders per hour, so "hot backup" and "load leveling" were two of the key features that sold them on the DCA/MS solution.

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**ISSUES:**

Counterfeiters continue to take business from our **New business group**. In September we will present proposals to attack this problem on the packaging and enforcement front.

**3Com LAN Man** negotiations slow; 3Com's ongoing role in LM distribution is unclear.

**Excelan/Novell** license dialogue continues, looks headed toward legal action.

**DEC** pushes for distribution of MS apps at lower discount we have provided, we meet September 18th in Redmond.

**Phoenix DOS 5** royalty negotiation must be resolved in September.

**Zeos** showing signs of weak financial condition has asked us to renegotiate their min commits (Win 3 licensee).

**ATT's Pike Patent** now in critical path of MS-DOS 5 and amended Windows license.

Schedule prevented fix for **Zenith's** swapfile bug from being included in Windows 3.00a release.

**SPARC** efforts still underway at **Compuadd** and **Nothgate**, only known U.S. OEM's planning to show systems at fall Comdex.

**Lotusworks** continues to be competitor at **CBM** and **Emerson**.

**PEOPLE:**

**Don Hardwick** joined Microsoft in August as AM after most recently spending 5 years with DG. **David Bennet** joins MHR group from USSMD. David and Don will pursue new business.

**Marlene Patterson** joins MHR group as Group Assistant.

This leaves one "New Business" Account Manager and the dedicated ROM DOS Embedded Systems positions open, both will be filled in September.

**Kathleen Graves** returns from maternity leave Sept 10th, we are looking at several options for Kathleen including assigning her as a second AM on NCR, Compaq or HP.

**COMMENTS ON REVENUE:**

August was strong as royalty reports arrived and our packaged product sales caught up with revenue budgeted in July.

Systems shipped in Q4(FY90) remained healthy with moderate growth. Many customers do continue to report US sales flat, growth continuing in Europe. Recap of FYQ4 system shipments reported in Q1, top shippers:

(In K Units)

Account	Q4FY90	Q3FY90	Q4FY89
Compaq	215	206	180
Tandy	75	122	84
Zenith	62	84	150
AST	69	67	57
CBM	53	57	74
Unisys	31	26	45
Tandon	42	46	44
HP	41	40	54
NCR	0	41	49
ATT	37	33	19

Move continues to be aggressive to 386sx or better, if Intel can turn out those 4M chips in the last quarter of this year the channel will ship them.

Many "second tier" (Compuadd, Everex) customers continue to complain of shortages in 386sx chips, several reportedly shipped DX systems this summer at SX price points just to move units.

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The greatest know exposures to FY91 budget are: FG MS-DOS business. 3Com \$6M min. commits. Phoenix \$3M min. commits, possibly \$2M SCO shortfall. FG MS-DOS business continues to be sluggish at just under 20k per month (Budget is 30k p/m). this the product of way too much grey market and counterfeit activity. We will present a plan to Joachimk in September to attack counterfeiter's. Getting Georgerd's new territory reps up to speed and selling should also help pull these numbers up. 3Com is looking more and more like little revenue for FY91. we will work hard to keep at least \$2M in mins. for FY91.

Phoenix is taking a "hard line" in the MS-DOS 5 royalty negotiation. we meet with them September 18th to decide this.

SCO came in very close to budget in Q1 however Bobkr has indicated he believes they will be less on quarters to come. he and I will meet this month to discuss.

On the positive side we continue to sign Windows licensees. many of our original licensees will complete thier first full quarter of shipping in September. I expect strong Q3 and Q4 revenue as more of these new licensees begin to ship.

**FG MS-DOS SUMMARY:**

FG MS-DOS business has not changed materially in the past 3 months. we seem to have "platued" at the 20k per month level. Melvin and George must work a plan to increase the volume of our previous highest volume customers as we know today they are not shipping any where near thier CPU run rates.

(K units)	AUGUST		Q1		FY91		FY90
	Units	%	Units	%	Units	%	
PP 3.3	7	38%	16	40%	16	40%	
PP 4.01 (5 1/4")	8	46%	19	49%	19	49%	
PP 4.01 (3.5")	3	16%	4	11%	4	11%	
Units of PP	18	100%	40	100%	40	100%	24
Dollars of PP	\$935		\$2,022		\$2,022		\$1,236
Avg. Selling Price	\$51.18		\$51.03		\$51.03		\$51.94

*NOTE: The above numbers do not include the following individual in OEM: Patty Eastern ; Units-950, S-\$9,500 YTD.*

**WINDOWS MOP UP:**

Our efforts to continue to increase Windows penetration at the OEM level continue. Interest in Windows remains strong. we have negotiations with AT&T and Grid to convert to "per system" licensing. We have new business pending with Everex, Sun Moon Star, Z-NIX (mouse OEM), and Cumulous systems. Dell has verbally agreed to 6 month "promo" to act as a test for further distribution. looking to ship in October.

We have discussed the MS-DOS(4)/Win combined product with many "New Business" customers and will have strong orders once product is available. We will further promote this product in a mailer to our lower volume OEMs in September.

We are approaching OEMs which distribute Windows preloaded on hard disk to also include MS "Working Models" to promote MS Windows Applications. so far reception has been very positive.

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**PRODUCT MARKETING FEEDBACK:**

CompuAdd, Everex, and Zenith have been substituting 386DX chips for 386SX's due to the shortage of SX's. Everex says that DX's are now in short supply as well. All three expect the problem to be relieved within the next month or so.

NBU: Dell would like to ship a PP of LM  
OS/2: Dell would like to ship a PP of OS/2

**LAPTOP WATCH:**

Tandy released a new Notebook PC--1500HD. It has a NEC V-20 chip and weighs 5.9 lbs. The SRP is \$1999 and includes DOS 3.3 and DeskMate.

GRID finally shipped their "roadrunner" Laptop (1550) that is bundled with an Isopoint pointing device and Windows 3.0.

AT&T is currently "shopping" for a laptop which will be announced in November.

Zenith Work still proceeding on the Zenith Genesis machine, scheduled for February 1991.

Unisys to produce own Laptop/Portable

Dell has a notebook (286 and 386) due in Dec./Jan.

Dell also has a palm size due in Jan.

CBM will introduce one in the U.S. on or about September 15

**RISC WATCH:**

CompuAdd SPARK WS is still slated for COMDEX showing. They are now viewing it as just an offering with no strategic value (Not positioning it as a technology statement for anymore).

Northgate still on track to ship at fall Comdex.

**HARDWARE WATCH:**

Sun has signed distribution agreements with MicroAge, Nynex Business Systems and Intelligent Electronics Inc. This gives Sun access to over 1700 storefronts through which to market Sun products. Of these 1700 storefronts, only 200 are expected to be authorized in 1990

Sun has also introduced a new workstation, the SPARCstation IPC, a small footprint color workstation operating at 15.8 MIPS and priced at \$8995 diskless and \$9995 with a 207 MB hard drive.

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**DOS 5.0 WATCH:**

<u>Account</u>	<u>Status</u>	<u>Close Date</u>	<u>DRI Threat?</u>
Tandy	N	12/90	N
AT&T	N	9/30	N
Tandem	P	11/90	N
Everex	N	11/90	N
SMS	N	9/90	N
CompuAdd	S		N
Zenith	N	9/90	N
Unisys	N	9/90	N
Arche	N	9/90	N
GCH	N	9/90	N
Televideo	N	9/90	N
Positive	N	10/90	N
Emerson	N	11/90	N
CBM:	N	N/A	Y
Data General	P	60 days	N
Dell	N	11/90	N
NetFRAME:	N/A		
Memorex-Telex:	S		
Compaq	S		N
NCR	N	10/90	N
AST	N	10/90	N
Northgate	N	10/90	N
Wyse	N	10/90	N
HP	S		N
Atari	N	9/90	N
Momenta	N	10/90	N
Tandon	N	10/90	N

**ACCOUNT SUMMARIES**

(Jenkins Account Team)

**AT&T:**

Legal (patent) issues have entered the negotiations on the Win3/DOS5 Amendment with AT&T and may affect this business for quite some time. The FAA license is much closer to closure now that pricing and hook rate issues are resolved. Multimedia took a step forward with an initial conference call and the LM/X LOI is about three issues away from closure after a meeting and several conference calls. The AT&T Executive Review is set for September 17th.

**Tandem**

Tandem is very interested in the Win Productivity Pack and OEM Working Models after receiving our proposal.

**CompuAdd:**

CompuAdd has agreed to contribute \$1M to the Multimedia consortium. \$100K in cash and \$900K in specific value in kind. LOI to go out next week.

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**Nevis**

After many calls and mtgs. it appears we are in the final licensing phase. Nevis still needs to decide on a minimum commitment (which will determine the royalty), but all the T&C's have been hammered out and the License is ready to go.

**Wang:**

Jeff received word from contacts at Wang's EBC in L.A. that Horace and Miller are not seeing eye to eye. Horace is still viewing VS minis as being the customer solution while Miller is saying "what the customer wants is what Wang will provide". Horace could be on his way out, or see a new vision soon. We may be able to influence their direction. Wang has invited Microsoft to participate in a PC seminar in October. The seminar is to educate Wang's Executive level sales & mrkt folks on PC's and the future market place. Wang would like Microsoft to do a Windows 3.0 presentation and a hands-on training demo. Great opportunity! Jeff is also pursuing getting Larry DeBover to speak at this seminar since it will also be addressing "Enterprise Computing" (a good oppoty to communicate the MS story). Jeff needs to spend more time with this account.

**Everex:**

Delivered fix for final 1.21 and they announced the release of product on August 15th. Held RISC Meeting with John Lee, etc; they have no current plans to ship a SPARC system but are investigating. They agreed to let us know if their plans change. Everex also indicated their desire to work closer with MS on many types of projects. We are negotiating a new master agreement that includes expansion of their DOS business, as well as Windows on the Step line. Also some potential business with Xerox for Windows and Works, through an OEM agreement with Everex.

**Parallan**

Very little activity. Final OS/2 1.21 has been delivered. Source code drop delayed due to MS. MS is currently testing AS/2 MP server for internal MS use.

**Sun Moon Star:**

We have agreed to the new terms of the re-negotiated agreement. First draft of license will be sent first week of September with close date by mid-September. MM Product Manager, Elliott Dahan has left SMS. Dion Lisle will be taking Elliott's place, concerns of how fast he will catch up with where MS and SMS's plans for MM.

**Tandy:**

Microsoft and Tandy have jointly signed a Letter of Understanding for developing the MS Multimedia market. Under the LOU, MS will provide system software and Tandy will provide: ISV involvement, distribution, and two different hardware platforms. We have been holding numerous meetings with Tandy on both player and MPC issues. Some bumps along the way, but things are generally proceeding smoothly. Proposed per-system windows on all non deskmate systems; many other proposals made including MM Bookshelf, Productivity pack, games pack, working models, etc. Ray will be busy!

**Zenith:**

Kelly spent the majority of the month on the road travelling with Rob Horwitz to three of Zenith Data System's six sales/support regions, doing two day seminars on Microsoft's systems strategies. This training has been highly successful and popular with the Zenith field Sales force. Microsoft will realize significant advantages in future design wins due to this newly developed relationship. In between these sales activities, Kelly drafted an amendment which among other things, licenses DOS 5 to ZDS and

also allows them as the PC platform provider for Groupe Bull. to report royalties for all Groupe Bull PCs worldwide beginning with FY91. Tucked in between these activities were two successful meetings, one done with Pamela Goldschmidt with several key product marketing and sales personnel in Chicago, which resulted in an LOI from Zenith stating their interest in becoming a development partner on MPC, and the other a meeting with the MS H-Windows folks here in Redmond with two senior Zenith product planners.

**(Hannum Account Team)**

**3COM:**

Eric Benhamou has responded to MS' letter, outlining our counter proposal with a telephone call to Mikehal. He claims that our entering the market has caused them to not be able to differentiate their product from ours and request \$0 minimum commitments. He has offered the Macintosh and Directory Services technologies in return. We have not yet responded, but it looks like we want to hold the line at \$3M for 3 years with no payment for the above mentioned technologies. The tenth amendment for LM 2.0, has been signed. This amendment reflects royalties based on a yearly min. commit of \$9M. The agreement was signed so 3Com could receive the final OAK and be able to announce support for LM 2.0. Both parties expect to renegotiate the terms and conditions of this amendment. Support continues to be a major issue with much progress being made on our part as we begin to define and implement support policies and procedures.

**Commodore Business Machines:**

We have made progress with the Amiga Works project. We had a conference call with Jeff Scherb to give a formal proposal. He has responded back to us via e-mail and next week we will be setting up an internal meeting to go over his concerns. The mouse group has approved the Mouse License. No changes in the status of the Windows 3.0 amendment or the signing of DOS 5.0. DRJ continues to be a threat.

**Data General:**

DG is in extreme turmoil. It is a day to day guess who will be working there in what capacity. DG laid off an additional 2300 employees. Under those circumstances it has been difficult to get direct marketing focus from anyone. Of the three product managers Markbu met with last month, one has been moved to another area, and one is on his way out. Additionally the Manager of P.C. Software quit, a long time internal supporter of MS. DG will probably bundle works on the Laptop. I have presented a financial strategy to them that they are agreeable to at this stage.

**Digital Equipment Corporation:**

There was good progress on the Windows front this month. The All in 1 Windows client project is moving along at a good pace with final decision expected mid October. We have a good shot at getting Thunder and Apps working models designed in as well as a favorite nation status when it comes to applications marketing and sales at DEC. We also learned that a year from now, the next version of Lan Works will be entirely Windows based. Pascalm made good progress penetrating the DEC service and sales organization. We met with key people in the Santa Clara PC resource center and will use this avenue to increase MS mind share in the DEC sales force. The technical exchange meetings went really well. OS/2 Lan Manager 2.0 is now in beta test at key DEC customers' sites. Shipment expected in early November. Lan Manager /X: DEC is started on LM/X 1.1 development. VERY tentative ship dates:

-LM/X 1.1 (Ultrix) : Q2 CY 91

-LM/X 1.1 (VMS) : Q1 CY 91

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OS/2 Lan Manager 2.0 is now in beta test at key DEC customers' sites. Shipment expected in early November.

**Dell:**

The relationship is improving greatly. Richardf went to Dell and discussed MS' future product plans as well as listened to their corporate marketing story. They have agreed that an Executive Review is a good idea and we are presently completing an agenda and compiling a list of attendees. They have verbally agreed to do a six months promotion of Win 3.0, working models and a MS mouse on selected 386 and 486 systems. Details still need to be worked out for terms and conditions after the initial six month period. Have verbally agreed to bundle our mouse with the 6 month Win 3.0 promo. This would be the first step in displacing Logitech.

**Logitech:**

The first amendment to their license is in progress. This amendment restricts the license rights to end users in the United States and Canada and adds several customer systems. First customer shipment of their Windows bundle is scheduled for the middle of September.

**Phoenix:**

License negotiations continue as the expiration date of September 30th approaches. The offer on the table is for the addition of DOS 5.0 with a \$35 royalty for one year. An option is to defer the addition of DOS 5.0 for six months by extending their current license at the current \$34 royalty. The publishing agreement is prepared and ready to execute.

**(Lum Account Team)**

**AST:**

AST shows encouraging signs of interest in working more closely with Microsoft. Melody Paterson, Manager of Strategic ISV relations, visited MS for a day, and we discussed ways to work together more effectively. AST's Brian Anderson will be putting a GUI themed video together for their sales force entitled Win with Windows. Another recent opportunity, is AST's participation in our Networld activities. MS and AST's booth will have AST OS/2 1.21 running Lan Manager 2.0 servers running in both booths. AST agreed to bundle Windows 3.0 with every RAMPAGE board they manufacture on a six month trial basis.

**ATARI:**

We have reached verbal agreement with Atari on ROM DOS for the Portfolio, Works for the Portfolio, DOS 5.0 for the desktop, as well as Atari's acceptance to have a third party take the burden of porting Works to the ST. We have agreement from the EBU that they will do the work for the Portfolio Works project, and that they will provide Atari with the Mac Works source so that they can get the port done. Tom plans to have all this formalized and executed by the end of September.

**COMPAQ:**

Big month with Compaq. Myhrvold's meeting with Stimac unveiled some interesting and disturbing news regarding their RISC plans. This meeting resulted in a Gates/Ballmer meeting with the Compaq strategy team including Canion. As a result of these meetings, the OS/2 2 bundle plans for Compaq are dead (no surprise). Canion reassures Bill that a SPARC solution would be their last resort. We made good

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progress with MMV and PSS support. There are still some issues to resolve with Lan Manager support. The printer business looks dead but we are not totally out of it yet.

**HEWLETT - PACKARD:**

NPR

We have signed the ROM DOS deal and they will begin shipping this month. Larry is working to complete a special non-disclosure so we can ship them LanMan and OS/2 pre-release product for their use in supporting efforts to get the "ELI" printer LM connectable.

Greeley

Larry and Karen Hargrove's visit resulted in a strong need to cooperate with HP's development team as we progress towards Fax protocols and fax printing in general. They were excited by the prospects of our cooperation and the plans we revealed. This could be a good joint development project for both companies that could result in significant future opportunities.

**NCR:**

NCR has had difficulties in producing their DOS royalty report. We believe they will meet their 45K forecast, adding an additional \$720K of revenue and bringing their QTD figure to \$1,180,800 (92% of Plan). This was the month of meetings with NCR. The most key was a meeting between Tom Mays, Sr. VP of NCR and Steveb. The major topic of discussion was NT OS/2. NCR will mention NT in its September 18 product announcement, and we will explore what is required to ship NT on NCR's Voyager product. In addition, we continue to work on workgroup pricing issues. We offered, and NCR accepted, user-based pricing for LM and quasi UB pricing for Comm Server. One of NCR's largest European customers, Fellesdata, was here for a day to hear about the MS systems strategy. In addition, there were two meetings to discuss H-Windows; NCR is very interested in working with us on Windows-H.

**WYSE:**

Jeff expects Wyse to sign a new three year license for DOS 5.0/3.3 with a minimum commitment of \$1.5M each year and a \$18 dollar royalty rate. These are the same terms business terms they had in past licenses. Once all licensing issues are resolved with WYSE, Jeff recommends we audit them. During the last quarter, Wyse failed to report any 8088 sales even though the last three quarters showed 8088 sales increasing. When Jeff questioned Wyse's new royalty report person, Jose Lopez, he said that he was not sure if these were the right numbers but that this is what his reports said. Good investigative work by Jeff - this kind of stuff usually leads to extra money for us.

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**MICROSOFT CORPORATION**  
**DOMESTIC OEH REVENUE BY SALES TEAM, BY BUSINESS UNIT**  
**AUGUST '90**  
 (in thousands)

	DOWNING			JENKINS			HANNUM			HENDERSON			DUPONT			OTHER			TOTALS					
	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%			
<b>ROYALTY:</b>																								
HARDWARE	0	0	N/A	136	120	113%	25	25	100%	0	0	N/A	50	19	267%	0	0	N/A	0	0	N/A	211	163	129%
LANGUAGES	11	0	N/A	0	0	N/A	0	0	N/A	19	0	N/A	0	0	N/A	18	0	N/A	0	0	N/A	48	0	N/A
NETWORKS	39	0	N/A	359	83	433%	43	1,039	4%	68	0	N/A	189	213	89%	367	0	N/A	0	0	N/A	1,065	1,336	80%
MULTIMEDIA	0	0	N/A	0	0	N/A	0	0	N/A	1	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	2	0	N/A
DOS	452	600	75%	2,666	3,157	84%	3,403	1,608	212%	658	1	N/A	6,173	4,205	157%	0	0	N/A	13,352	9,571	139%			
OS/2	0	46	0%	7	137	5%	106	51	209%	1	0	N/A	344	620	56%	0	0	N/A	1,008	874	115%			
PRINTER SYS.	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	75	0	N/A	0	0	N/A	0	0	N/A	75	0	N/A
WIN	15	600	2%	960	711	132%	133	98	137%	0	0	N/A	460	33	1,395%	0	0	N/A	1,549	1,442	107%			
ANALYSIS	3	153	2%	18	68	27%	0	0	N/A	8	0	N/A	0	0	N/A	0	0	N/A	29	320	13%			
DATA ACCESS	5	152	4%	15	0	N/A	0	200	0%	8	0	N/A	0	0	N/A	0	0	N/A	34	352	10%			
ENTRY	0	4	0%	4	0	N/A	39	140	28%	3	0	N/A	0	0	N/A	0	0	N/A	47	160	34%			
GRAPHICS	0	108	0%	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	108	0%			
OFFICE	0	153	0%	9	50	18%	0	0	N/A	130	0	N/A	0	5	0%	0	0	N/A	139	208	67%			
REMIX	168	0	N/A	0	0	N/A	5	0	N/A	1,894	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	2,067	0	N/A
	693	1,812	38%	7,154	4,346	96%	3,735	3,159	119%	2,791	1	242,668%	7,292	5,095	143%	938	0	N/A	19,823	14,413	136%			
<b>OTHER:</b>																								
UPB & MISC	672	63	1,062%	1,323	837	158%	-2,436	-1,947	N/A	520	-1	N/A	-3,445	-1,098	N/A	-548	0	N/A	-3,915	-2,145	N/A	15,708	12,267	128%
<b>TOTAL</b>	<b>1,365</b>	<b>1,875</b>	<b>73%</b>	<b>5,477</b>	<b>5,183</b>	<b>106%</b>	<b>1,319</b>	<b>1,212</b>	<b>109%</b>	<b>3,310</b>	<b>0</b>	<b>3,847</b>	<b>3,997</b>	<b>96%</b>	<b>390</b>	<b>0</b>	<b>15,708</b>	<b>12,267</b>	<b>128%</b>	<b>19,823</b>	<b>14,413</b>	<b>136%</b>		
<b>PACKAGED PRODUCT:</b>																								
BOOKS	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
HARDWARE	66	250	27%	411	150	274%	35	0	N/A	391	0	N/A	229	0	N/A	0	0	N/A	1,133	400	283%			
LANGUAGES	0	0	N/A	13	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	13	0	N/A			
NETWORKS	0	0	N/A	2	0	N/A	1	0	N/A	2	0	N/A	0	0	N/A	0	0	N/A	5	0	N/A			
MULTIMEDIA	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A			
DOS	400	0	N/A	8	19	42%	0	0	N/A	532	422	126%	3	0	N/A	106	3	N/A	943	441	214%			
OS/2	3	0	N/A	3	0	N/A	16	0	N/A	5	0	N/A	3	0	N/A	0	0	N/A	133	0	N/A			
WIN	0	0	N/A	93	0	N/A	4	0	N/A	43	0	N/A	12	0	N/A	1	0	N/A	152	0	N/A			
ANALYSIS	0	0	N/A	1	0	N/A	0	0	N/A	0	0	N/A	0	25	0%	0	0	N/A	1	25	5%			
DATA ACCESS	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A			
ENTRY	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A			
GRAPHICS	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A			
OFFICE	0	0	N/A	-18	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	-18	0	N/A			
REMIX	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A			
OTHER/MISC	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A			
	469	250	188%	513	109	304%	-55	0	N/A	975	422	230%	243	25	973%	108	0	N/A	2,362	866	273%			
<b>GROSS REVENUE</b>	<b>1,035</b>	<b>2,125</b>	<b>86%</b>	<b>5,990</b>	<b>5,332</b>	<b>112%</b>	<b>1,374</b>	<b>1,212</b>	<b>113%</b>	<b>6,264</b>	<b>422</b>	<b>1,014%</b>	<b>4,090</b>	<b>4,022</b>	<b>102%</b>	<b>498</b>	<b>0</b>	<b>18,070</b>	<b>13,134</b>	<b>138%</b>				
CLAP ADJ.	0	0		0	0		0	0		0	0		0	0		0	0		0	0				
OTHER ADJ.	0	0		0	0		0	0		0	0		0	0		0	0		0	0				
<b>NET REVENUE</b>	<b>1,035</b>	<b>2,125</b>		<b>5,990</b>	<b>5,332</b>		<b>1,374</b>	<b>1,212</b>		<b>6,264</b>	<b>422</b>	<b>1,014%</b>	<b>4,090</b>	<b>4,022</b>		<b>498</b>	<b>0</b>	<b>18,070</b>	<b>13,134</b>					
<b>VARIANCE</b>	<b>-291</b>	<b>-63</b>		<b>630</b>	<b>162</b>		<b>162</b>	<b>133%</b>	<b>33%</b>	<b>3,861</b>	<b>78%</b>	<b>1%</b>	<b>60</b>	<b>60</b>		<b>498</b>	<b>10%</b>	<b>6,936</b>	<b>100%</b>					

\*\* INCLUDES IBM AND MISC.

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**MICROSOFT CORPORATION**  
**DOMESTIC OEM REVENUE BY SALES TEAM, BY BUSINESS UNIT**  
**YEAR-TO-DATE AS OF AUGUST 31, 1990**  
 (in thousands)

	DOWNING			JENKINS			BLANCHARD			HENDERSON-SUBITO			LUMMA			OTHER			TOTALS					
	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%			
<b>ROYALTY:</b>																								
HARDWARE	0	0	M/A	136	120	113%	26	25	105%	0	0	M/A	50	19	267%	0	0	M/A	0	0	M/A	212	163	130%
LANGUAGES	11	15	73%	0	0	M/A	0	0	M/A	19	19	101%	0	0	M/A	0	0	M/A	18	75	24%	48	109	45%
NETWORKS	39	25	156%	359	83	435%	43	1,075	4%	85	44	192%	189	213	89%	367	400	92%	1,080	1,839	59%			
MULTIMEDIA	3	0	M/A	0	0	M/A	0	0	M/A	18	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	22	0	M/A
DOS	486	1,236	39%	2,664	4,568	59%	3,403	2,712	125%	725	2,820	26%	6,173	5,958	104%	548	0	M/A	13,452	17,274	78%			
OS/2	0	46	0%	0	0	M/A	106	88	119%	1	0	M/A	362	767	47%	0	0	M/A	1,024	1,680	61%			
PRINTER SYS.	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	103	0	M/A	0	0	M/A	0	0	M/A	103	0	M/A
WIN	15	600	2%	940	711	132%	138	140	99%	1	702	0%	460	397	116%	0	0	M/A	1,554	2,569	61%			
ANALYSIS	3	158	2%	18	68	27%	0	0	M/A	8	0	M/A	0	0	M/A	0	0	M/A	29	226	13%			
DATA ACCESS	5	152	4%	15	0	M/A	0	200	0%	8	0	M/A	0	0	M/A	5	0	M/A	35	352	10%			
ENTRY	0	0	M/A	4	0	M/A	57	140	41%	3	450	1%	0	0	M/A	0	540	0%	0	1,130	6%			
GRAPHICS	0	108	0%	0	0	M/A	0	0	M/A	130	0	M/A	1	0	M/A	0	0	M/A	0	108	0%			
OFFICE	0	153	0%	0	0	M/A	0	0	M/A	130	0	M/A	1	5	10%	0	0	M/A	139	208	67%			
TELETYPE	168	191	88%	170	0	M/A	5	6	83%	1,894	2,185	87%	0	0	M/A	0	0	M/A	2,237	2,382	94%			
XENIX	730	2,635	27%	4,325	5,809	74%	3,778	4,356	87%	2,869	6,219	46%	7,339	7,355	100%	938	1,565	60%						
<b>OTHER:</b>																								
UPR & MISC	1,207	532	219%	2,131	216	987%	3,032	1,047	291%	1,426	-358	M/A	-590	-168	M/A	-548	-549	M/A	6,479	739	903%			
TOTAL	1,936	3,237	60%	6,456	6,035	107%	6,830	5,433	126%	4,316	5,861	74%	6,749	7,190	94%	390	1,015	38%	26,678	28,761	93%			
<b>PACKAGED PRODUCT:</b>																								
BOOKS	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A
HARDWARE	107	250	43%	679	150	453%	50	0	M/A	698	60	1,164%	290	0	M/A	0	0	M/A	1,824	460	397%			
LANGUAGES	0	0	M/A	18	0	M/A	0	0	M/A	2	0	M/A	0	0	M/A	0	0	M/A	18	0	M/A			
NETWORKS	0	0	M/A	2	0	M/A	1	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	5	0	M/A			
MULTIMEDIA	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A			
DOS	821	1,378	60%	10	19	50%	0	0	M/A	1,215	2,199	55%	14	0	M/A	0	0	M/A	2,051	3,596	57%			
OS/2	12	0	M/A	3	0	M/A	19	0	M/A	58	0	M/A	32	0	M/A	216	161	134%	267	161	166%			
WIN	0	0	M/A	169	0	M/A	5	6	93%	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A			
ANALYSIS	0	0	M/A	1	0	M/A	0	0	M/A	0	0	M/A	0	50	0%	0	0	M/A	1	50	2%			
DATA ACCESS	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A			
ENTRY	0	0	M/A	0	0	M/A	-46	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	-46	0	M/A			
GRAPHICS	0	0	M/A	1	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A			
OFFICE	0	0	M/A	-18	0	M/A	0	0	M/A	0	95	0%	0	0	M/A	0	0	M/A	-18	0	M/A			
TELETYPE	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A			
CIPHER MISC	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A	0	0	M/A			
TOTAL	940	1,628	58%	864	169	511%	29	6	500%	1,996	2,334	85%	336	50	672%	223	161	138%	4,368	4,368	100%			
GROSS REVENUE	2,877	4,865	59%	7,320	6,194	118%	6,859	5,439	126%	6,312	8,215	77%	7,085	7,240	98%	613	1,176	52%	31,066	33,129	94%			
GAAP ADJ.	0	0		0	0		0	0		0	0		0	0		0	0		0	0				
CIPHER ADJ.	0	0		0	0		0	0		0	0		0	0		0	0		0	0				
NET REVENUE	2,877	4,865		7,320	6,194		6,859	5,439		6,312	8,215		7,085	7,240		613	1,176		31,066	33,129				
VARIANCE	-1,988	98%		-1,127	-55%		-1,420	-67%	-1,903	-92%		-155	8%	-563	27%		-2,063	100%						

\*\* INCLUDES IPM AND MISC.

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**August Status Report**  
**Jenkins Account Team**  
 September 20, 1990

**Revenue**

Revenue for the month was \$5.989M against a plan of \$5.35M. QTD is \$7.3M against a plan of \$6.2M. I expect to end Q1 at about \$8M, against a Q1 plan of \$6.8M. The september revenue will come from SMS and CompuAdd min commits, as well as some additional earned royalties from Wang, who is reporting late.

**New Business Signed**

<u>Account</u>	<u>Product</u>	<u>Comments</u>
CompuAdd	MS-DOS 5.0/Shell	No roy/commit increase

**New Business Pending**

<u>Account</u>	<u>Product</u>	<u>Royalty</u>	<u>Commit</u>	<u>Close</u>	<u>Chance</u>
GRiD	Powerpoint	58% off SRP	1K units.	9/30	70%
Tandy	MM Windows	\$23.-\$25.	0	9/30	70%
AT&T/FAA	Apps/Langs/Mouse	\$49.50-\$135	\$1.75M/yr	9/30	90%
AT&T	Win3/DOS5 Amend	\$28/system	\$700K/yr	9/30	80%
Everex	MS-DOS 5.0	\$15.00 to \$20.00	Neg.	Oct.	80%
Everex	Windows 3.0	\$19.00 to \$21.50	50% of 75K	Oct.	80%
Everex	Productivity Pack	\$4.00	0	Oct.	80%
SMS	Windows 3.0	\$25.00	0	Sept	80%
Nevis	SQL Server	TBD	TBD	Oct/90	80%
Nevis	Comm Server	TBD	TBD	Oct/90	80%

**News**

Tandy and Microsoft recently completed a four city press tour. A team headed by Robg and Howard Elias met with selected influential members of the PC community who could assist us in promoting the MS Multimedia strategy. The press tour was very successful and the MM demos were very well received.

AT&T loses the third OS/2 product marketing manager to reorganization. Product management and product marketing for OS/2, DOS and Win will be done by John Oellrich now.

AT&T may have problems sending four people to the briefing-- no budget left for attendance.

AT&T will bundle OEM Working Models with their Windows packages.

Everex announced and release OS/2 1.21 on August 15, 1990. Product is available for Step, AGI and Tempo PC's

SMS has agreed to terms of new master license agreement To be signed this month.

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Wang Wins government computer contract valued at \$841 million over 5 yrs. The Contract is to supply the state department and affiliated agencies with it's VS minicomputers, PC's, software and training/support.

Bull HN expands while parent company plans cutbacks. Bull HN affirms its commitment to the US market by reaching a preliminary agreement to purchase Honeywell Federal Systems, Inc from Honeywell. At the same time, Groupe Bull of France announces cutbacks of 3,000 employees.

#### Issues

Tandy is concerned about the announcement date of DOS 5.0. Tandy will begin shipping a new PC in the Spring and does not want to ship an "obsolete" version of ROM DOS (3.3).

The pike patent issue between MS and AT&T is growing and looks like it may interfere with any new business between the two companies. Next step is to have the two legal groups discuss and try to resolve.

Kelly's pleas to get the Zenith swapfile fix included in 3.00a have fallen on dead ears. According to Cole, the testing impact made it not possible.

The SSRC bid is causing Zenith heartburn. This bid, which USSMD-Federal would very much like to sell packaged product (DOS RUP) against to the various bid respondents, is causing us a little heartburn with Zenith. While it is true, that *not all* machines being upgraded on this bid are Zenith machines, the vast majority of them are. Hence, Zenith would like to upgrade with their DOS. Outside of the pricing issue, is the issue of Zenith machine enhancements/utilities that they provide through their product that is not provided in our anticipated packaged product.

It is our strategy however to make the RUP the winner, regardless of who bid award winner is. Lum has been working the pricing issue and will join Paul Burden and co. for a meeting with Zenith federal this week to somehow reconcile Zenith's issues.

I thought this was an issue that had long ago reached resolution, but it appears that we don't have a consensus in terms of USSMD Education reps getting compensated on Zenith MS AE Sales in the same manner as they do for IBM. This incentivizes of course, our reps to work with IBM at the exclusion of Zenith. This is especially disturbing in light of Zenith's corporate stance on Windows. Kelly will work this issue with the new guy in USSMD who has this responsibility.

#### Accomplishments

Raydc

- \* Tandy MM LOI Signed
- \* Completely focused on Tandy/GRID and no longer transitioning past accounts.
- \* MS participated in Tandy's Annual Sales Meetings. Coordinated USSMD's involvement

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**Pattye**

Assisted Tom Brubaker with his Account Plan presentations for OEM Management.  
Resolved Rhapsody server tie issue  
Resolved FAA hook-rate issue  
Finalized AT&T exec review plans

**Johnmc**

Met at Everex to explore RISC architecture plans and outlined how both sides can work together.  
Reached Agreement on terms and conditions for SMS Master license Agreement.  
MT account turn over completed to Debbie Flynn.

**Jeffmo**

CompuAdd is going to license Multimedia Windows and participate in consortium.  
CompuAdd's DOS 5.0 is fully executed!!!  
Nevis Master License Agreement is complete and in Nevis' hands for review.  
Wang New Master License Agreement is drafted and ready for Wang' first review.  
Wang Executive level training for Windows 3.0 is set for October.

**kellyw**

Per Copy Accomplishments - Three successful training meetings  
Received LOI for MPC from Zenith

#### **Laptop Watch**

Tandy released a new Notebook PC--1500HD. It has a NEC V-20 chip and weighs 5.9 lbs. The SRP is \$1999 and includes DOS 3.3 and DeskMate.

GRiD finally shipped their "roadrunner" Laptop (1550) that is bundled with an Isopoint pointing device and Windows 3.0.

AT&T is currently "shopping" for a laptop which will be announced in November.

Tandem is waiting for AST to make a decision on a laptop offering. Until then, no progress.

Work still proceeding on the Zenith Genesis machine, scheduled for February 1991.

#### **RISC Watch**

CompuAdd SPARK WS is still slated for COMDEX showing. They are now viewing it as just an offering with no strategic value (Not positioning it as a technology statement for anymore). We are running out of positioning statements and questions

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**DOS 5.0 Watch**

Status: P=Proposed N=Negotiation S=Signed N/A = Not Applicable  
 Ship date is OAK + n days... i.e. 60, 30, etc  
 DRI Threat is Y or N

<u>Account</u>	<u>Status</u>	<u>Close Date</u>	<u>Ship Date</u>	<u>DRI Threat?</u>
Tandy	N	12/90	45	N
AT&T	N	9/30	45	N
Tandem	P	11/90	60	N
Everex	N	11/90	30	N
SMS	N	9/90	60	Not any more!
CompuAdd	S	8/90	30	N
Zenith	N	9/90	60	N

**Per Copy Sales Activities****Raydc**

Participated in Tandy's NE Regional Sales Meeting. Demonstrated Windows and OS/2 to approximately 1000 Radio Shack Store Managers. Ray also arranged for USSMD to provide similar demonstrations in three other regions.

**Pattye**

We lost yet another AT&T product marketing manager with OS/2 marketing responsibilities-- this is the third. I am concerned about the interest level in continuing the plan we had set forth. Will pick this up after FAA license is signed, etc.

Tandem may be more willing to pick up OS/2 activities now that patty has met with the new product manager involved in MS products at Tandem. She will work on that at the OEM briefing with him.

**Johnmc**

Everex shipping OS/2 1.21!

**Jeffmo**

No activity

**Kellyw**

Systems Training now completed for five of Zenith's six regions

**Market Trends**

At least three of the OEMs in my group (CompuAdd, Everex, Zenith) have been substituting 386DX chips for 386SX's due to the shortage of SX's. Everex says that DX's are now in short supply as well. All three expect the problem to be relieved within the next month or so.

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**Product Marketing Feedback**

Windows 3.0

CompuAdd stated, since they started bundling Windows 3.0 on the hard drive, they have noticed a big decrease in support. So much so, they are cutting back their support staff. This is amazing given CompuAdd's strong growth.

**Account Summaries**

**Tandy:**

Microsoft and Tandy have jointly signed a Letter of Understanding for developing the MS Multimedia market. Under the LOU, MS will provide system software and Tandy will provide: ISV involvement, distribution, and two different hardware platforms. We have been holding numerous meetings with Tandy on both player and MPC issues. Some bumps along the way, but things are generally proceeding smoothly. Proposed per-system windows on all non deskmate systems; many other proposals made including MM Bookshelf, Productivity pack, games pack, working models, etc. Ray will be busy!

**AT&T:**

Legal (patent) issues have entered the negotiations on the Win3/DOS5 Amendment with AT&T and may affect this business for quite some time. The FAA license is much closer to closure now that pricing and hook rate issues are resolved. Multimedia took a step forward with an initial conference call and the LM/X LOI is about three issues away from closure after a meeting and several conference calls. The AT&T Executive Review is set for September 17th.

**Tandem**

Tandem is very interested in the Win Productivity Pack and OEM Working Models after receiving our proposal.

**Everex:**

Delivered fix for final 1.21 and they announced the release of product on August 15th. Held RISC Meeting with John Lee, etc; they have no current plans to ship a SPARC system but are investigating. They agreed to let us know if their plans change. Everex also indicated their desire to work closer with MS on many types of projects. We are negotiating a new master agreement that includes expansion of their DOS business, as well as Windows on the Step line. Also some potential business with Xerox for Windows and Works, through an OEM agreement with Everex.

**Parallan**

Very little activity. Final OS/2 1.21 has been delivered. Source code drop delayed due to MS. MS is currently testing AS/2 MP server for internal MS use.

**Sun Moon Star:**

We have agreed to the new terms of the re-negotiated agreement. First draft of license will be sent first week of September with close date by mid-September. MM Product Manager, Elliott Dahan has left SMS. Dion Lisle will be taking Elliott's place, concerns of how fast he will catch up with where MS and SMS's plans for MM.

CompuAdd

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CompuAdd has agreed to contribute \$1M to the Multimedia consortium, \$100K in cash and \$900K in specific value in kind. LOI to go out next week.

**Nevis**

After many calls and mtgs, it appears we are in the final licensing phase. Nevis still needs to decide on a minimum commitment (which will determine the royalty), but all the T&C's have been hammered out and the License is ready to go.

**Wang:**

Jeff received word from contacts at Wang's EBC in L.A. that Horace and Miller are not seeing eye to eye. Horace is still viewing VS minis as being the customer solution while Miller is saying "what the customer wants is what Wang will provide". Horace could be on his way out, or see a new vision soon. We may be able to influence their direction.

Wang has invited Microsoft to participate in a PC seminar in October. The seminar is to educate Wang's Executive level sales & mrkt folks on PC's and the future market place. Wang would like Microsoft to do a Windows 3.0 presentation and a hands-on training demo. Great opportunity! Jeff is also pursuing getting Larry DeBover to speak at this seminar since it will also be addressing "Enterprise Computing" (a good opply to communicate the MS story). Jeff needs to spend more time with this account.

**Zenith:**

Kelly spent the majority of the month on the road travelling with Rob Horwitz to three of Zenith Data System's six sales/support regions, doing two day seminars on Microsoft's systems strategies. This training has been highly successful and popular with the Zenith field Sales force. Microsoft will realize significant advantages in future design wins due to this newly developed relationship. In between these sales activities, Kelly drafted an amendment which among other things, licenses DOS 5 to ZDS and also allows them as the PC platform provider for Groupe Bull, to report royalties for all Groupe Bull PCs worldwide beginning with FY'91. Tucked in between these activities were two successful meetings, one done with Pamela Goldschmidt with several key product marketing and sales personnel in Chicago, which resulted in an LOI from Zenith stating their interest in becoming a development partner on MPC, and the other a meeting with the MS H-Windows folks here in Redmond with two senior Zenith product planners.

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Forecast for FY90 versus Budget and Prior Year

Account	Q1FY90	Q2FY90	Q3FY90	Q4FY90	Total FY90	Total FY89	FY89-90 Growth	Q1FY91	Q2FY91	Q3FY91	Q4FY91	Total FY91	FY90-FY91 Growth	
ATT	978	1,145	1,302	1,079	4,504	3,899	116%	1,528	1,020	1,484	1,971	6,003	133%	
Budget	1,100	1,000	913	913	3,925			913	1,020	1,484	1,971	5,388	137%	
Compuad	700	699	388	1,172	2,959	2,568	115%	1,163	1,163	1,106	1,106	4,538	324%	
Budget	700	699	0	0	1,399			1,163	1,163	1,106	1,106	4,538	324%	
Everex	504	490	490	505	1,989	1,396	142%	545	470	425	425	1,865	94%	
Budget	523	523	545	545	2,135			470	470	425	425	1,790	84%	
Fandy	1,103	1,282	1,962	1,430	5,777	0	#DIV/0!	1,028	1,125	1,785	1,361	5,298	92%	
Budget	961	865	2,009	1,008	4,843			900	1,125	1,785	1,361	5,170	107%	
Idea	125	125	181	181	613	1,085	56%	181	91	118	118	508	83%	
Budget	125	125	181	181	613			91	91	118	118	418	68%	
Grid	99	89	139	128	456	0	#DIV/0!	124	188	194	211	717	157%	
Budget	138	128	189	214	669			160	188	194	211	752	112%	
SMS	0	0	413	206	619	0	0%	206	206	206	206	824	133%	
Budget	0	0	0	0	0			0	206	206	206	618	#DIV/0!	
Tandem	169	175	206	172	723	728	99%	193	178	54	20	445	62%	
Budget	162	120	125	188	595			178	178	54	20	430	72%	
Nevis	0	0	0	0	0	0	#DIV/0!	0	500	0	0	500	#DIV/0!	
Budget	0	0	0	0	0			0	0	0	0	0	#DIV/0!	
Wang	449	431	633	443	1,956	2,051	95%	460	408	421	421	1,710	87%	
Budget	423	531	582	675	2,211			408	408	421	421	1,658	75%	
Zenith	3,446	275	4,694	2,525	10,939	12,325	0%	2,595	2,300	2,300	2,300	9,495	87%	
Budget	3,299	144	1,572	3,177	8,191			2,300	2,200	2,200	2,200	8,900	109%	
Misc.	0	0	0	3	3	44	6%	0	0	0	0	0	0	0%
Budget	0	0	300	0	300			0	0	0	0	0	0	0%
Totals	7,573	4,712	10,407	7,844	30,536	24,096	127%	8,022	7,649	8,092	8,139	31,901	104%	
Totals Budg	7,431	4,134	6,416	6,901	24,881		Percent of FY90	106%	162%	78%	104%	29,661		
% of Budg	102%	114%	162%	114%	123%									
Variance	143	578	3,991	943	5,655									
YTD FC/A	7,573	12,285	22,692	30,536										
YTD Budg	7,891	12,025	18,441	25,341										
Variance	-318	260	4,251	5,195										
YTD% Bud	96%	102%	123%	120%										

6,661 +

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# AUGUST STATUS REPORT

TEDTEAM

September 10, 1990

## REVENUE:

	Actual to Date	Budget	% of Budget
Aug	\$1.37M	\$1.19K	114%
Q1	\$4.48M	\$5.261M	85%
FY91	\$4.48M	\$5.261M	85%

In Sept, we expect another \$100K from CBM for Amiga BASIC, DEC's mincommits will be \$562.5K, and Intel is expected to report another \$216K for a total in September of \$878K. With the \$2.6M attributed to 3COM this quarter (which they will never pay), the team will finish about \$7.2M.

It is very questionable whether Phoenix will continue to license DOS from us. The current state of the 3COM negotiations would indicate that we will get only a fraction of the currently budgeted \$6M mincommits. This team has \$10M of our total FY91 budget which appears to be a severe risk. That is 38% of our total FY91 budget!

## NEW BUSINESS SIGNED

<u>Account Name</u>	<u>Product</u>	<u>Comments</u>
3Com	LM 2.0	Tenth amendment
Ashton Tate	C- Libraries	Need MS signatures
Citrix	OS/2	No revenue until shipment of product Need MS review and signatures
UB	JetBeui	Renewed for 1 year

## NEW BUSINESS PENDING

### CBM:

- \*Windows 3.0, license by 9/30, \$292,000 opportunity
- \*Amiga Works, license by 10/31, opportunity for \$15 million
- \*DOS 5.0, license by 10/31, no dollar amount yet

### DG:

- \*Dos 5 by 10/30, no additional revenue. Pushed out due to turmoil at DG
- \*Works by 10/30. Pushed out due to turmoil at DG
- \*Windows by 11/30

### Dell:

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- \*Windows/Mouse Bundle on 386/486 machines, license by 9/30/90; \$280,000 opportunity

**DEC:**

- \*LM/X source license (\$55K) revenue not expected before October as negotiations stall due to the ATT situation
- \*Potential \$250K worth of applications software bundled on DECStations "given away" as part of incentive plan for the DEC sales force

**Intel:**

- \*DOS 5.0 amendment by 9/30. Additional \$1.8M revenue.

**Memorex/Telex:**

- \*Additional revenue from the distribution of Windows 3.0 into their installed base, license by 10/31, no specific dollar amount

**Phoenix:**

- \*DOS 5.0 by 9/30.

**UB:**

- \*SQL license by 9/30. Les than \$250K total. In their signature cycle now
- \*LM "embedded version" by 10/30. Needed for Network Management Software.

**NEWS**

- 3Com:**
- \* Stock drops 1/3 of its value in one day, from \$12 per share to \$8
  - \*Eric Benhamou is promoted from COO to CEO, Krause remains Chairman of the Board

- \*Announces support for NetWare 386 on their 3S/500 dedicated servers
- \*Announces will ship SynOptics unshielded twisted pair hub (concentrator) instead of their own MultiConnect product. In return, SynOptics will ship 3Com's ethernet adaptors with their concentrators.

- CBM:**
- \*will distribute a laptop in the U.S.
  - \*plan to ship Amiga Basic by the end of September
  - \*stock at \$5.15

- DG:**
- \*DG is laying off 2000 employees this week in an attempt to counter declining revenues. This will drop DG below 10,000 employees. Internally moral is very low at DG.

- Dell:**  
machines
- \*Pre-announces new systems to corporate clients while cutting prices on 286 and 386SX machines
  - \*Bill Zastrow, the Unix bigot and Director of S/V Marketing, will be leaving Dell and heading to D.G.

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NetFrame: \* Olivetti OEMing NetFrame

Sun: \*Sun has released the enhancement to the SparcStation line ( see Rise Watch )  
 \*Sun is expanding its distribution channels to enter the retail channel ( see RISC Watch )  
 \*Sun posted a fiscal 4th quarter earnings of 49.1 million or 51c per share. Revenue is up 62% to 700.1 million.

### ACCOMPLISHMENT

#### Barrysp:

- Signed LM 2.0 amendment w/3Com
- Signed French Amendment w/3Com
- Held successful meeting with Dell's top executives and Richardf
- Verbal agreement on Win 3.0 bundle w/Dell
- Verbal agreement w/Dell on \$2 per processor uplift on DOS 5.0
- Convinced Dell to move shipment of OS/2 1.21 up from Nov. to Oct. 15th.

#### Debbiefl:

- Letter of Understanding for Amiga Bug Fix signed and sent off to CBM
- Amiga Works proposal given to CBM
- NetFrame account transitioned August 8
- Hosted NetFRAME day August 28
- Memorex Telex account transitioned August 10
- Memorex/Telex's agreement to give 50% of royalties generated from distribution of Windows 3.0 into their installed base to MS, instead of full recoupment against their UPB
- Memorex/Telex's agreement to obligate themselves another year if they have a UPB remaining at the end of the contract year for Windows and MS Mouse

#### Markbu:

- Attended UB internal sales class.
- Had successful one on one meetings with UB key executives, Ralph Ungermann, Mike Gardner, and Roger Bertman.
- Commitment from UB for PCSP to help field sell LM
- Cirix binary for OS/2 signed by them
- AT license signed by AT

#### Pascaln:

- DEC Technical exchange was very successful. Lots of progress in Windows area
- Next release of DEC Lan Works will be Windows based (Q1 FY 92). This is a result of months of work with both the engineering and marketing folks.
- Successful All in 1 Windows client meeting. Jeffr assigns 6 program mangers to work part-time with DEC. DEC proposes to bundle working models of apps inside All in 1 Windows client.
- PSCP : Windows will be part of PCI training and I get access to the DEC PC service organization which will also use our apps working models in their demos to 9,000 customers.

#### Petep:

- Made a visit to Intel and began account transition.
- Make a visit to Phoenix and accepted ownership of this account
- Amended Logitech license to retract worldwide license rights.
- Attended an OEM off-site training session

### ISSUES

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## 3Com:

- \*Claims that they cannot expense the \$150K x 2 for LM 2.0 and OS/2 1.21 source code
- \*"Headless support" for 3Servers is too time consuming to develop resulting in loss of server sales with LM 2.0--may include a video board and keyboard
- \*Meets with DonK and outlines 16 areas concerning support that need to be addressed
- \*Upset over our shipping Sytron tape backup value add software with our PP. \$55 dollar royalty for same technology is unacceptable
- \*Looking to a third party for email package to resell--leaning towards cc:Mail--we want them to support our back end (Spitfire)--feel that they cannot influence CSI (where we get our front end) --need to do so they can differentiate themselves
- \*Mikemur and I met with Les Denend, Eric Benhamou and other 3Com people to discuss Directory Services and Mac connectivity. Directory stuff was offered for free and we told them that we wanted Mac for free--Mac software is not complete and we thought that it was could cost approx. \$600K to complete
- \*Looking for 7/24hr support with guaranteed response times. Gregg told Terrie Kerth that we do not offer this (although we maybe able to do so in the future, we did not tell 3Com this) -- also explained our phone and knowledge base support products.-- Gregg to give Terrie a Quote for these services
- \*Wants our help in providing American Airlines 2 hour response time services--we are awaiting a RFP from them outlining the exact support they want

## CBM:

- \*DRI in CBM for DOS 5.0 business.
- \*Lotus in CBM attempting to sell Alphaworks
- \*Contingency plan to close CBM Win 3 agreement (want guaranteed delivery before mins start)
- \*Fixing all bugs necessary to shipping Amiga Basic before the only programmer goes on a 2 month vacation

## Dell:

- \*Wants to ship Win 3.0 bundle in beginning of Oct.-- availability of Working models could be a tight squeeze
- \*Will be releasing a palm size computer in Jan.'90 and want to use MS ROM DOS 5.0 for its power management capabilities--ROM 5.0 will not be ready until May time frame--Dell will be OEMing this from Calcomp (Compal, a firm in Taiwan) who wants to use DRI DOS

## DEC:

- \* John Rose at Redmond 9/18 to meet Murray/Kempin and discuss:
  - 1) Lan Manager marketing and merchandising collaboration
  - 2) DEC as a reseller of MS apps
  - 3) Technical Collaboration update in the Lan Manager area
- \*DEC as a reseller of MS apps:
  - 46% off SRP on all MS product
  - \$750K minimum commitment for a one year period. Next step is a follow up to Richard/Ray Riddick phone call already set up for 09/07.
- \*LM/X Negotiations: The ATT negotiating team needs to do their best to retain the "same terms and conditions" clause associated with the MFN status in the ATT agreement so that DEC can get the OS/ server pricing that we essentially have agreed to. Failure to do so would certainly cause DEC to consider alternative sources for a NOS.
- \*All in 1 Windows Client:
  - Have feasibility study for a Windows based All in client with Thunder technology done by 09/07

- Identify and review technical show stoppers shortly after 09/17
- Start business negotiation after 09/17
- Complete technical evaluation with resources requirements to complete project
- Go / No go High level meeting Mid October

**NetFrame:**

- Negotiation of a new OS/2 contract for NetFRAME
- NetFRAME providing parity between Novell and Lan Man
- Equitable internal support plan for common NetFRAME and MS customers

**Phoenix:**

- We are in a standoff on the DOS 5.0 royalty issue and are at risk of not renewing the license.

**UB:**

- Mac Connectivity still a hot issue. May be moving to critical
  - UB very nervous about LM 2.0 bugs. Currently holding up their distribution plans
  - Need a TCP decision inside MS.
  - Still some issues outstanding with support for 32 printers
  - Need to create a LM "Embedded" Version

**WD:**

- We need to help WD with their inside selling of the Windows bundle and get them to accept our \$25 royalty for Windows 3.0 and the productivity pack.

**ACCOUNT SUMMARY****3COM**

Eric Benhamou has responded to MS' letter, outlining our counter proposal with a telephone call to Mikehal. He claims that our entering the market has caused them to not be able to differentiate their product from ours and request \$0 minimum commitments. He has offered the Macintosh and Directory Services technologies in return. We have not yet responded, but it looks like we want to hold the line at \$3M for 3 years with no payment for the above mentioned technologies. The tenth amendment for LM 2.0, has been signed. This amendment reflects royalties based on a yearly min. commit of \$9M. The agreement was signed so 3Com could receive the final OAK and be able to announce support for LM 2.0. Both parties expect to renegotiate the terms and conditions of this amendment. Support continues to be a major issue with much progress being made on our part as we begin to define and implement support policies and procedures.

**CITRIX**

The Citrix binary has been signed by them and is in the signature channel inside MS. While waiting for this they have asked for additional Beta Site approvals. Paulina's approval is optional.

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COMMODORE BUSINESS MACHINES

We have made progress with the Amiga Works project. We had a conference call with Jeff Scherb to give a formal proposal. He has responded back to us via e-mail and next week we will be setting up an internal meeting to go over his concerns. The Letter of Understanding for Amiga Basic bug fixes was signed and has been sent off. CBM is concerned that our programmer is going on a two month vacation and we have no one to replace him. CBM wants to release Amiga Basic by the end of September and if certain bugs and enhancements are not fixed, they will be an additional 2 months behind. The mouse group has approved the Mouse License, but there are several cosmetic changes I need to make to the agreement before I can send it on for signature. No changes in the status of the Windows 3.0 amendment or the signing of DOS 5.0. DRI continues to be a threat.

DATA GENERAL

DG is in extreme turmoil. It is a day to day guess who will be working there in what capacity. DG laid off an additional 2300 employees. Under those circumstances it has been difficult to get direct marketing focus from anyone. Of the three product managers Markbu met with last month, one has been moved to another area, and one is on his way out. Additionally the Manager of P.C. Software quit, a long time internal supporter of MS. DG will probably bundle works on the Laptop. I have presented a financial strategy to them that they are agreeable to at this stage.

DIGITAL EQUIPMENT CORPORATION

There was good progress on the Windows front this month. The All in 1 Windows client project is moving along at a good pace with final decision expected mid October. We have a good shot at getting Thunder and Apps working models designed in as well as a favorite nation status when it comes to applications marketing and sales at DEC. We also learned that a year from now, the next version of Lan Works will be entirely Windows based. Pascalm made good progress penetrating the DEC service and sales organization. We met with key people in the Santa Clara PC resource center and will use this avenue to increase MS mind share in the DEC sales force. The technical exchange meetings went really well. OS/2 Lan Manager 2.0 is now in beta test at key DEC customers' sites. Shipment expected in early November. Lan Manager /X: DEC is started on LM/X 1.1 development. VERY tentative ship dates:

-LM/X 1.1 (Ultrix) : Q2 CY 91

-LM/X 1.1 (VMS) : Q4 CY 91

OS/2 Lan Manager 2.0 is now in beta test at key DEC customers' sites. Shipment expected in early November.

DELL

The relationship is improving greatly. Richardf went to Dell and discussed MS' future product plans as well as listened to their corporate marketing story. They have agreed that an Executive Review is a good idea and we are presently completing an agenda and compiling a list of attendees. They have verbally agreed to do a six months promotion of Win 3.0, working models and a MS mouse on selected 386 and 486 systems. Details still need to be worked out for terms and conditions after the initial six month period. Have verbally agreed to bundle our mouse with the 6 month Win 3.0 promo. This would be the first step in displacing Logitech.

INTEL

Two amendments were prepared for and signed by this customer in August. Amendment #4 was for select source code modules needed in doing the Windows 3.0 adaptation for the Intel Inboard. Amendment #5 adds DOS 5.0 and \$1.8M in additional commitments to the license. Other license activities in progress at this account are for Beta Tester NDA, electronic distribution, and a consultant agreement for subcontracting work. Potential Windows bundles with the Above Board and high performance modems were scrapped.

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INTERLAN

Still waiting for Richard Mac to decide what he wants to do about buying technology from Interlan. Beyond that we should kill the license.

LOGITECH

The first amendment to their license is in progress. This amendment restricts the license rights to end users in the United States and Canada and adds several customer systems. First customer shipment of their Windows bundle is scheduled for the middle of September.

MEMOREX/TELEX

We gave them ABIOS source to fix a bug we will not be addressing for some time. We will not be supporting the fix via On-line, but they have promised to share the fix with us. There are also several amendment issues in the works. They are adding 5 foreign languages to Windows. They will also be distributing Windows and a mouse into their installed base. They have agreed that the royalties that are generated from this distribution of Windows will be 50% revenue for MS and 50% recoupable to their UPB. They have also agreed that if there is a UPB at the end of the one year contract that they will automatically be obligated for another year.

NETFRAME

On August 28, 1990, MS hosted a NetFRAME day for Tom Glassanos, Bob Ford and Frank Yu. The issues covered were support, parity and their OS/2 contract. We will be having a conference call next week with Tom to roll out another contract proposal. NetFRAME needs to work with our mouse group to fix a problem they have with running a mouse over the LAN, and we will be setting up a conference call between the two companies to address that issue. Bob Ford has sent us his support "wish list" which has been copied to all concerned and will be getting another support meeting together within the next three weeks.

PHOENIX

License negotiations continue as the expiration date of September 30th approaches. The offer on the table is for the addition of DOS 5.0 with a \$35 royalty for one year. An option is to defer the addition of DOS 5.0 for six months by extending their current license at the current \$34 royalty. The publishing agreement is prepared and ready to execute.

RETIX

They have begun shipping the Windows 2.XX product on their license and have submitted a royalty report for the quarter ended June 30, 1990 in the amount of \$18,942.

WESTERN DIGITAL

The interest in shipping Windows 3.0 with their 8514/A video board has stalled. There is resistance from their direct salespeople and the distribution channel to this bundle.

LINGERMANN-BASS

Activity this month at UB continued to center around completing the TCP agreement, the SQL license and determining an upgrade strategy for LM 1.1 to 2.0. Mark also made an effort to move his marketing strategy to a more pro-active strategy:

- to better understand UB's internal product and marketing strategies
- to gain a stronger position inside the account to better sell LAN Manager
- to develop a closer business relationship with key account personnel

They are pushing forward aggressively to get LM 2.0 out. They are ready to ship but there are lingering bugs that have them quite concerned. They want to develop an Imbedded LM product and need an amendment to market. They want to have a Right to Copy program for LM at Westinghouse.

DOS 5.0 Watch

Status: P=Proposed, N=Negotiation, S=Signed, T=To Not Applicable

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<u>Company</u>	<u>Status</u>	<u>Ship date</u>	<u>DRI Threat</u>
CBM:	N	N/A	Y
Data General	P	60 days	N
Dell	N	Ship 30 days after OAK drop	N
NetFRAME:	N/A		
Memorex-Telex:	S	OAK + 45-all machines have passed HCT	N/A —

### PRODUCT MARKETING FEEDBACK

- DELL: \*NBU: Dell would like to ship a PP of LM  
 \*OS/2: Dell would like to ship a PP of OS/2
- UB: \*LAN Manager 2.0 - Still fighting what they feel to be serious bugs in LAN Manager.  
 The latest involves performance, an issue which if true could have impact on us all.  
 \*A MAC Connectivity position statement is a critical issue.

### PER COPY SALES PLAN

Markbu has a verbal commitment from UB ( from Mike Gardner ) to develop a plan to present to all of their field sales. This could occur as early as the middle of October as part of their new year kick-off when Ralph and Mike do a road show for the new year.

### WATCHES

- Laptops: \*Dell has a notebook (286 and 386) due in Dec./Jan.  
 \*Dell also has a palm size due in Jan.  
 \*CBM will introduce one in the U.S. on or about September 15

MCA/EISA: none

RISC:

#### Hardware Watch:

- Sun has signed distribution agreements with MicroAge, Nynex Business Systems and Intelligent Electronics Inc. This gives Sun access to over 1700 storefronts through which to market Sun products. Of these 1700 storefronts, only 200 are expected to be authorized in 1990
- Sun has also introduced a new workstation, the SPARCstation IPC, a small footprint color workstation operating at 15.8 MIPs and priced at \$8995 diskless and \$9995 with a 207 MB hard drive.

#### Competitive Watch

- Northgate has licensed SPARC from LSI and will be showing a SPARC P.c. at Comdex.
- AST is looking at SPARC seriously because they believe Compac is considering as well.
- Withholding any Compac information due to the sensitivity of our current talks.

Q1 TEDTEAM

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

Quarter: 1

Account	JULY Budget	JULY Actual	AUG. Budget	AUG. Actual	SEPT Budget	SEPT Forecast	FYQ1 Budget	FYQ1 Forecast	FYQ1 Diff.	% of FYQ1	YTD Budget	YTD Forecast	% YTD
3COM	1,500,000	750,000	130,100	27,386	0	0	1,630,100	777,386	-852,714	48%	1,500,000	750,000	50%
CBM	154,844	72,389	840,500	735,696	0	200,000	985,344	1,006,085	12,741	101%	154,844	72,389	47%
CITRIX	0	0	0	50,000	0	0	0	50,000	50,000	#DIV/0!	0	0	#DIV/0!
DG	17,500	5,875	226,125	276,476	0	0	245,625	282,351	36,726	115%	17,500	5,875	34%
DEC	0	-46,080	0	6,600	562,500	562,500	562,500	523,220	-39,280	93%	0	-46,080	#DIV/0!
DELL	790,000	790,300	0	2,600	0	0	790,000	792,900	2,900	100%	790,000	790,300	100%
INTEL	0	1,028	0	7,690	166,929	344,358	166,929	353,076	186,147	212%	0	1,028	#DIV/0!
INTERLAN	21,250	21,250	0	0	0	0	21,250	21,250	0	100%	21,250	21,250	100%
LOGITECH	0	0	0	0	0	0	0	0	0	#DIV/0!	0	0	#DIV/0!
MEMTELEX	300,000	350,000	0	6,600	0	0	300,000	356,600	56,600	120%	300,000	350,000	117%
NETFRAME	0	0	0	0	0	0	0	0	0	#DIV/0!	0	0	#DIV/0!
PHOENIX	1,000,000	868,998	0	232,151	0	0	1,000,000	1,121,149	121,149	112%	1,000,000	868,998	89%
RETIX	0	0	0	18,942	0	0	0	18,942	18,942	#DIV/0!	0	0	#DIV/0!
SUN	280,000	280,000	0	0	0	0	280,000	280,000	0	100%	280,000	280,000	100%
UB	0	0	0	0	0	0	0	0	0	#DIV/0!	0	0	#DIV/0!
WD	0	0	0	2,600	0	0	0	2,600	2,600	#DIV/0!	0	0	#DIV/0!
TED MISC	0	0	0	0	0	0	0	0	0	#DIV/0!	0	0	#DIV/0!
Totals	4,063,594	3,113,760	1,196,725	1,366,940	729,429	1,106,658	6,991,746	6,569,559	-402,189	93%	4,063,594	3,113,760	77%

N/A

93%

152%

114%

77%

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FY91 TEDTEAM FORECAST

Account	FY01 Budget	FY01 Forecast	%	FY02 Budget	FY02 Forecast	%	FY03 Budget	FY03 Forecast	%	FY04 Budget	FY04 Forecast	%	FY91 Budget	FY91 Forecast	FY91 %	Over/Under Budget
3COM	1,630,100	750,000	46%	1,569,600	750,000	48%	1,537,500	750,000	49%	1,550,400	750,000	48%	6,307,600	3,000,000	48%	(\$3,307,600)
CBM	995,344	1,008,085	101%	1,048,843	1,048,843	100%	1,091,800	1,061,800	100%	951,800	951,800	100%	4,057,787	4,070,528	100%	\$12,741
CITRIX	0	50,000	0%	0	0	###	0	0	###	0	0	###	0	50,000	#DIV/0!	\$50,000
DO	245,625	282,351	115%	245,625	245,625	100%	323,750	323,750	100%	323,750	323,750	100%	1,138,750	1,175,476	103%	\$36,726
DEC	562,500	523,220	93%	562,500	562,500	100%	750,000	750,000	100%	750,000	750,000	100%	2,825,000	2,585,720	92%	(\$239,280)
DELL	790,000	782,800	100%	790,000	790,000	100%	1,185,000	1,185,000	100%	1,185,000	1,185,000	100%	3,950,000	3,952,900	100%	\$2,900
INTEL	166,929	353,076	212%	317,700	317,700	100%	284,700	284,700	100%	281,700	281,700	100%	1,051,029	1,237,176	118%	\$186,147
INTERLAN	21,250	21,250	100%	0	0	###	0	0	###	0	0	###	21,250	21,250	100%	\$0
LOGITECH	0	0	###	0	86,000	###	0	172,000	###	0	172,000	###	0	430,000	#DIV/0!	\$430,000
MEM/TELEX	300,000	358,600	120%	300,000	300,000	100%	300,000	300,000	100%	300,000	300,000	100%	1,200,000	1,258,600	105%	\$58,600
NETFRAME	0	0	###	0	0	###	0	0	###	0	0	###	0	0	#DIV/0!	\$0
PHOENIX	1,000,000	1,121,149	112%	1,000,000	1,000,000	100%	1,000,000	1,000,000	100%	1,000,000	1,000,000	100%	4,000,000	4,121,149	103%	\$121,149
RETIX	0	18,942	###	0	0	###	0	0	###	0	0	###	0	18,942	#DIV/0!	\$18,942
SUN	280,000	280,000	100%	280,000	280,000	100%	300,000	300,000	100%	300,000	300,000	100%	1,160,000	1,160,000	100%	\$0
UB	0	0	###	0	0	###	131,250	131,250	100%	131,250	131,250	100%	282,500	282,500	100%	\$0
WD	0	2,600	###	0	0	###	3,025	3,025	100%	0	0	###	3,025	5,625	186%	\$2,600
TED MISC	0	0	###	100,000	100,000	100%	100,000	100,000	100%	100,000	100,000	100%	300,000	300,000	100%	\$0
<b>Totals</b>	<b>5,991,748</b>	<b>5,569,559</b>	<b>93%</b>	<b>6,214,268</b>	<b>6,490,669</b>	<b>86%</b>	<b>6,997,025</b>	<b>6,361,525</b>	<b>91%</b>	<b>6,873,900</b>	<b>6,245,500</b>	<b>91%</b>	<b>26,076,941</b>	<b>23,677,252</b>	<b>91%</b>	<b>(\$2,399,689)</b>
<b>DIFFERENCE</b>		<b>-402,189</b>		<b>-733,800</b>			<b>6,997,025</b>	<b>-635,500</b>		<b>6,873,900</b>	<b>-628,400</b>			<b>-2,399,689</b>		

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**US OEM SALES - LUM ACCOUNT TEAM**  
**August 1990 Status Report**  
**Jeff Lum**

**SUMMARY**

**Revenue:**

Performance for August (see attached worksheet for more details)

August	August	QTD	QTD	%	FYQ1	FYQ1	FYQ1	% of
Actual	Budget	Actual	Budget	QTD	Forecast	Budget	Diff.	FYQ4
\$4,089,855	\$4,021,920	\$7,058,771	\$7,240,287	97%	\$8,545,739	\$7,560,287	\$985,452	113%

We finished August ahead of budget (102%) even though NCR's report did not get posted by month end (it was here on time, but we could not understand it); the good news is that we expect to bill NCR over \$900K which will allow us to finish the quarter about 113% of budget with \$8.5M of revenue on a budget of \$7.6M. Compaq performed as expected and finished slightly ahead of budget; We shipped Northgate \$205K worth of mice; AST had their strongest quarter ever and will finish at least \$450K over budget for the quarter.

Performance for the year - Actual thru August (see attached worksheet for more details)

Lum Team	Q1FY91	Q2FY91	Q3FY91	Q4FY91	Total FY '91
Totl Actl+Fcast	\$8,545,739	\$9,264,789	\$9,864,850	\$10,163,580	\$37,838,958
Budget	\$7,560,287	\$8,599,789	\$9,657,850	\$10,207,330	\$36,025,256
% of Budget	113%	108%	102%	100%	105%
Difference	\$985,452	\$655,000	\$207,000	(\$43,750)	\$1,813,702

**Agreements Signed:**

Account	Products	Comments
Hewlett Packard	ROMDOS	Embedded in network printer
Lasermaster	Windows	Packaged product: bundled with laser printers

**People:**

No changes to the group this month. My sales group as it stands today: Peterbra (Compaq); Teresach (NCR); Jeffd (AST, Wyse, Northgate, S3); Tomhen (Atari, Novell, DCA, Momenta, Chips); Nancyri (Tandon, PDL); Larryed (HP).

**News:**

Compaq reports 215K+ quarter; OS/2 2.0 bundle plan dies after repositioning Win/PM APIs; OS/2 1.21 ships.

AST agreed to bundle Windows 3.0 with all their Rampage boards.

DCA signed up their first customer for the DCA/MS Select Comm Server Product. Baxter Healthcare's order is for (25) sixty-four user systems. They will be using these servers to handle \$2 million dollars worth of orders per hour, so "hot backup" and "load leveling" were two of the key features that sold them on the DCA/MS solution.

NCR soliciting other OEMs to license their MP chip set.

**News (cont'd):**

HP announced Jacques Clay as their replacement for Bob Puette (now at Apple). Clay has been running their French PCG operations very successfully; also announce PCG to move to Grenoble; New Wave

3.0 is released to the market as well as OEM kits for Unix and OS/2: HP 3rd quarter net revenues were up 8%, profits up 7%, and net earnings down 5%. They attribute this to reduction of COGS and operating expenses. They are in a good position to exceed \$13B for their fiscal year which will end in October, despite a slowdown in some of their more classic businesses like personal computers and workstations. The strong areas were printers and analytical systems.

ACCOUNT SUMMARIES: (as written by account managers)

AST - Jeffd

AST shows encouraging signs of interest in working more closely with Microsoft. Melody Paterson, Manager of Strategic ISV relations, visited MS for a day, and we discussed ways to work together more effectively. AST's Brian Anderson will be putting a GUI themed video together for their sales force entitled Win with Windows. Another recent opportunity, is AST's participation in our Network activities. MS and AST's booth will have AST OS/2 1.21 running Lan Manager 2.0 servers running in both booths. AST agreed to bundle Windows 3.0 with every RAMPAGE board they manufacture on a six month trial basis.

ATARI - Tomhen

We have reached verbal agreement with Atari on ROM DOS for the Portfolio, Works for the Portfolio, DOS 5.0 for the desktop, as well as Atari's acceptance to have a third party take the burden of porting Works to the ST. We have agreement from the EBU that they will do the work for the Portfolio Works project, and that they will provide Atari with the Mac Works source so that they can get the port done. Tom plans to have all this formalized and executed by the end of September.

CHIPS AND TECHNOLOGIES, INC. - Tomhen

In lieu of face-to-face meetings planned with Chips and MS developers we held a series of conference calls dealing with Multimedia, Disk Compression, and SCSI for virtual environments. Chips continues to be a non-oem OEM account as there is little opportunity for a business relationship since Chips only sells chips. Unlike other chip manufactures, Chips has a company policy that they will not compete with their customers by selling anything beyond the silicon itself. They will not sell boards or computers. Unless we can come up with some method of getting a "maintenance fee" from Chips for providing them our intellectual property, or they seriously get into the embedded market, we can see no justification for keeping them as an OEM account (they should be supported by systems).

COMPAQ - Peterbra

Big month with Compaq. Myhrvold's meeting with Stimac unveiled some interesting and disturbing news regarding their RISC plans. This meeting resulted in a Gates/Ballmer meeting with the Compaq strategy team including Canion. As a result of these meetings, the OS/2 2 bundle plans for Compaq are dead (no surprise). Canion reassures Bill that a SPARC solution would be their last resort. We made good progress with MMV and PSS support. There are still some issues to resolve with Lan Manager support. The printer business looks dead but we are not totally out of it yet.

DCA - Tomhen

Over the last month Tom has spent a lot of time bringing the appropriate DCA and MS people together so that we can leverage each others' sales efforts in the LAN marketplace worldwide. We have arranged for the swapping of field sales peoples' names, developed initial ties between our respective marketing organizations, shared advertising strategies, and started to specifically identify major account potential, and begin the corporate direction of our sales forces to capture our portion of this potential market. This consolidation or coordination effectively doubles each of our sales forces as DCA moves to promoting the Select product line which is based on OS/2 and LM

HEWLETT - PACKARD - Larryed

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NPB

We have signed the ROM DOS deal and they will begin shipping this month. Larry is working to complete a special non-disclosure so we can ship them LanMan and OS/2 pre-release product for their use in supporting efforts to get the "ELI" printer LM connectable.

NewWave

Efforts are under way to renew discussions on HP's technology. I have met with TonyW and his crew, and they don't see any value until HP opens up on what they have planned for the future beyond 3.0, and agree to do the encapsulator. Larry will meet with Frankenberg and McKinney in September to follow up on these issues. HP has shipped OEM kits for both Unix and OS/2 and Wordperfect has announced their plans to develop a NW product.

Boise

We had an important conference call between Belluzzo and Ballmer where we discussed the next steps with our cooperation on fonts and windows printing. Results of the call were a closer understanding with CG on the font issues and the converter, actions to close on distribution of the converter once it is allowed by CG, and the setting up of the next Gates-Hackborn meeting.

Greeley

Larry and Karen Hargrove's visit resulted in a strong need to cooperate with HP's development team as we progress towards Fax protocols and fax printing in general. They were excited by the prospects of our cooperation and the plans we revealed. This could be a good joint development project for both companies that could result in significant future opportunities.

Vancouver

We have been working closely with their driver development group. The generic driver Windows people have been supporting HP as we use this project as a test bed for "Windows" printing, and how we might see the Windows printing model evolving into a printing model to replace Truelmage and PostScript for the future. We are discussing this possibility with the Boise group, but monitoring the results of Vancouver for early data. We are exchanging support via email and expect that HP will announce their product soon.

MOMENTA - Tomhen

Tom is working closely to move these folks towards a Windows-H commitment. They seem reluctant right now to share much design data with us for fear we may use their technology (and even license it back to them!). Tom's critical goal with them now is to keep them out of Go's camp and in our camp.

NCR - Teresach

NCR has had difficulties in producing their DOS royalty report. We believe they will meet their 45K forecast, adding an additional \$720K of revenue and bringing their QTD figure to \$1,180,800 (92% of Plan). This was the month of meetings with NCR. The most key was a meeting between Tom Mays, Sr. VP of NCR and Steveb. The major topic of discussion was NT OS/2. NCR will mention NT in its September 18 product announcement, and we will explore what is required to ship NT on NCR's Voyager product. In addition, we continue to work on workgroup pricing issues. We offered, and NCR accepted, user-based pricing for LM and quasi UB pricing for Comm Server. One of NCR's largest European customers, Fellesdata, was here for a day to hear about the MS systems strategy. In addition, there were two meetings to discuss H-Windows; NCR is very interested in working with us on Windows-H.

NORTHGATE - Jettid

Northgate's owner, Art Lazere, is predictably unpredictable. Most of Northgate attention this month was focused on sponsoring the Women's Golf PGA Tour in Minnesota. This month's business with Northgate was placed on hold as Art heads to Alaska for vacation. He cancelled all his meetings including our US Tour Meeting with Joachim & Richard. Jeff will train Northgate's sales force on Windows 3.0, and propose a new license to Northgate on September 10. This new proposal will have larger minimum

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commitments and clear up all unresolved license issues. Last quarter's results for Northgate were dismal - shipping less than 12K units - first down quarter for them in a year.

NOVELL - Tomhen

The saga of the minimum commitment payments owed continues. Not much progress this month. Many cooks in the kitchen.

PRINTER COMPANIES - Nancyri

*LaserMaster* Signed agreement for FG Windows. Meeting planned to continue Truelmage negotiations. LaserMaster still plans to aggressively push Truelmage at Seybold in early October.

*Tektronix* Tek will continue to go with Adobe, but we have not heard this definitively. We still would like to use their color technology, and are planning to meet with Tek engineering to procure their color Postscript technology.

*Linotype* Truelmage agreement signed by Linotype and in MS signature process. Linotype plans on an announce date of Jan-Feb '91, with first shipments in April '91. They were very concerned about confidentiality due to their close ties with Adobe. Truelmage will be introduced on Lino low end typesetting equipment first.

*GCC* Complete non-response to my phone messages seems to indicate that GCC has fallen off our plate. I'll continue to call to find out what decisions they've made.

TANDON COMPUTER CORPORATION - Nancyri

DOS: We proposed DOS 5.0 pricing of an additional \$2 per processor for slimline models, and \$4 per processor for standard models. Negotiations will continue through September, and hopefully will be concluded by month-end.

OS/2: Tandon is still on-track for October 1 ship date, and has an 800 number available for customers to order through.

Windows: They are pre-installing Windows on the hard disk in about half the systems for the US market. In Europe, Tandon prefers to stock only 1 SKU, and to ship localized Win disk versions instead. There may be an opportunity for installing the apps working models for domestic systems- I am following up on this with Billy.

Russian Deal: Looking less and less likely. Tandon has not heard anything.

WYSE - Jeffd

Jeff expects Wyse to sign a new three year license for DOS 5.0/3.3 with a minimum commitment of \$1.5M each year and a \$18 dollar royalty rate. These are the same terms business terms they had in past licenses. Once all licensing issues are resolved with WYSE, Jeff recommends we audit them. During the last quarter, Wyse failed to report any 8088 sales even though the last three quarters showed 8088 sales increasing. When Jeff questioned Wyse's new royalty report person, Jose Lopez, he said that he was not sure if these were the right numbers but that this is what his reports said. Good investigative work by Jeff - this kind of stuff usually leads to extra money for us.

DOS 5.0 WATCH

Account Manager	Account Name	Status	Projected Close	Projected Ship	DRI
Peter Braman	Compaq	S		OAK + 60days	N
Teresa Chapman	NCR	N	1-Oct-90	OAK + 90 days	N

Jeff Daniels	AST	N	15-Oct-90	OAK + 60	N
	Northgate	N	15-Oct-90	OAK + 60	N
	Wyse	N	15-Oct-90	OAK + 60	N
Larry Edralin	Hewlett Packard	S	N/A	OAK + 60	N
Tom Henningsgard	Atari	N	30-Sep-90	German OAK + 30	N
	Momenta	N	30-Oct-90	OAK+ 5 months	N
Nancy Ritzenthaler	Tandon	N	30-Oct-90	OAK + 60 days -	N

S= Signed License  
N= in Negotiation  
N/A=Not Applicable

**RISC WATCH:**

Compaq "looking" at SPARC  
Northgate still on track to ship  
AST denies any SPARC activity but the press has been buzzing about them and SPARC

**LAPTOP WATCH:**

Nothing new to report.

**OBJECTIVES for September:**

**Peter Braman:**

RISC project  
Complete the Lan Man support and training agreements  
Quarterly Executive preparation and meeting 9/25 meeting  
Strategic Alliance agreement in principal  
CEMM Agreement signed  
UPB Exhibits signed  
New UPB plan for OS/2 2.0 change

**Teresa Chapman:**

Resolve royalty reporting problem September 15  
Complete side letter for min shell September 15  
NT OS/2 meeting September 15  
Develop contacts at Wichita re: PDL opportunity September 15  
Enroll speaker for October Cooperation announcement September 15  
Draft Enabling agreement for MLP concept September 15  
Finalize BIOS agreement September 30  
Augsburg briefing re: H/Windows September 30  
Present Ballpoint plans September 30  
Close LM Client software agreement September 30  
Finalize workgroup pricing amendment September 30  
Multimedia meeting September 30

**Jeff Daniels:**

Clear up Data Collections outstanding credit issue misunderstanding September 7.  
Reach agreement with WYSE on MS-DOS royalty license September 7.  
Provide written permission for Northgate one time Windows 3.0 & mouse mailer September 14.  
Conduct Windows 3.0 training for sales staff at Northgate September 14  
Receive signed agreements to cancel Northgate's Windows/Mouse/keyboard

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license	September 21.
Close AST mouse license	September 21.
Close S3, Incorporated MP OS/2 license	September 21.
Draft a comprehensive AST license and mail it to AST	September 21.
Have Northgate recommit to Microsoft's Mouse with every 386sx, 386 & 486 PC	September 30.
Reach agreement with AST on new MS-DOS royalty license	September 30.
Receive WYSE's MS-DOS royalty license	September 30.
Receive signed DOS 5.0 licenses from Northgate.	September 30.

**Larry Edralin:**

Close the Corvallis ROM DOS agreement by	Sept 15th
Propose a new umbrella master royalty agreement to HP management by	Sept 14th
Meet with Frankenberg/McKinney on New Wave issues and report to BillG by	Sept 28th.
Complete draft of the HP account plan by	Sept 28th
Resolve the Excel amendment issue by	Sept 28th
Close a Windows/DOS/Excel packaged product deal with HP medical systems by	Sept 28th.

**Tom Henningsgard:**

**Atari**

Get ISD & MS Software Evaluation Agreement Executed	Sept. 14
Ship Mac Works code to ISD for Evaluation	Sept 14
Set-up phone conference between EBU/ISD	Sept 19
Set-up Redmond EBU/ISD meeting	Sept 26
Create & present Portfolio Works Agreement	Sept 12
Create & present ST Works	Sept 12
Revise DOS 5.0 Amendment & present	Sept 12
Qualify Russian DOS inclusion in above	Sept 10
Revise OS/2 Amendment & present	Sept 12
Provide Atari Germany with copy of Russian DOS (if avail.)	Sept 30
Establish relationship with Atari Micro Systems, Dallas, Texas	Sept 25
Establish relationship with Ellei Kearner, US GM	Sept 26
Push Atari to identify who is now responsible for DOS	Sept 12

**Novell**

Meet with Jack Blount to start creation of Novell Account Plan	Sept 20
create useful Account Plan	Sept 30
Gain consensus on Excelan Agreement between Richard/Kanwal	Sept 21

**DCA**

Hand-over responsibility for getting CommServer into Briefing Sites	Sept 30
Create detailed CommWS & CommServer Sales Strategy for inclusion in account plan.	Sept 30
Query NBU for business possibilities with CrossTalk division	Sept 30
Meet Dan McCutcheon to discuss opportunities	Sept 25
Query Dan for future product plans	Sept 25

**Momenta**

Create & present Windows-H Amendment for Kamran	Sept 20
Begin building relationship with Rizzo & Mankin	Sept 7
Lobby for Kevin Mankin's attendance at OEM Briefing	Sept 10

**Chips**

Provide them with OS/2 1 21 Engine sources & Kernel Debugger	Sept 12
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Provide them with Windows 3.0 GDI sources	Sept 12
Provide them with multimedia audio and RIFF specs.	Sept 12
Set up next round of technical conversations	Sept 24
Nancy Ritzenthaler:	
TANDON	BY
Meet with Tandon	Sept 17
Prospect for Works laptop opportunities	Ongoing
Help Tandon to ship OS/2 1.21 with OAK+ 60 days	Ongoing
Sign DOS 5.0 amendment	Sept 28
LINOTYPE	Sept. 12
Finalize contract and get signatures	
LASERMASTER	Sept 6
Meet with LaserMaster	Sept 28
Sign TI contract	
TEKTRONIX	Ongoing
Contact Steve Palmquist	
BGL	Sept 7
Address threat of legal action and bill them	
ECRM	Sept 14
Contact Gerry Rybicki regarding TI	
MANNESMAN TALLY	Sept 28
Monitor technical disagreements and secure payment due	
OLIVETTI	Sept 28
Find out balance due and secure payment	
GENERAL	Sept 28
Proactively identify and approach 3 Bauer agreement customers to approach, using new pricing scheme.	

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REVENUE PERFORMANCE SUMMARY: Month-to-date; Quarter-to-date; Year-to-date Quarter: 1 FY91

Account	July Budget	July Actual	August Budget	August Actual	September Budget	September Forecast	FY01 Forecast	FY01 Budget	FY01 Diff.	YTD Actual	YTD Budget
AST	968,125	560,138	0	812,347	0	0	1,372,485	968,125	404,360	1,372,485	968,125
Atari	125,000	125,746	52,692	0	0	0	125,746	177,692	-51,946	125,746	177,692
Bauer	0	0	0	75,000	0	145,000	220,000	0	220,000	75,000	0
Compaq	0	0	2,433,850	2,470,643	0	0	2,470,643	2,433,850	36,793	2,470,643	2,433,850
DCA	0	0	22,425	2,600	0	0	2,600	22,425	-19,825	2,600	22,425
HP	177,839	161,845	597,656	483,843	0	55,712	701,400	775,495	-74,095	645,688	775,495
Misc	25,000	0	25,000	0	25,000	75,256	75,256	75,000	256	0	50,000
NCR	476,250	440,000	808,000	20,800	0	916,000	1,376,800	1,284,250	92,550	460,800	1,284,250
Northgate	101,250	101,250	0	205,000	295,000	295,000	601,250	396,250	205,000	306,250	101,250
Novell	0	164,850	0	4,880	0	0	169,730	0	169,730	169,730	0
Tandon	1,000,000	1,061,465	0	14,742	0	0	1,076,207	1,000,000	76,207	1,076,207	1,000,000
Wyse	344,903	353,622	82,297	0	0	0	353,622	427,200	-73,578	353,622	427,200
Totals	3,218,367	2,968,916	4,021,920	4,089,855	320,000	1,486,968	8,545,739	7,560,287	985,452	7,058,771	7,240,287
		92%		102%		465%		113%		Thru 8/31/90	97%

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

Account	Q1FY91	Q2FY91	Q3FY91	Q4FY91	Total FY '91	Q1FY92	Q2FY92	Q3FY92	Q4FY92	Total FY '92	Growth
AST	1,372,485	1,151,425	1,263,925	1,307,200	5,095,035	0	0	0	0	0	-100%
Budget	968,125	1,151,425	1,263,925	1,307,200	4,690,675	0	0	0	0	0	-100%
Atari	125,746	203,000	205,000	256,000	789,746	0	0	0	0	0	-100%
Budget	177,692	203,000	205,000	256,000	841,692	0	0	0	0	0	-100%
Bauer	220,000	665,000	457,000	456,250	1,798,250	0	0	0	0	0	-100%
Budget	0	0	250,000	500,000	750,000	0	0	0	0	0	-100%
Compaq	2,470,643	3,400,000	3,638,000	3,655,000	13,163,643	0	0	0	0	0	-100%
Budget	2,433,850	3,400,000	3,638,000	3,655,000	13,126,850	0	0	0	0	0	-100%
DCA	2,600	52,275	104,550	134,400	293,825	0	0	0	0	0	-100%
Budget	22,425	52,275	104,550	134,400	313,650	0	0	0	0	0	-100%
HP	701,400	743,339	818,375	781,000	3,044,114	0	0	0	0	0	-100%
Budget	775,495	743,339	818,375	781,000	3,118,209	0	0	0	0	0	-100%
Jeff Misc	75,256	75,000	75,000	75,000	300,256	0	0	0	0	0	-100%
Budget	75,000	75,000	75,000	75,000	300,000	0	0	0	0	0	-100%
NCR	1,376,800	1,176,500	1,486,750	1,553,000	5,593,050	0	0	0	0	0	-100%
Budget	1,284,250	1,176,500	1,486,750	1,553,000	5,500,500	0	0	0	0	0	-100%
Northgate	601,250	396,250	396,250	518,027	1,911,777	0	0	0	0	0	-100%
Budget	396,250	396,250	396,250	518,027	1,706,777	0	0	0	0	0	-100%
Novell	169,730	0	0	0	169,730	0	0	0	0	0	-100%
Budget	0	0	0	0	0	0	0	0	0	0	-100%
Tandon	1,076,207	1,000,000	1,000,000	1,000,000	4,076,207	0	0	0	0	0	-100%
Budget	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000	0	0	0	0	0	-100%
Wyse	353,622	402,000	420,000	427,703	1,603,325	0	0	0	0	0	-100%
Budget	427,200	402,000	420,000	427,703	1,676,903	0	0	0	0	0	-100%
Tot Act/Fcast	8,545,739	9,264,789	9,864,850	10,163,580	37,838,958	0	0	0	0	0	-100%
Budget	7,560,287	8,599,789	9,657,850	10,207,330	36,025,256	0	0	0	0	0	-100%
% of Budget	113%	108%	102%	100%	105%						
Difference	985,452	665,000	207,000	-43,750	1,813,702						
YTD Diff	985,452	1,650,452	1,857,452	1,813,702							
YTD%Budget	113%	110%	107%	105%							

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**STATUS REPORT  
OEM MHR GROUP  
AUGUST 1990**

**Melvin Henderson-Rubio**

**I. SUMMARY**

Revenues:		AUGUST	Q1	YTD
Royalty:	Actual	3,257,358	4,087,311	4,087,311
	Budget	0	5,835,611	5,835,611
	%	%	70%	70%
FG:	Actual	887,684	1,709,799	1,709,799
	Budget	422,450	2,173,825	2,173,825
	%	210%	79%	79%
Total:	Actual	4,139,362	5,862,635	5,862,635
	Budget	422,450	7,088,494	7,088,494
	%	980%	83%	83%

\* These numbers include NOT only MS-DOS PP; but also things such as: any Retail Finished Goods (Windows; Works; Excell); 50-Pack Mice; SDK's and anything other than royalty monies.

**II. NEWS:**

Counterfeiters continue to take business.

Three-Day Sales Consultative Sells Meeting, well received and beneficial.

Cumulus Corp. signs license for: MS-DOS; Windows and Works for 20k units each year for two years.

Tom completed Account Reviews for: WinLabs; Austin Computers and TI.

Osicom is finally current on mins and signs a MS-DOS/Windows royalty license.

Negotiations with MODEL American (formally Fundamental Tech) for MS-DOS & Windows continue (drag on).

Zeos is hinting at wanting to modify their mins. If agreed upon would have a impact of \$457k in Q1.

Standard Micro wants to help MS to sell PP LanMgr. but MS can not agree on how to allow them.

Software Toolworks signs a CD ROM license for \$600k.

David Bennett from USSMD will join the MHR Team as an AM I, September 10th

Marlene Patterson joined the MHR Team as Group Admin, September 4th.

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MS-DOS PP LICENSES:

<u>PP Licenses</u>	<u>Product</u>	<u>Amount</u>
Fountain Technologies	MS-DOS 3.3/4.01	\$8.25K
Free-Trade Inc.	MS-DOS 3.3/4.01	\$1.7K
Kada Computer	MS-DOS 3.3/4.01	\$2.2K
Karmtel Corporation	MS-DOS 3.3/4.01	\$1.65K
Marcraft International	MS-DOS 3.3/4.01	renew
Regency Systems	MS-DOS 3.3/4.01	\$1.65K
Sho-Tronics, Inc.	MS-DOS 3.3/4.01	\$6.1K
Solutions Engineering	MS-DOS 3.3/4.01	\$1.65K
System Integrators	MS-DOS 3.3/4.01	\$3.3K
Ultra-Comp	MS-DOS 3.3/4.01	\$42.5K
Wandel & Goltermann	MS-DOS 3.3/4.01	\$2.75K
XYCOM	MS-DOS 3.3/4.01	\$1.65K
Total		\$73.4K

ROYALTY LICENSES:

<u>Royalty Licenses</u>	<u>Product</u>	<u>Amount</u>
Cumulus Corporation	DOS 4.01, Win3, Works 2.0	\$1,520K
Du Pont	MS-DOS 3.3/4.01	\$6K
Future Domain	CD Rom Extensions 2.1	\$125K/yr
Software Toolworks	Stat Pack, Bookshelf, SBC	\$600K/yr
Strategic Dimensions	OS/1 1.21	\$43K
XYCOM	MS-DOS 3.3/4.01	\$30K
Total		\$2,324K

MOUSE LICENSES:

<u>Mouse Licenses</u>	<u>Product</u>	<u>Amount</u>
Pragmatic Instruments	MS Mouse 50-Pk	\$2.64K
Ultra-Comp	OEM Mouse	\$15.125K
Total		\$17.765K

III. MS-DOS PP WATCH FOR ALL OF NEW BUSINESS (MHR & DTEAM):

	AUGUST		Q1		FY91		FY90
	Units	%	Units	%	Units	%	
PP 3.3	6,990	38%	15,795	40%	15,795	40%	HIGHLY CONFIDENTIAL MS-PCA 2550560
PP 4.01 (5 1/4")	8,315	46%	19,471	49%	19,471	49%	
PP 4.01 (3.5")	2,953	16%	4,363	11%	4,363	11%	
Units of PP	18,258	100%	39,629	100%	39,629	100%	
Dollars of PP	\$934,500		\$2,022,370		\$2,022,370		\$1,235,505
Avg. Selling Price	\$51.18		\$51.03		\$51.03		\$51.94

NOTE: The above numbers do not include the following individual in OEM: Patty Eastern ; Units-950, \$-59,500 YTD.

IV. TERRITORY BREAKDOWN FOR MHR TEAM (ONLY):

	Q1	Q2	Q3	Q4	YTD
	Units	Units	Units	Units	Units
	%	%	%	%	%
Doris(Pacific)	11,581 50%	0 0%	0 0%	0 0%	11,581 50%
Dave(Central/Mt.)	2,722 12%	0 0%	0 0%	0 0%	2,722 12%
Tom(S.East)	750 3%	0 0%	0 0%	0 0%	750 3%
Rick(N.East)	7,945 35%	0 0%	0 0%	0 0%	7,945 35%
<b>Total Units</b>	<b>22,998 100%</b>	<b>0 0%</b>	<b>0 0%</b>	<b>0 0%</b>	<b>22,998 100%</b>

V. ACCOMPLISHMENTS:

Three-Day Sales Consultative Sells Seminar was well received by DOEM. I did hear several comments that for vets, it would have been more beneficial to have more "real" world role plays of harder impact.

Cumulus Corp. (tombru) out of Cleveland, Ohio signed a 20k per year for two year license to bundle: MS-DOS/Windows & Works. Royalty rates are: \$15; \$15 & \$8 respectively for a license of \$780k per year. Cumulus plans to compete in the marketplace with a 386SX PC which it plans to distribute via major retail outlets at an SRP of \$1,300.

Tom completed Account Reviews for: WinLabs; Austin Computers and TI. They were well received by management.

Osicom (ricke) has been delinquent in their mins for their previous MS-DOS royalty license. Part of their view is that they had a large Pre-Paid balance of \$88k and wanted to apply those monies toward a new license and saw no reason to continue to increase their pre-paid balance. Rick did a fine job and explaining to them what a commitment was and resolved the situation whereby they signed a license for MS-DOS & Windows. Rick will keep a close eye on them to assure that they have respectful run rates throughout the coming year as to avoid another large pre-paid balance to develop. Royalty rate for of \$34 MS-DOS and \$36 for Windows on a Per Processor at 5k per year for two years.

Software Toolworks (dorism) signed a CD ROM license for \$600k. The products licensed include: Bookshelf; Stat Pack & Small Business Consultant. SWTW will distribute these products in a value-added software bundle to OEM's for distribution with CD drives and/or systems. SunMoonStar is their first customer and they recently also signed DAK. The license is a one-year license at 20k with a royalty of \$30.

Our turn-around time on processing PP orders is at 3-days. I believe it is possible to reduce that to 2-days. I will be working with Geo. and Finance to see what can be done to reach the 2-day goal.

Trish has been meeting with Order Entry to assure that there will be prompt processing of orders once Order Entry moves to Bellevue in the near future. Stats for monthly CSR activities: Incoming 120 (23%); Outbound 305 (58%) and Return (100) (19%). The higher the outbound level and lower Incoming the better our service. Reason being is that outbound are calls placed by Trish to our customers acknowledging and thanking them for their orders. Thus, if she gets to them first, they will have little reason to call her.

David Bennett from USSMD will join the MHR Team as an AM I, September 10th. David's (davidben) current role in USSMD is that of a Corporate Accounts Government Rep. David has been with USSMD since August 1988. David will handle Area Codes 714 & 619 (Orange County and San Diego).

Marlene Patterson joined the MHR Team as Group Admin, September 4th. Marlene was an Executive Admin in Atlanta, GA before moving to the Northwest on her own in an effort for a better quality of life. Prior to the Executive Admin role, Marlene served in various admin roles in the Atlanta area. The MHR Team is very pleased to have her on board as well as Suzanne. Suzanne has been supporting both Geo. and my staff while we were able to locate Marlene.

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VI. PLANS AND CONCERNS:

The amount of counterfeit versions of MS-DOS continues to grow. Within the last two months, it is obvious that our "older" MS-DOS 3.3 "grey box" has been counterfeited, as has our MS-DOS 4.01 with color stripe.

Privileged Material Redacted Our US OEM's are telling us that they can not compete paying our prices, while their customers can buy the counterfeit product cheaper in the market. I recommend that legal be much more aggressive in closing the loop on these leads. Although the main focus of my concern is the US market, it has become obvious that counterfeit product is entering the European market as well. Counterfeit operations are known to exist in Southern California and suspected also in the Far East. The above mentioned does not include ParCorp, which is a totally different lead and is being addressed by legal.

Standard Micro has a pre-paid balance of \$150k with another \$129k due. This pre-paid balance is a result of their not being able to move LanMgr 1.0 royalty product. They claim that when MS announced 2.0 we basically killed their 1.0 market. We disagree with their view. In any case, they want to apply the pre-paid balance to PP LanMgr. In theory a couple months back we agreed to allow them to do so. Meanwhile, there has been a change of mind. A meeting will occur in mid-September to resolve this issue.

Negotiations with Model American (formally Fundamental Tech) out of Boston have drug out much longer than we would like. There are two main issues. First they wanted a stair step provision in their license which would allow them to commit to 6k per year with the option to increase that commitment to 250k per year (that's right 250,000). After internal negotiations, we granted them the options, then they countered and wanted an option for 100k. We granted and they still did not sign. The latest is that they "insist" on meeting with Billg before they sign. They claim it's their policy not to sign a license unless they can meet with the Chairman. We have expanded our policy. Rick this week presented them with the option at 100k, but no meeting with billg. We expect an answer by Friday, Sept. 14th. If need be, we will meet one more time with them, before we walk. The proposed royalty rate at 6k is \$40 each for MS-DOS & Windows. At 100k \$18 each on a Per Processor basis for two years.

Zeos has gone through some changes and appear to be struggling with getting product to market. As a result, they are hinting that they may want to change their min commit schedule. Rick as been unable to make contact and just today sent them a FAX advising them that until they reach him, we will assume everything is on schedule and we will invoice them the \$457k in Q1. What Rick's contact was saying was that they wanted to delay their min until Q2. Rick's main contact just resigned this week. Thus, the need to send a FAX to their President and Owner to reach closure.

VII. MS-DOS 5.0 WATCH:

At this time, no OEM's have signed a DOS 5.0 license although many are in preliminary negotiation stage.

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MHR Revenue Spreadsheet

9/6/90

OEM	Q1 Budget	Q2 Budget	Q3 Budget	Q4 Budget	TOTALS FY91
<b>ALR (PP)</b>					
Budget	75,000	75,000	80,000	85,000	315,000
Actual	0	0	0	0	0
%	0%	0%	0%	0%	0%
Forecast	0	0	187,500	187,500	375,000
<b>Datamedia (PP)</b>					
Budget	104,000	78,000	109,200	78,000	369,200
Actual	48,100	0	0	0	48,100
%	46%	0%	0%	0%	13%
Forecast	67,000	78,000	72,000	75,000	292,000
<b>Distec (PP)</b>					
Budget	800,000	850,000	850,000	900,000	3,400,000
Actual	230,650	0	0	0	230,650
%	29%	0%	0%	0%	7%
Forecast	343,000	367,000	367,000	392,000	1,469,000
<b>Gateway 2000</b>					
Budget	834,396	834,375	834,375	834,375	3,337,521
Actual	802,274	0	0	0	802,274
%		0%	0%	96%	24%
Forecast	762,500	834,375	834,375	834,375	3,265,625
<b>ISC</b>					
Budget	445,000	464,950	485,075	460,050	1,855,075
Actual	603,019	0	0	0	603,019
%	136%	0%	0%	0%	33%
Forecast	603,019	464,950	485,075	460,050	2,013,094
<b>Eniskit Intl (PP)</b>					
Budget	180,000	225,000	360,000	270,000	1,035,000
Actual	257,500	0	0	0	257,500
%	143%	0%	0%	0%	25%
Forecast	250,000	275,000	310,000	270,000	1,105,000
<b>Orange Micro (PP)</b>					
Budget	42,500	50,000	50,000	45,000	187,500
Actual	0	0	0	0	0
%	0%	0%	0%	0%	0%
Forecast	0	5,000	5,000	5,000	15,000
<b>Packard Bell</b>					
Budget	433,329	433,329	433,329	433,329	1,733,316
Actual	0	0	0	0	0
%	0%	0%	0%	0%	0%
Forecast	433,000	0	0	0	433,000
<b>PC Craft Inc (PP)</b>					
Budget	350,000	400,000	400,000	425,000	1,575,000
Actual	110,000	0	0	0	110,000
%	31%	0%	0%	0%	7%
Forecast	135,000	200,000	200,000	200,000	735,000
<b>SCO</b>					
Budget	2,074,980	2,074,980	2,074,980	2,074,980	8,299,920
Actual	1,827,361	0	0	0	1,827,361
%	88%	0%	0%	0%	22%
Forecast	1,897,065	2,074,980	2,074,980	2,074,980	8,122,005

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MHR Revenue Spreadsheet

9/6/90

OEM	Q1 Budget	Q2 Budget	Q3 Budget	Q4 Budget	TOTALS FY91
<b>SPSS</b>					
Budget	16,875	15,000	13,125	11,250	56,250
Actual	3,470	0	0	0	3,470
%	21%	0%	0%	0%	6%
Forecast	3,470	15,000	13,125	11,250	42,845
<b>Standard Microsystems Corporation</b>					
Budget	43,750	43,750	43,750	43,750	175,000
Actual	43,750	0	0	0	43,750
%	100%	0%	0%	0%	25%
Forecast	43,750	43,750	43,750	0	131,250
<b>Syscorp International</b>					
Budget	18,750	18,750	18,750	18,750	75,000
Actual	18,750	0	0	0	18,750
%	100%	0%	0%	0%	25%
Forecast	18,750	18,750	18,750	18,750	75,000
<b>TI</b>					
Budget	18,750	5,460	4,550	3,640	32,400
Actual	168,250	0	0	0	168,250
%	897%	0%	0%	0%	519%
Forecast	168,250	5,460	4,550	3,640	181,900
<b>TPD of the Allen Group Inc.</b>					
Budget	0	16,875	22,500	22,500	61,875
Actual	77,220	0	0	0	77,220
%		0%	0%	0%	125%
Forecast	22,500	16,875	22,500	22,500	84,375
<b>Wyle Laboratories</b>					
Budget	30,300	30,300	30,300	0	90,900
Actual	19,375	0	0	0	19,375
%	64%	0%	0%		21%
Forecast	19,375	20,000	30,300	0	69,675
<b>Zeos International LTD</b>					
Budget	457,084	463,158	463,158	463,104	1,846,504
Actual	0	0	0	0	0
%	0%	0%	0%	0%	0%
Forecast	457,084	463,158	463,158	463,104	1,846,504
<b>Misc Revenue</b>					
Budget	1,163,780	1,436,866	1,318,982	1,110,429	5,030,057
Actual	1,693,341	0	0	0	1,693,341
%	146%	0%	0%	0%	34%
Forecast	1,837,063	2,912,376	2,651,801	2,216,183	9,617,423
<b>DOS/WIN PP</b>					
Budget	0	0	0	0	0
Actual	0	0	0	0	0
%					
Forecast	0	1,485,000	0	0	1,485,000
<b>FY90 YTD TOTALS</b>					
Budget	7,088,494	7,515,793	7,592,074	7,279,157	29,475,518
Actual	5,903,060	0	0	0	5,903,060
%	83%	0%	0%	0%	20%
Forecast	7,060,826	9,279,674	7,783,864	7,234,332	31,358,696

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**US OEM SALES - Downing ACCOUNT TEAM**  
**August**  
**George Downing**  
**September 7, 1990**

**SUMMARY**

**Revenue:**

Performance for August (see attached worksheet for more details)

	August	August	QTD	QTD	%	FY01	FY01	FYQ11	% of
	Actual	Budget	Actual	Budget	QTD	Forecast	Budget	Diff.	FY01
Rev	\$2,348,634	\$2,529,022	\$3,661,926	\$5,877,950	62%	\$5,410,451	\$6,319,719	(\$909,268)	86%
DOSunit	8,556	14,510	18,207	29,020	63%	27,577	43,529	(15,952)	63%

We came back slightly in August. We were 91% of budget for the month with Unisys finally reporting. Package Product numbers reflect DTEAM TBH's territory numbers being managed by Wolf, Tom and Doris. Arche failed to report as did Televideo and Poqet. Supercom's P.P. DOS sales will continue to be weak—about a half of what was budgeted. Forecast for September is an additional \$1.7 mill coming from late reporters, released deposits, and packaged product sales.

Performance for the year - Actual thru August 31 (see attached worksheet for more details)

D Team	Q1FY91	Q2FY91	Q3FY91	Q4FY91	Total FY '91
Totl Actl + Fcast	\$5,410,451	\$7,371,191	\$7,125,941	\$9,668,591	\$29,576,174
Budget	\$6,319,719	\$7,594,000	\$6,669,513	\$8,899,545	\$29,482,777
% of Budoet	86%	97%	107%	109%	100%
Difference	(\$909,268)	(\$222,809)	\$456,428	\$769,046	\$93,397

Outlook for Forecasted Q1 Revenue is a little rosier at 86%. Packaged product sales are forecasted at 67% (given current run-rates) and continues to be our weakness against budget. Many customers signed and waiting for DOS/Win Combo product. Active prospecting in the coming quarters will ensure we meet FY 91 numbers.

**Agreements Signed:**

Account	Products	Comments
PP-Positive	DOS 4.0 \$50.00	Will ship PP with Win 3.0 until DOS 5.0 ships
Roy-Eltech	OS/2 1.21	\$42K. Currently a PP DOS Customer doing OS/2 develop.
Positive Corporation	Win 3.0—\$960K/yr \$32/system	Signed

**People:**

Training was well received by everyone in my group. Don Hardwick hired and started August 20. Has begun the account transfers with Doris and Wolf and has been managing Emerson from week one. Don has also begun prospecting the Southern California territory and is excited about the potential. Brad Dubbs has met all key players at Unisys and has almost completely taken over the account (still asks questions like "where is Mission Viejo?". Wolf is anxious to get the rest of his accounts turned over to Don and work some new business. Number one priority is to staff the remaining TBH and we have several strong candidates.

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News:

Unisys—Allan Jennings, VP PC Division to DG is confirmed, replaced by Bernard Brice. Other management changes continue. Unisys purchases Dynabook.  
Emerson—Interest in Works—Lotus Works as competition, we are working.

ACCOUNT SUMMARIES: (as written by account managers)

Amax

Amax is very anxious to get the DOS/Windows combo product.

Arche Technologies

Wolf met with Arche to get a better understanding of their organization and business, to give them the DOS 5.0 presentation, and discuss the possibilities of licensing Windows 3.0 to them. He signed Arche up for the DOS 5.0 beta program. They are interested in pursuing a Win 3.0 license (either packaged product or royalty).

Award Software Inc.

Working with Sergio Pineda, Mark Chestnut and Wolf to sign new ROM DOS customer for embedded systems. Customer will be speaking with us further this week—they would like to sign before Embedded Systems Conference, San Francisco, 9/25-9/28. (\$85K, 5000 systems for 1yr.)

Brown/Wagh Publishing

Wolf visited Brown/Wagh with Pamela Goldschmidt (Multi-Media Windows Product Manager). They presented a proposal to license Multi-Media Windows to Brown/Wagh. This would be a potential \$750K per year deal. Their main concern was that they would not have exclusivity in their market.

Compeq USA

Interested in purchasing Win 3.0 PP (3600 systems/yr.). Working on them to sign up for MS-DOS as well. No clear answer on where they currently get MS-DOS.

Corvus

Wolf completed the mutual termination amendment and sent it to Corvus for signature.

Eitech

They signed and returned the OS/2 1.21 agreement. Wolf is still waiting for the Win 3.0 license.

Emerson Technologies

Spoke with Ray Wasson, VP Engineering. Interested in putting Works on their systems (50,000 systems/year). They are asking for a \$5 royalty; competition is Spinnaker. Working with Donna Garrison on the proposal. Trying to contact Chris Daley, President, to invite to OEM Briefing and to negotiate the Works opportunity. High priority. Need to meet with International OEM to discuss double royalty issue with Emerson and Samsung

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GCH

Wolf set up a meeting with them for early Sept. to follow-up on discussions of signing a royalty license agreement for DOS, Windows, and OS/2.

Micro Technology Concepts

They have been cooperating with Debra Vogt regarding their purchases of counterfeit MS-DOS. Their volume is 7,000 systems/year, and they have been paying \$40-\$45. Quoted them \$50 for MS-DOS, and will be following up to assure getting their business.

Poqet

Wolf met with Poqet in Redmond this month. The DOS group reviewed Microsoft's plans for power management in DOS 5.0 with them. They also met with the Works group to understand the opportunity for getting a ROM executable version of Works to run on their machine. The works group is looking into this and alternative possibilities.

Poqet has still not signed their amendment. Wolf is stepping up his efforts to get this amendment signed and returned in September.

Positive

Positive signed their packaged product DOS agreement but so far no packaged product DOS orders from them. They have, however, ordered 5K of the Running Windows book from MS Press.

Roq Systems

Wolf met with ROO this month and discussed doing a ROM-DOS and PC Works license. Being a startup they are very strapped for financing and are having a hard time with the due on signing amount. They have a high level of enthusiasm about their product and the potentially large numbers they can move (50K first year and then upwards of 100K annually). He (Wolf) felt it will be another month or two before we can evaluate the reality of their business and their ability to enter in a commitment with MS.

Supercom

Supercom continues to supply us with leads to counterfeit DOS producers and distributors. This month they sent Wolf two boxes of counterfeit DOS 3.3 and 4.01 that they have bought on the open market. Supercom continues to complain that their market is being hurt by the counterfeiters.

Target Computer Rentals

Wolf sent an initial draft of the rental agreement to Target for review. They are anxious to get the agreement signed. The MS apps division has not yet blessed this agreement. He will meet with Lewis Levine to complete the remaining details.

Televideo

Wolf met with Televideo and gave them the DOS 5.0 presentation. They are now set up as a beta test site for DOS 5.0. In his meeting with Dr. Philip Hwang, Chairman and CEO of Televideo, Wolf proposed the idea of them licensing Windows 3.0 on their machines, he is very interested. Wolf sent them an eval copy of Win 3.0 and several of the Win apps.

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Unisys (Braddu)

Brad met with key contacts including Armond Newton in Blue Bell and Flemington. He got the agreement by Newton to look at Unisys cost of not putting Lan Man 2 in their price book. Unisys and MS Australia working on large Lan Man Network - 1,000 nodes, and Unisys is positioned well. Unisys Unix group taking another look at LMX - has problems with AT&T price. New changes in personnel again at PC Division. Unisys OFIS VP level meeting on New Wave at Microsoft completed.

USIT

Wolf tried to follow-up with USIT this month, but they did not respond. This is still a priority action item.

Ventura Micro

Writing low-level driver for Flash File for Intel Had them sign an NDA, they are now working with Sergio Pineda. No OEM opportunity.

Young Microsystems

Prospect for MS-DOS and Win 3.0. (12,000 systems/year). Quoted them both PP and Royalty options, including the upcoming MS-DOS/Windows bundle.

DOS 5.0 Watch (Royalty Customers)

Account	Status-Date Signed	Date Ship (OAK +Days)	DRI Threat y/n
Unisys	September 30	30	N
Arche	September 30	60	N
GCH	October 30	60	N
Televideo	September 30	30	N
Positive	October 30	30	N
Emerson	November 30	60	Y

Competition WATCH:

Lotus Works at Emerson.

RISC WATCH:

SPARC at Unisys  
Motorola at Unisys.

LAPTOP WATCH:

Unisys to produce own Laptop/Portable

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**OBJECTIVES for September:**

**Wolfs-**

- 1) Get signed amendment back from Poqet.
- 2) Get signed Win 3.0 license back from Eltech.
- 3) Get signed termination agreement back from Corvus.
- 4) Complete pilot software rental agreement with Target Computer Rentals.
- 5) Amend Televideo Agreement to provide for DOS 3.1, 3.2, 3.3 shipments

**Braddu-**

- 1) Confirm OEM Briefing -key contacts
- 2) Arrange call/plan for LMX
- 3) Initiate Win 3.0a Beta
- 4) LM NZ Air study initial to A. Newton
- 5) Plan for Apps Promo - H. Mathern
- 6) VA pricing to Joe Kewer
- 7) DT3 Marketing study/plan
- 8) Attend FCC
- 9) Meet Debre-MS on Zenith DT2 Mktg
- 10) Arrange Conference speakers

**Don Hardwick-**

- 1) Sign Emerson to a Works agreement
- 2) Get Emerson to attend OEM Briefing
- 3) Sign Award Software as a new ROM DOS customer
- 4) Contact all existing accounts and get to know them well
- 5) Begin systematic prospecting of territory
- 6) Complete Training Plan
- 7) Get fully facilitative on Microsoft ways of doing business, internally and externally
- 8) Close new business, both new and existing customers

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Account	Q1FY91	Q2FY91	Q3FY91	Q4FY91	Total FY '91		Q1FY92	Q2FY92	Q3FY92	Q4FY92	Total FY '92
Type							FY 92 Forecast				
Roy Apple	38,880	40,000	40,000	40,000	158,880		40,000	40,000	40,000	40,000	160,000
Budget	25,000	25,000	25,000	25,000	100,000		0	0	0	0	0
Roy Allen Bradley	25,500	12,000	25,500	24,000	87,000		25,000	25,000	25,000	25,000	100,000
Budget	25,500	12,000	25,500	24,000	87,000		0	0	0	0	0
Roy Alkos	173,836	150,000	150,000	150,000	623,836		120,000	120,000	120,000	120,000	480,000
Budget	199,350	134,150	93,680	81,300	508,480		0	0	0	0	0
PP Amax	200,000	175,000	250,000	250,000	875,000		250,000	250,000	250,000	250,000	1,000,000
Budget	215,000	260,000	230,000	200,000	905,000		0	0	0	0	0
Roy Arche	225,025	300,000	400,000	400,000	1,325,025		400,000	400,000	400,000	400,000	1,600,000
Budget	225,025	224,990	224,990	224,990	899,995		0	0	0	0	0
Roy CMO/MMI	77,925	50,000	50,000	50,000	227,925		10,000	10,000	10,000	10,000	40,000
Budget	80,000	75,000	55,000	50,000	260,000		0	0	0	0	0
PP Emerson	485,000	485,000	0	485,000	1,455,000		400,000	400,000	400,000	400,000	1,600,000
Budget	485,000	485,000	0	485,000	1,455,000		0	0	0	0	0
PP Empec	168,000	168,000	168,000	110,250	614,250		150,000	150,000	150,000	150,000	600,000
Budget	168,000	168,000	168,000	110,250	614,250		0	0	0	0	0
PP GCH System	0	100,000	100,000	100,000	300,000		100,000	100,000	100,000	100,000	400,000
Budget	95,000	130,000	70,000	80,500	375,500		0	0	0	0	0
Roy Insionia	80,000	125,000	0	125,000	330,000		125,000	125,000	125,000	125,000	500,000
Budget	125,000	125,000	0	125,000	375,000		0	0	0	0	0
PP Micro Focus	10,936	10,000	10,000	10,000	40,936		0	0	0	0	0
Budget	15,100	15,100	15,100	15,100	60,400		0	0	0	0	0
Roy Poget	262,500	262,500	0	0	525,000		0	0	0	0	0
Budget	262,500	262,500	0	0	525,000		0	0	0	0	0
Roy Pro-Log	19,200	20,000	20,000	20,000	79,200		0	0	0	0	0
Budget	25,000	25,000	30,000	30,000	110,000		0	0	0	0	0
H Supercom	525,000	500,000	600,000	600,000	2,225,000		600,000	600,000	600,000	600,000	2,400,000
Budget	900,000	1,100,000	1,000,000	1,100,000	4,100,000		0	0	0	0	0
Roy Syscon	24,375	24,375	24,375	257,175	330,300		50,000	50,000	50,000	50,000	200,000
Budget	24,375	24,375	24,375	257,175	330,300		0	0	0	0	0
PP Sysorex	36,500	50,000	50,000	50,000	186,500		60,000	60,000	60,000	60,000	240,000
Budget	100,000	125,000	120,000	100,000	445,000		0	0	0	0	0
Roy TeleVideo	120,035	200,000	200,000	200,000	720,035		200,000	200,000	200,000	200,000	800,000
Budget	176,938	208,057	176,984	38,310	600,289		0	0	0	0	0
Roy Unisys	1,758,757	2,577,400	2,916,150	4,680,500	11,932,807		3,000,000	3,000,000	3,000,000	3,000,000	12,000,000
Budget	1,961,950	2,577,400	2,916,150	4,680,500	12,136,000		0	0	0	0	0
Roy WinLabs	0	121,916	121,916	116,666	360,498		120,000	120,000	120,000	120,000	480,000
Budget	0	121,916	121,916	116,666	360,498		0	0	0	0	0
Misc Rev	1,178,982	2,000,000	2,000,000	2,000,000	7,178,982		2,500,000	2,500,000	2,500,000	2,500,000	10,000,000
Budget	1,210,981	1,495,512	1,372,818	1,155,754	5,235,065		0	0	0	0	0
Tot Act/Fcast	5,410,451	7,371,191	7,125,941	9,668,591	29,576,174		8,150,000	8,150,000	8,150,000	8,150,000	32,600,000
Budget	6,319,719	7,594,000	6,669,513	8,899,545	29,482,777		0	0	0	0	0
% of Budget	86%	97%	107%	109%	100%		0%	0%	0%	0%	0%
Difference	-909,268	-222,809	456,428	769,046	93,397		8,150,000	8,150,000	8,150,000	8,150,000	32,600,000
YTD Diff	-909,268	-1,132,077	-675,649	93,397							
YTD%Budget	86%	92%	97%	100%							

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