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Microsoft Corporation
Windows Business Unit
Q91-2 Channel Profitability Summary

Prepared By JohnCon

	USSMD		INTL FC		US CEN	
	Actual Revenue	% of Net Revenue	Budget Revenue	% of Net Revenue	Actual Revenue	% of Net Revenue
Net Revenues	\$15,665	100.0%	\$10,657	100.0%	\$37,480	100.0%
Product Costs	2,568	16.4%	1,948	17.3%	6,054	16.2%
Other COGS	1,141	7.3%	657	6.2%	918	2.4%
Gross Profit	11,956	76.3%	8,152	76.5%	30,508	81.4%
G & A (Includes Marketing Heads)	322	2.1%	256	2.4%	338	0.9%
Marketing *	5,698	36.4%	5,081	47.5%	1,685	4.5%
R&D	1,481	9.5%	1,275	12.0%	1,345	3.6%
Sales Channel Allocations	2,255	14.4%	2,329	21.9%	3,041	8.1%
Support Allocations	1,611	10.3%	1,917	18.0%	233	0.6%
Operating Income (Loss)	\$590	3.8%	(\$2,686)	-25.2%	\$23,956	63.7%
					\$5,065	13.3%
					\$3,473	9.2%
					\$2,359	6.0%

* USSMD Marketing includes a quarter end "earnings smoothing" accrual of \$2.046 million, absent the accrual income would be \$2.6 million (16% of Revenue).

	INTLFC		OTHER		BUS TOTAL	
	Actual Revenue	% of Net Revenue	Budget Revenue	% of Net Revenue	Actual Revenue	% of Net Revenue
Net Revenues	\$3,474	100.0%	\$4,950	100.0%	\$61,420	100.0%
Product Costs	0	0.0%	0	0.0%	8,783	14.3%
Other COGS	51	1.5%	0	0.0%	2,165	3.5%
Gross Profit	3,423	98.5%	4,950	100.0%	50,471	82.2%
G & A (Includes Marketing Heads)	174	5.0%	211	4.3%	966	1.6%
Marketing	109	3.1%	99	2.0%	7,882	12.8%
R&D	1,005	28.9%	896	17.9%	4,120	6.7%
Sales Allocations	590	17.0%	474	9.6%	6,128	10.0%
Support Allocations	0	0.0%	0	0.0%	1,901	3.1%
Operating Income (Loss)	\$1,546	44.5%	\$3,280	66.3%	\$29,475	48.0%
					\$9,018	14.7%

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Product	Channel	Q81-2		Q81-2		% of Plan	YTD	%	Q91-2		Q91-2		% of Plan	YTD	%	Q91-2		Avg Rev	Avg Rev
		Actual	Plan	Actual	Plan				Revenue	Revenue	Revenue	Revenue				Actual	Plan		
Windows 3.0	IBM USSMD	9,300	19,000	49%	66,350	141%	\$367,351	\$750,500	49%	\$2,618,393	141%	\$39,50	\$39,46						
	USSMD	145,579	159,000	92%	549,149	59%	\$16,132,539	\$9,934,960	162%	\$34,633,388	60%	\$68,86	\$63,07						
	Total USSMD	154,879	178,000	87%	615,499	62%	\$18,499,890	\$10,685,460	154%	\$37,261,781	62%	\$67,74	\$60,52						
	Infl. Retail	257,800	110,300	232%	888,333	125%	\$36,948,771	\$14,912,463	248%	\$62,309,885	108%	\$193,98	\$90,52						
Windows SDK	OEM	417,798	25	1671192%	575,972	86%	\$7,940,662	\$8,372,414	95%	\$12,200,090	34%	\$13,79	\$12,57						
	Total	830,477	288,925	287%	1,156,260	71%	\$45,885,645	\$21,647,410	212%	\$75,290,621	61%	\$55,25	\$74,92						
	USSMD	5,633	3,000	184%	15,927	128%	\$1,511,622	\$780,000	194%	\$4,348,910	135%	\$273,20	\$260,00						
	Infl. Retail	5,403	2,144	252%	8,749	85%	\$1,661,475	\$591,190	281%	\$2,806,076	81%	\$307,51	\$275,74						
Windows Updates	OEM	0	0	N/A	0	N/A	\$0	\$0	N/A	\$0	N/A	N/A	N/A						
	Total	10,936	5,144	213%	24,676	109%	\$3,173,097	\$1,371,190	231%	\$7,154,986	92%	\$290,15	\$266,56						
	USSMD	48,566	10,000	486%	208,531	50%	\$2,108,652	\$388,000	530%	\$9,388,294	59%	\$43,42	\$39,80						
	Infl. Retail	89,994	13,600	662%	189,087	497%	\$5,954,442	\$908,593	655%	\$13,061,727	533%	\$66,16	\$66,81						
Windows Other	OEM	60	0	0%	87	N/A	\$4,470	\$0	#DIV/0!	\$5,370	#DIV/0!	\$74,50	\$74,50						
	Total	138,620	23,600	587%	397,705	35%	\$6,087,564	\$1,306,593	617%	\$22,435,391	122%	\$58,20	\$55,36						
	USSMD	32,875	0	N/A	83,773	N/A	\$867,113	\$0	N/A	\$237,900	N/A	\$26,38	\$2,84						
	Infl. Retail	17,906	13,954	128%	47,672	66%	\$918,994	\$865,602	106%	\$1,347,920	45%	\$51,32	\$62,03						
Windows 286/386	OEM	31,495	0	N/A	43,288	N/A	\$268,642	\$0	N/A	\$448,266	0%	\$8,47	\$6,16						
	Total	82,276	13,954	590%	174,733	47%	\$1,237,763	\$865,602	143%	\$2,032,086	81%	\$15,04	\$62,03						
	USSMD	1,724	0	N/A	-19,049	N/A	(\$89,114)	\$0	N/A	(\$1,235,643)	N/A	(\$51,69)	(\$64,87)						
	Infl. Retail	22,074	0	N/A	25,417	N/A	\$453,152	\$0	N/A	\$740,100	N/A	\$20,53	\$29,12						
Totals	USSMD	126,619	687,109	19%	504,857	64%	\$1,178,573	\$8,371,214	14%	\$5,582,115	39%	\$9,31	\$11,06						
	Total	150,417	667,109	23%	511,225	29%	\$1,542,611	\$8,371,214	18%	\$5,086,572	30%	\$10,26	\$12,55						
	IBM USSMD	9,300	19,000	49%	66,350	112%	\$367,351	\$750,500	49%	\$2,618,393	141%	\$39,50	\$39,46						
	Total USSMD	234,277	172,000	136%	549,149	59%	\$16,132,539	\$9,934,960	162%	\$34,633,388	60%	\$68,86	\$63,07						
Totals	Infl. Retail	243,577	191,000	128%	615,499	62%	\$18,499,890	\$10,685,460	154%	\$37,261,781	62%	\$67,74	\$60,52						
	OEM	393,177	140,598	280%	888,333	125%	\$36,948,771	\$14,912,463	248%	\$62,309,885	108%	\$193,98	\$90,52						
	Total	575,972	687,134	86%	970,767	33%	\$7,940,662	\$8,372,414	95%	\$12,200,090	34%	\$13,79	\$12,57						
	Total	1,212,726	998,732	121%	2,274,599	51%	\$61,390,323	\$33,970,337	181%	\$111,761,756	73%	\$50,62	\$49,13						

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Avg. Rev. Per Unit FY91 Plan	
\$39.50	
\$76.54	
\$73.39	
\$111.39	
\$10.13	
\$35.33	
\$260.00	
\$43.86	
N/A	
\$343.57	
\$38.33	
\$64.36	
N/A	
\$56.41	
N/A	
\$40.94	
N/A	
\$40.94	
N/A	
\$18.12	
\$18.12	
\$39.50	
\$61.95	
\$60.88	
\$105.05	
\$12.28	
\$34.49	

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