

**MSTC OEM SALES  
August Status Report  
C.S. Kuo**

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**Summary Revenue:**

Account	Aug Budget	Aug Actual	% of Aug	FY92 Q1 Budget	FY92 Q1 Actual	% of FY Q1	YTD Budget	YTD Actual	% of YTD
Acer	0	0	-	0	150,000	-	0	150,000	-
Autocomputer	0	0	-	0	0	-	0	0	-
CAF	0	43,542	-	0	43,542	-	0	43,542	-
Chaplet	0	0	-	0	0	-	0	0	-
Chicony	0	0	-	0	0	-	0	0	-
Copam	0	0	-	0	0	-	0	0	-
Datatech	0	24,470	-	5,313	24,470	461%	5,313	24,470	461%
Lyi-cheng	0	0	-	0	0	-	0	0	-
Mitac	0	0	-	0	0	-	0	0	-
Modern	0	0	-	0	0	-	0	0	-
Mustek	0	0	-	0	0	-	0	0	-
PCU	0	200,000	-	0	200,000	-	0	200,000	-
Plus& Plus	0	0	-	0	0	-	0	0	-
Quanta	0	0	-	0	0	-	0	0	-
Sampo	0	0	-	0	0	-	0	0	-
Tatung	125,000	0	0%	125,000	0	0%	125,000	0	0%
Twinhead	0	0	-	0	0	-	0	0	-
Other	0	0	-	0	0	-	0	0	-
<b>Total</b>	<b>125,000</b>	<b>268,012</b>	<b>214%</b>	<b>130,313</b>	<b>418,012</b>	<b>321%</b>	<b>130,313</b>	<b>418,012</b>	<b>321%</b>

This month we closed a new small OEM PCU and received \$200K revenue for their DOS + Windows license. Therefore, we exceed budget for this month. However, we will put more effort to again beat the most important month of the quarter, September, with some more new accounts.

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**Rolling Three Months Forecast By Account**

Account	Sep	Oct	Nov
Acer	2,046,393	0	0
ARC	100,000	0	0
ARCHE	456,250	0	0
Autocomputer	270,000	0	0
CAF	192,000	0	0
Chaplet	68,750	0	0
Chicony	199,000	0	0
Copam	631,375	0	0
Datatech	640,000	0	0
Lyi-Cheng	276,250	0	0
Mitac	562,500	0	0
Modern	365,000	0	0
Mustek	56,000	0	0
Quanta	28,125	0	0
Sampo	100,000	0	0
Tatung	368,750	0	0
Twinhead	537,000	0	0
<b>Total</b>	<b>6,897,393</b>	<b>0</b>	<b>0</b>

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**New Agreements Signed**

Account	Product	Comments
PCU	MS-DOS, Windows	5K for DOS, 5K for Windows at \$47- & \$48- now agreement Amend #4, extends to 12-31-1991
Copam	Windows	Amend #1 for Chinese Windows
Mustek	DOS/Windows	Amend #6 for Chinese Windows
Mitac	DOS/Windows	Amend #2 for Chinese Windows
DTK	Windows	

**UPB Reduction Plan:**

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**Acer**

- (1) Since Acer used up all their DOS UPBs, I will not report any DOS UPB reduction plan from now on.
- (2) Windows UPB: In spite of Acer improving their Windows ship rate, we still expect to have about \$1.5M Win 3 prepaid left over for Acer's Windows license. According to their present ship rate, an extension of 6 months for the license will use up their UPBs. Or, if Acer is willing to sign a 3-year Windows license with us, we will let them apply whatever they have left from their Windows license.

**Account Summary:**

**Acer**

- Acer has used up their \$2.5M DOS UPB in 5 months. This is much better than our estimation of 9 months. So, we expect to receive an extra \$1.5M revenue from Acer this year. Besides this, Acer signed up the Works contract with us at the commitment of \$30K/year and \$10.00/system with the condition that Acer will spend \$150,000.00 for promotion for MS Works.
- Since Acer has signed up the Windows Works with Spinnaker, we invited the Product Manager of WinWorks to have a solo presentation to Acer and to convince Acer that Microsoft could provide much better software than Spinnaker could.
- My key effort for this account for the next 6 months will be (1) Converting Acer's DOS and Windows license to 3-year and per-processor license, (2) Watch their Multimedia and Pen development status, and (3) Conclude the Multimedia license with Acer before December 31, 1991.

**Autocomputer**

Nothing new to report.

**CAF (Fontex)**

nothing new to report.

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**Copam**

- Windows agreement extension was made to 12/931/91, with the same commitment for the 5 months left (\$50K/year). This means we will get two payments (9/91 & 12/91) before starting another new agreement.
- They have sent two people to attend the Pen Win Seminar being held in Redmond on 8/15/91. Their near future plan is to concentrate on portables, such as the handheld, Pen-based PCs, etc.
- They are committed to MS WinWorks and are ready to sign up \$10K for France market first. Agreement is on the way for their signature.

**Arche**

This account is transferred from US domestic to TC smoothly and successfully. I believe TC will provide them with better service in the future because their base is in Taiwan, and they are happy about the transfer.

**Chicony**

No major issue to report for this month.

**Chaplet**

No major issue to report this month.

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**DTK**

They have confidence to ship over 250K units with their bareborn/system product. They have also made a plan to convert to full system provider after two years. We will plan a strategy on how to get more revenue from this account, and to also let them keep following MS product wins.

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**Lyi-Cheng**

As I reported last month, most of their products are shipped to Spain, Investronica, which is the most important (and only one) customer they have right now. It is suffering the "attack" from MS Spain for selling finished good to Investronica, causing Lyi-Cheng not to get POs from this company. This is one of the major reasons that Lyi-Cheng has delayed their payment to TC, and the major products affected are Windows and Works.

**Mitac**

Since Windows shipment has increased for the past three quarters, I am confident there will be no UPB problem when the DOS/Windows agreement expires at the end of 9/91, and I will also start to negotiate a per-processor deal with them.

**Modern**

This notebook only manufacturer has suffered from a shipment shortage for the past six months and faces financial problems. One big business group is coming into and getting major finance control over the company by investing money (over 80% share), and so we believe this account will be healthier for the next 6 months.

**Mustek**

Chinese Windows is amended for their Taiwan domestic market !!

**Plus & Plus (ARC)**

We have proposed to terminate the license relationship with them. It is pending final decision.

**Quanta**

- They are doing very well in the notebook business, but, are dedicated in the OEM business only. This will not be a major customer for Microsoft in the near future, but, we still want to prevent losing them to DRI.
- They are very serious about Pen based computing. I have arranged two of their key people to attend the Pen Conference in Redmond. I have their verbal commitment that they will follow Microsoft's Pen computing instead of GO's.

**Sampo**

WinLabs, Sampo's OEM customer, is licensing products directly from MS and won't take MS product from Sampo in the future.

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**Tatung**

It seems to me that Tatung is committing themselves to be Packard Bell's manufacturer, but not for their own name brand promotion. However, good news is that they are quite interested in our Multimedia Windows. With their consumer electronic experience, I hope they can make use of their past experience and come up with some design wins.

**Twinhead**

Twinhead has just lost one major OEM account, EMI, and may need another 6 months to recover from the loss. Also, the heavy inventory for notebook materials makes Twinhead very tight on cashflow, and therefore, they are very hesitant in committing to any new technology now due to the lesson they learned from the notebook business. They have shown strong interest in Pen Windows and MM Windows, but I do not think they will be a first tier customer for Microsoft.

**Key Objectives in September**

1. Arrange for the Pen Win group from Redmond to visit Copam and Mitac.
2. Start to negotiate per-processor/3 year deal with OEM accounts like Copam, Mitac and DTK.
3. Sign up Works for Windows 3.0 agreement with Copam.
4. Continue selling Windows apps (WinWorks) to OEMs.
5. Watch closely Lyi-Cheng and Modern of their financial condition to ensure on-time payment to MS.
6. Work with Acer to study the possibility of changing their license to a per-processor deal.

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