

that information from DavidCol.

3. Swap files and compression. Is it a requirement that the swap file is compressed? Will we allow the partition that the swap file resides on be compressed? Owner Naveen, input from DavidCol.

Teri

From: Richard Fade
To: Brad Chase; Joachin Kempin; Steve Ballmer
Cc: Bill Gates; Brad Silverberg; Mike Appe; Paul Maritz
Subject: RE: Computer city
Date: Monday, July 06, 1992 1:56PM

Interesting questions.
Georged, Bradc and I have in fact been discussing this for the past year some thoughts:

(: = quotation mark, this key just died on my keyboard.)

- Pro:
- GREATLY simplifies distribution, users who want the product just buy it.
 - Potential to earn more revenue (not necessarily profit) from each unit sold.
- Cons:
- Today we get per system or p/processor on about 80%+ of all units sold, we get solid contractual commitments to pay us large \$\$\$.
 - We are able to maintain mind/walletshare.
 - This allows us great continuity and security in the event we are challenged on the desktop (read :buys us time to respond:).
 - In todays ultra aggressive cost environment, many OEMs would say :Great MS provides MS-DOS at retail, so let my customers who want it buy it that way, MS I no longer want/need your license (or mins) I can be totally flexible.: Some OEMs of course would continue to license MS-DOS as a service to their customers, but i have to think large min commits become harder to obtain.
 - Some end user customers not receiving MS-DOS will just steal it.
 - >>In the above world we compete with DR-DOS on the Shelf (OS/2 one day ?) this is the key difference with the Windows situation, with Windows you do not have 80% market share today and also a viable replacement for your product, you have no real replacement for Windows.
 - In the :Let them buy it at retail: world we can find ourselves competing on features, attractive graphics on the box, other random factors which influence end users etc.
 - I do not think it is worth it to pick up the marginal business.

I would instead propose:

- Smarter distribution of OEM manufactured MS-DOS (ie shipped only in the carton with the system to cut down on grey marketing - the Phoenix boxes you saw (Pheonix license is about to end.)
- More agressive program for the upgrade.

The remaining customer who do not get served are the guys who bought a system which is not licensed and are now out looking for MS-DOS, I need to address him by having my OEM account managers work harder to pick up all the little screwdriver guys.

Net: In all my dicussions about this I have not seen the benefit of endangering the 80% to go get this last 20% by a wholesale shift in the way we distribute. I think we can go after this last 20% by getting it 5-10% at a whack with less risk. I know this is conservative but seems best to think this way when we face the current competition on our core desktop business (IBM, Novell).

If we had evidence that DRIs share was in fact increasing then, my analysis may be different but i have not seen anything which honestly supports that. (there was recent mail extrapolating DRIs rev from Novells financials I do not know how accurate this was...).

richardf
>From steveb Mon Jul 6 12:25:25 1992
To: bradc joachink mikeap richardf

B. Chase
EXHIBIT NO. 45
10-9-01
J.R. HEAD

MS 5055105
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DEFENDANT'S EXHIBIT
5796
MS-PCA 1115185
CONFIDENTIAL

Cc: billg bradsi paulma
Subject: Computer city

Date: Mon Jul 6 12:25:03 1992

I visited this weekend two observations
1. They had a lot more dr dos than ms-dos upgrade in stock
2. they carry Phoenix MS-Dos and will sell it to anyone
with or without a system

it made me wonder why we do not retail MS-DOS
What is the Phoenix situation
Retail windows has not hurt oem windows
should we do a janus for all machines that is a better Janus
ie that does not show you any dos stuff unless you want to see it

From: Newswire Mailing
To: ITG-IS Daily News Service for Executives
Cc: Newswire Mailing
Subject: ALDUS: ACQUIRES MULTIUSER, MIXED-MEDIA DATABASE TECHNOLOGY.
Date: Monday, July 06, 1992 2:07PM

ALDUS ACQUIRES MULTIUSER, MIXED-MEDIA DATABASE TECHNOLOGY

SEATTLE, July 6 /PRNewswire/ — ALDUS Corp. (NASDAQ: ALDC) today announced it has acquired a multiuser, mixed-media database software technology — code-named Fetch — for the Apple Macintosh.

Developed by Doug Davlrs, president of Provident Software Inc. of Anaheim, Calif., Fetch enables people to easily catalog, browse and retrieve digital media in standard Macintosh file formats. It can accept illustrations, clip art libraries, sounds, and digitized photographs and video clips.

ALDUS will immediately begin licensing the Fetch technology to companies that publish collections of clip art, photographs, QuickTime movies and sound clips. Fetch can serve as the interface for browsing, previewing and retrieving the content of these products. Later this year, ALDUS will ship a retail version of Fetch in the United States under its own name.

"Computer users who work with a lot of graphics will testify that one of their biggest challenges is quickly locating a specific file for a specific use. Fetch solves this problem," said John Testement, ALDUS product marketing manager for Fetch. "It will increase the value and use of source files by giving the user instant visual access to digital media, regardless of its location or format. The program's visual interface, memory efficiency and powerful multiuser capabilities place it above any file management technology available today."

Key features

Fetch is designed to save time and money for anyone who creates or uses digital media. It records the location and vital information about any file in a catalog, each of which can hold up to 32,000 items. A user can view a catalog's contents in a visual "gallery" of thumbnail images, preview graphics at full resolution, and play sounds and movies to hear their contents.

The program accepts most standard Macintosh file formats, including PICT, EPS, TIFF, SND, Kodak Photo CD and QuickTime files. It also catalogs several proprietary formats, including Adobe Illustrator, Adobe Photoshop and Multi-Ad Creator. Future versions will catalog files from ALDUS PageMaker, ALDUS FreeHand, ALDUS Persuasion and other ALDUS products.

Users add items to a Fetch catalog by dragging and dropping files or entire volumes over the Fetch application icon. The contents are then ready to view and retrieve.

"One of the keys to Fetch is the efficiency with which it catalogs and manages images," Testement continued. "Unlike existing graphic database products, Fetch avoids the oppressive memory overhead of duplicating and storing copies of digital media. Instead, it records only a low-resolution thumbnail for visual reference and retains only the information necessary to retrieve the file from its original location — whether that's at a local site or across a network."

A user can sort and search a Fetch database on a variety of criteria, including user-definable keywords, file type, and filename. Fetch can search a catalog of several thousand items in less than a second. Once located, a

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