

Compaq Confidential

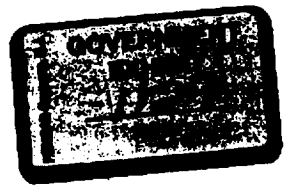
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Windows 95 License Agreement Comparative Pricing Analysis

	<u>Competitors</u>	<u>Compaq</u>
Initial pre-installing Windows 95 license cost (standard)	\$55.00	\$31.00
"Market Development Agreement" Incentive:		
	Cost Reduction	Compaq
50% installation of shipped products w/in 30-45 days	\$3.00 *1	Note: ✓
Signing license agreement by March 1	\$2.00 *1	✓
Logo program certificate completion by April 1	\$3.00 *1	✓
Placing logo on PC bezel and keyboards	\$2.00 *1	
Use Win 95 logo in print ads, cartons, casings	\$4.00 *2	✓
Adopt Win95 as internal corporate standard	\$1.00 *2	✓
Jointly showing products at upcoming trade shows	\$1.00 *2	✓
Shipping/complying with Win95 Hardware Design Guide by April 1	\$2.00 *2	✓
Sales Training	\$1.00 *2	✓
Total cost reductions (known)	\$16.00 *3	\$11.00
Final licensing cost	\$39.00 *3	\$20.00

Notes:
 *1 Source: *Wall Street Journal*, Dec 12, pg B2
 *2 Source: *PCWeek*, Nov. 28, ppg 1, 147
 *3 *PCWeek* quotes total cost savings to reach \$30 off initial cost of \$55 (potential final fee = \$25)
 *4 Assumes that Compaq could also enjoy incentive-based cost reductions with current license agreement

*Other first-line partners
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Software Marketing

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