Lotus Development Corporation

1997 Spring Plan

May 1997

Lotus/IBM Strictly Private

Introduction

The three major drivers of Lotus revenue are the desktop business, the communications business and the service business. The major factors affecting each of these businesses are as follows:

- The Desktop business is in transition from the classic Suite business to a new generation of Java based applets and developer components. Desktop revenue has declined from $400M in 1995 to a projected $280M in 1997. The Java based components business is projected to grow to $140M in the year 2000. We expect the desktop business to bottom out, from a revenue perspective, in 1998 and grow thereafter.

- The Communications business is led by Notes. During the past 18 months, significant progress has been made in repositioning our server offering to be congruent with market expectations relative to the Internet. The present strategic focus is on doing the same for the client, and on migrating the cc:Mail base to Notes.

- The Services business consisting of Support, Education and Consulting, is the most rapidly growing of Lotus' businesses. Our strategic challenge is to dramatically improve our enterprise support at the same time that we improve the profitability of this business.

Financial Summary

In 1996, Lotus passed the $1 billion revenue mark for the first time in our history. By the year 2000, revenue will double to over $2 billion. Much of this growth will be driven by our Communications and Services segments, with annual revenue growth rates exceeding 20% throughout the planning horizon. By 1999, the transition of our traditional Desktop Applications segment to a network-centric components model will be well underway, and this segment will begin to grow at modest rates after several years of double digit revenue declines.

In our software businesses, gross margins show steady improvement, increasing from 84% in 1997 to 88% in 2000 as we continue to shift toward a greater proportion of nonphysical delivery of product. Gross margins in our services business show similar improvement, growing 4 pts. to 28% by 2000, driven by productivity growth in Consulting and improvements in scale, processes, and revenue growth in Customer Support.

Expenses grow at a moderate 8% annual rate over the planning horizon, as we continue our progress toward achieving competitive E/Rs in development and SG&A. Development expense improves from 26% of product revenue in 1997 to 18% in 2000, as a result of our continued focus on development prioritization and careful investment portfolio balancing, particularly in the more mature product segments such as cc:Mail and SmartSuite. SG&A improves 5-6 pts. per year to 42% of revenue by the year 2000. A significant portion of this improvement is attributable to a more leveraged distribution model, with a critical dependency on preparing IBM ISUs to have primary responsibility for large enterprises. As this transition occurs, we will redirect Lotus sales resources to focus on the mid-tier market.

This combination of 20% plus revenue growth, coupled with prudent expense management, leveraging of IBM resources, and a systematic approach to investment prioritization begun in 1996, will move Lotus toward competitive profit levels. Pre-tax income will grow by $110 million in 1998 to a break-even level, another $140 million in 1999, and by the year 2000 pre-tax margins will reach 16%. Appendix A sets forth the financial summary for the years 1998- 2000

The Spring plan process focused on the key issue facing each of the revenue business areas:

1. What is the appropriate business model for the emerging Java components business?
2. What are the requirements for driving the Notes client into a preeminent market position?
3. How do we reengineer the Support business to improve customer satisfaction and improve profitability?

Kona - A Java Components Business

As a result of its control of the primary desktop operating system, Microsoft dominates the high margin desktop applications business. During the past two years, Lotus has been able to markedly increase unit share by executing an OEM distribution strategy. However, this share position has not resulted in revenue improvement because of very low OEM price points. As a result of these industry dynamics, this downward trend will continue despite our best efforts on both the product and marketing fronts.

The long term viability of our desktop suite business will be achieved by leapfrogging the current Wintel-centric desktop model and leading the next generation of Java based components. One of the driving factors behind the need for Java components is the emergence of the NC market, which IBM is poised to lead. Thus, it is in IBM's interest to drive a Java-centric software model as opposed to a Wintel based one.

Furthermore, in addition to their utility as stand-alone applets, Java programs can be part of an end-user application and execute as a Java applet in a browser or other Java container. For example, a traditional DB query results in a spreadsheet applet populated with the query results and the business model being returned to the user instead of the traditional row and column display.

There are two market forces that will drive transition:

First, as a result of dramatic decreases in cost of ownership, NCs will capture an increasing share of desktop devices in businesses of all sizes. These devices will not be capable of supporting full suites such as SmartSuite or Microsoft Office.

Second, there is a desire to return to simplicity on the part of even the most capable knowledge workers. The market is overrun by very large and complex suites that have functionality which is beyond the requirements needed by the majority of users. Thus, Lotus has the opportunity to lead the redefinition of the productivity applications market even for the PC user.

Microsoft will represent the major threat to our success as we attempt to shake control of the industry from them. While MS is almost certainly developing a Java based suite, it will never be given the strategic importance of their Windows products, which are high margin businesses that subsidize much of Microsoft's other efforts. Since Microsoft derives the majority of its profits from its applications business, the shift of the industry to Java based components will have a disproportionate negative impact on their profitability.

To blunt Microsoft's attempt to co-opt this industry to their advantage it will be necessary to develop and nurture key industry alliances. These alliances include key NC OEM vendors such as IBM, Sun and Oracle, key ISV and solution partners (IBM ISUs, Lotus Business Partners) who will be building business solutions using Kona technologies, and finally, alliances with standards vendors (initially JavaSoft) for incorporating key Lotus architectures as Java standards.

Product Offerings

There are two product offerings targeted at two distinct markets; the NC market and the PC market:

1. The NC Thin Suite consists of a Kona Base System which includes a desktop shell, Sun's HotJava browser, 3270 emulator, email, calendar, file and print services and auxiliary server support as well as a robust set of Kona Applets (word processor, spreadsheet, project scheduler, data access, presentation graphics, chart). It is a highly customizable desktop environment designed specifically for the NC user. For specific OEM opportunities the Base System and Kona Applets can be licensed separately. This environment is task-oriented and customized for the needs of those users who do not need the full power of a PC and big, full functioning applications. It allows users to work with all their legacy applications, as well as gain new application functionality to allow them to communicate and share data more effectively with other workers.

   The PC Thin Suite has the same contents as the NC Thin Suite and will be built to provide corporations a consistent solution across diverse hardware clients. It is not positioned as a "replacement" for a full PC suite, but an "alternative" for those corporations who have evaluated and purchased NCs and are interested in running the same solution on PCs as well.

2. The WebPack is a developer tool which allows developers to build highly customized Web application solutions using the Java applets. These applications can then be deployed and accessed via any Web browser client on any platform.

Marketing Strategy

The Kona marketing strategy has two goals:

1. Drive sales of the NC thin suite through as many NC OEMs as possible in efforts to make Kona the number one choice for a Java desktop environment and eliminate potential NC market fragmentation. *We must gain exclusive distribution rights on IBMs two NC platforms and use that as a beachhead to drive agreements with other NC suppliers* We can translate a win on the NC desktop to help drive demand for the same Java solution on the PC, as many corporations are interested in running a consistent solution across NCs and PCs.

2. Drive acceptance of our WebPack offering as the number one choice for Java building blocks for use within Web applications. ISVs and corporate developers are increasingly interested in using pre-built Java components to build mission critical applications as a way to quickly deliver solutions to diverse clients.

We will translate the success of the above strategies to create pull for PC Thin Suite. We believe this "backdoor" approach to getting the Kona applets onto the PC is a more effective marketing tactic than competing head to head with Microsoft Office. Our two-tiered strategy of Kona-based applications and *ad hoc* applets will flank Microsoft Office from all sides. Also, by successfully partnering with other major industry players (e.g. Sun and Oracle), we can keep Microsoft from co-opting the NC platform as yet another environment on which to run their Windows applications.

Pricing and Business Model

There is no existing pricing model in the industry for Java components so there is an opportunity for the first major player to define the model. Lotus intends to price the Base System at a very aggressive level to capture the lead market share for NCs and create a future opportunity for higher value add-on applications. The pricing model for both the Base System and Applets will be based on a per-user model and include a combination of up front license fees with an optional annual subscription renewal for both the OEM and non-OEM case. This model allows Lotus to optimize revenue as well as capture share and translates well to industry norms for this class of productivity software. For the enterprise customer the pricing will be packaged in a way that allows companies to purchase an enterprise option, similar to the way that Lotus sells Notes today. This type of licensing agreement eliminates the requirement for these customers to track actual users, but will be based on an agreed upon number of corporate users.

The actual price points are still under consideration, but will range from a few dollars per user for large OEM quantities for the Base System, to $75 non-OEM suggested price per user for the full set of Applets. Given the promise of lower cost of ownership for NCs as compared to high end PCs (in some cases over 75% savings have been measured over the life of the unit), there is an opportunity for Lotus to establish a higher value point for this software than would otherwise be justified based on the breadth of the functionality.

The WebPack will be licensed for developers on a per server basis at a price point at about $695 per single server and $2,095 for multiprocessor servers.

Based on conservative ramps of NCs, a leading market share for Lotus/IBM, and a number of other OEMs, the cumulative revenue opportunity for the next 3 years (1997 is a market entry year with minimal actual revenue) is estimated at $300M. Thus, while the Lotus Java components are a strategic market share play and help drive substantial system revenue for IBM, they also represent a substantial revenue opportunity for Lotus.

Kona Revenue Projection for the Spring Plan

	1998	1999	2000
NC Systems			
IBM	5	7	9
Others	9	25	29
Total NC	14	32	39
PC Systems	19	47	56
Webpack	12	36	46
Total Kona Revenue	45	115	140

Communications Business

The primary asset of the Communications business is Notes; we expect Notes revenue to grow from $500M in 1997 to $1.2B in 2000. Once viewed as a monolithic entity, the Notes business is now composed of a server business and a client business, with the significant portion of today's revenue accruing from client revenue. By every important measure, we have successfully transformed the server business from a proprietary offering about to be overwhelmed by the Internet, into a thriving Domino product line perceived as open and very much a part of the Internet wave. In April we announced an e-business server family which integrates the Domino offerings with IBM's transaction and database servers and extends the Lotus brand with a low-end basic Web server. The Network Computing Framework (NCF) announced at that time rationalizes Domino with other IBM Internet server offerings, including Lotus Web Go, into an integrated family.

Our challenge for the next two years is to transform the client business, just as we did the server business. The market dynamics of the client business are changing. Historically, we participated in a "groupware" client market with Notes; we dominate this market with share in excess of 50%. We also participated in the "e-mail" market with cc:Mail and Notes; this is a more fragmented market where we hold about a 25% share position as the leading supplier. It is now clear that the groupware market is being subsumed by the mail market into a single "collaboration" market. We have anticipated this market evolution for some time, and it was this recognition that drove our emphasis on mail infrastructure as a basic part of the Notes value proposition. We expect this evolution to lead to the following segmentation, from a product perspective:

- "Integrated clients" at the medium and high end of the market with products such as Notes, Netscape Communicator and Microsoft Exchange. These products will provide mail, news, calendaring and scheduling, workflow and Web access. The distinguishing characteristics of Notes for some time will be the ability to develop rich customized collaboration applications using the Notes development environment, and it's unparalleled support for the mobile user.

- "Richly featured mail clients" that provide less function than the integrated clients, but aim to provide a very complete mail experience, with simple add-ons for news, etc.

- A "mass market client" for basic e-mail capability defined by Internet standards. These products will be supplied both as Java applets and as conventional C++ or C programs. They will connect to standards based mail servers using POP3, IMAP and LDAP protocols.

Fortunately, Lotus pioneered and has created great awareness around the virtue of collaboration. Today, the Notes client remains unchallenged in its ability to present a single interface and consistent set of services (security, mobility, etc.) to users regardless of their specific task or activity, whether it be reading e-mail, checking a colleague's calendar, or participating in a business process application. This unified interface and common set of services represents the ideal of what has become widely referred to in the industry as an "integrated client." Lotus currently dominates the market for integrated communications clients with a Notes installed base that will exceed 18 million users by the end of this year.

Our client business has been driven by three sources of competitive advantage:

- our lead in client server messaging;
- our position as an integrated client/server applications development platform for collaborative business processes;
- our cross-platform breadth solution.

Clearly, we will continue to have strong and market leading presence in the integrated client space. However, this will no longer be the single driver of volume; and, therefore, not the only place mindshare will be established. If we were to continue with this strategy, the fact that the groupware market is being subsumed into a larger collaboration market would lead to a classic situation where we owned the high end of a very large market but were hollowed out from below. Our client strategy is to participate at all levels of the iterated client, mail client and mass market segments. The market battle will be every bit as intense here as we experienced as the server market shifted from "groupware" to "Internet" and we will need to bring to this battle the same resolve and financial commitment as that required in the server market.

Before detailing the client strategy, it is helpful to view this from the perspective of the Domino server offering. Today, Domino servers can be accessed from Notes clients and from "dumb" Web browsers (by dumb we mean pure http/HTML with no Java applets on the client). When a user accesses Domino from a Notes client, we generate client revenue. When a user accesses Domino from a browser, we generate no client revenue. We have implemented programs to shift the revenue generation from the client to the server, but we do not plan on server revenue exceeding client revenue until 1999.

With that as background, our client strategy is as follows:

- We will continue to lead the integrated client segment with the natural evolution of the Notes client. Beginning with the next client release (Notes 4 6) we are migrating the actual user experience to be much more of a Web-line experience and adding client support for standard Internet protocols. This means, for example, that the Notes client can be used to access standard POP3 mail servers in addition to the Domino server, and standard based news servers. We will add IMAP4 support in Q1 1998. Our challenge here will be gaining mindshare for use of this client as a general purpose client accessing servers other than our own Domino server.

- We will participate in the full-function mail client segment with Lotus Mail (we must re-brand here to leverage the Notes brand). This product, built from the cc:Mail code base, fully supports Internet protocols and is much "leaner" than the Notes clients. We have further work to do to make this client fully competitive in the general mail client segment, but we start with a very strong asset in the cc:Mail code base and staff resources in Mt. View (where cc:Mail is headquartered). This may in fact be a place holder, (Lotus Mail re-branded) while a Notes project code named Haiku is completed, allowing a more seamless upgrade from this lower end mail SKU to Notes Desktop.

- We will participate in the mass market mail space with Lotus Mail Java edition. This Java based client is also being developed in Mt. View. It is part of the Kona product offering, and will be available by itself as a pure low-end mail client that uses Internet standards.

- Very importantly, we are also "componentizing" key portions of the Notes client into a set of Java applets that can be downloaded into a browser or Java container. These applets communicate with a Domino server much more intelligently than a pure browser and deliver to the browser user a client experience much more similar to Notes than to the pure browser experience. This collection of applets will compete in the client space and extend the integrated client down-market in a very powerful way. After release of these components in

1998, one will be able to access a Domino server in three ways:

1. from a standard Notes client, in which case we generate client revenue just as we do today;
2. from a browser using the Java applets described above, in which case we can also generate license revenue;
3. and from a browser without the Java applets in which case we do not generate client revenue (as is also the case today).

Our client strategy, to summarize, is to offer both a family of integrated clients (the natural evolution of what we offer today), and a collection of Java applets that provide portions of Notes client function which can be executed in a browser or other Java container. Today, users access Domino servers from either a client or a "dumb" browser. We will dramatically enhance the browser user experience with the forthcoming Java Notes components, significantly increasing the value proposition of the Domino server. We must develop a strategy for tracking usage of these components and extracting license revenue. We think crytolobes could play an important role here; we are working the issue.

In essence, we are extending our dominance of the integrated groupware client in two key dimensions as we prepare to compete in a broader collaboration. First, we will supply lower function clients so that we do not get "niched" to the high end of the market. Secondly, we will supply the Notes experience as a set of Java applets in addition to the current integrated client. This also enables us to attack the lower end of the market and to defend ourselves from attack by Netscape and Microsoft.

While we have an effective strategy to compete in this larger space, we also have significant challenges. Netscape will compete with the Communicator client, and is executing an obvious but potentially effective strategy of extending from the browser market where they have a very strong position into the collaboration market by bundling the browser with the other components of the Communicator client. Hence, the natural upgrade path for a Netscape browser user is to their collaboration client.

Microsoft is also executing an obvious but potentially effective strategy that is very similar to Netscape's. Just as Netscape seeks to extend their strong position in the browser market, Microsoft seeks to extend their dominant position in the the Office Suite market by integrating their new Outlook client with Microsoft Office. The actions of Netscape and Microsoft to link the collaboration client market to a market they presently dominate will present challenges for us that we need to deal with proactively and aggressively. Our marketing programs will be driven by an understanding of this important market dynamic.

Volume and Revenue Trends

Communications product revenues will double from 1997 to 2000, from roughly $600M to $1.2B. Notes revenue will increase by 140% during this period, from $500M to $1.2B. By 2000, essentially all communications product revenue will derive from Notes. The cc:Mail

...revenue stream ($80M in 1997) will have been absorbed into Notes, and revenues from other sources (Organizer and Soft-Switch) will no longer be significant.

For non-OEM clients, 1996 unit growth over 1995 was 95%. The 1997 plan represents a 36% unit increase over 1996. Overall client seats, inclusive of OEM, are projected to grow 99% from 1996 to 1997 compared to 42% from 1995 to 1996, as we initiate a strong OEM strategy with "starter" clients. Revenue growth is projected to slow from 27% to 11% based on the high OEM portion. We anticipate revenue growth in 1998-2000 in the 10-15% range. Growth will be much higher in servers, about 80-90%. We will continue to move our business model to capturing more revenue at the server. Total growth will be in the range of 40% for Notes, and 30% for all Communications products (i.e. Notes, plus cc:Mail, Organizer and Softswitch).

Communications Business Unit

Lotus Strictly Private

Spring Plan Revenue Trends

($Ms)

			Spring Plan			Yr/Yr Change				
Revenue ($Ms)	96 Act	97 Fcst	98 EBF	99 EBF	00 EBF	96/95	97/96	98/97F	99/98	00/99
Client	237	250	298	329	365	10%	10%	15%	10%	11%
Server	31	144	274	395	510	-86%	365%	90%	44%	29%
Maintenance	64	91	134	190	270	-70%	42%	47%	42%	42%
Comp Prod/DMS	7	10	8	5	4	-97%	85%	-38%	-38%	-20%
Other Notes	6	8	16	31	66	-97%	33%	100%	94%	115%
Total Notes	345	516	730	950	1215	60%	50%	41%	30%	29%
cc:Mail	97	80	50	40	20	-3%	-18%	-25%	-33%	-50%
Organizer	34	20	15	10	5	-13%	-41%	-25%	-33%	-50%
SSW-Prod Only	20	16	10	5	0	19%	-18%	-38%	-50%	-100%
Other	-22	-12								
Total Comm's	474	620	815	1005	1240	28%	31%	31%	23%	23%
Internet App's	5	10	15	20	25	n/a	100%	50%	33%	25%
Total Groupware	479	630	830	1025	1265	30%	32%	32%	23%	23%

It is important to recognize that the Domino server is the primary means by which IBM gains presence on non-IBM hardware server platforms and on NT. As an example, in 1998 Lotus will ship approximately 600,000 Domino servers across all platforms. The total hardware server shipments from IBM, inclusive of PC servers, AS/400, RS/6000 and S/390, is forecast at about 475,000 units, of which 300,000 are PC servers.

Services Business

Services are an increasingly important component of Lotus's revenue growth. Our services revenues are generated by three separate businesses: customer support, education, and consulting services. Each of these businesses contributes to our growth in three ways: (a) it expands our market by helping customers use our solutions more effectively, (b) it contributes significant revenue in its own right, and (c) it provides direct user feedback to product development. As the services component of our business grows as a proportion of total revenue, and the product component declines, the company's gross margins decline due to the fundamentally different cost structures of these businesses.

Customer Support

It is critically important that we improve the quality in our customer support business. This mandate is particularly evident with enterprise customers. Key identified support problems include:

- Defect level support shortfalls;
- Lack of on site emergency support;
- Lengthy resolution times, lack of ownership and minimal communication in the escalation process;
- Inadequate skill and coverage; and
- Inflexible and complicated support offerings.

Industry, customer and company factors have all directly contributed to highlighting Lotus' support problems while raising expectations. The major factors are these:

- Lotus products are increasingly used as a platform for high business-value, mission critical solutions. As a result, customer tolerance for problems is low, and when they occur, the cost to these customers is high.
- As part of IBM, Lotus is experiencing raised expectations from customers around support. Enterprise customers are accustomed to industry leading support from IBM and they expect parity programs from across all Lotus product sets.
- Lotus' investment in support over the past few years has not kept pace with the annual 100% growth rate in the groupware installed base as well as the migration from desktop products to the more complex communications product set.

While meeting today's needs, Lotus will transform customer support into a powerful, competitive, differentiated entity scaled for an installed base beyond 30 million users. Today, our "attach rate" for Support (i.e., those customers who acquire support contracts) is less than 10%. This is partly the case because we have unbundled Support from Maintenance (new releases, bug fixes, etc.), and partly from dissatisfaction. This represents both a serious problem and a substantial opportunity.

In 1997 Lotus is investing an additional $12.5 million in Support. This is an incremental 31% increase to the base plan. This investment translates into an annualized run rate of a 40% increase to the base plan which is in addition to a 1997 over 1996 increase of 28%. The major initiatives for improving support are as follows:

Enterprise Support: Of the $12.5M in incremental funding, fully $9.0M will be used for resource infrastructure to improve direct delivery. The infrastructure will include analysts for electronic support and senior technical analysts. It will also fund the establishment of worldwide emergency response teams, field support services, escalation teams, support account managers and staffing for critical situations. One time overhead expenses associated with this infrastructure will be focused on aggressive recruiting, retention strategies and significant training. There will also be investment in the I/T platform supporting the worldwide call centers.

IBM & Alliances: The additional $3.5M will be used to fund a strategic alliance and an implementation effort. The implementation team will address IBM, business partners, ISO certification and internal Lotus issues.

- Lotus will leverage IBM by sharing best practices, aligning support procedures, developing joint support offerings and utilizing the global resources of IBM.
- Lotus will also leverage a broader range of alliances and business partners. Lotus will utilize major system vendors that have developed multi-vendor support businesses to provide first line support to their own installed base. Lotus will also leverage traditional business partners to provide support to small and mid-sized organizations. Lotus will provide tools, certification, and level two and escalation support to all business partners.

Organizational Alignment: The Lotus customer support structure will be realigned to address support problems on a global basis. Call centers, the sales effort and all elements of enterprise support delivery will be consolidated and managed on a global basis. Additionally, the implementation team will build tighter linkages between customer support and development, sales and IS.

Metrics: The implementation team will also address customer satisfaction and other metrics to track progress and implement marketplace suggestions concerning the Lotus support offerings.

Lotus expects that the results of these quality initiatives and additional funding will result in improved customer satisfaction, a differentiated support provider, offerings and pricing structures that meet customer demand thereby leading to more significant attach, penetration and renewal reates and an ongoing profitable business unit that makes customers desire to do business with Lotus because of its premier support.

Appendix A: Three Year Financial Forecast

Lotus
Spring Plan

Lotus Strictly Private

	$M 1996	1997	1998	1999	2000	YY Growth 97/96	98/97	99/98	00/99
Revenues									
Comms	479	630	838	1,023	1,265	32%	31%	23%	23%
Desktop	350	179	243	240	275	-31%	-13%	8%	6%
Product	829	808	1,075	1,283	1,540	10%	19%	23%	20%
Services/Support	189	282	370	461	595	49%	31%	25%	29%
Other	0	(40)	(35)	(33)	(35)				
	1,018	1,150	1,410	1,711	2,100	13%	23%	22%	23%
Cost of Sales									
Product Cost	131	142	158	168	192	8%	11%	6%	14%
Services/Support	149	213	279	344	431	43%	31%	23%	25%
	280	355	437	512	623	27%	23%	17%	22%
Gross Margin									
Product	698	766	917	1,117	1,348	10%	20%	22%	21%
Services/Support	40	69	91	121	164	72%	32%	33%	36%
Other	0	(40)	(35)	(35)	(35)				
	738	795	973	1,203	1,477	8%	22%	24%	23%
Expenses									
SG&A	609	677	743	811	880	11%	10%	9%	9%
Development	231	235	240	258	276	2%	2%	8%	7%
	840	912	983	1,069	1,156	9%	8%	9%	8%
Operating Margin	(102)	(117)	(10)	134	321				
Other Inc/(Exp)	25	7	10	10	10				
Pre-Tax Income	(77)	(110)	0	144	331				
	[illegible] Percentages [illegible]					[illegible] Points [illegible]			
% of Revenue									
SG&A	60%	59%	53%	47%	42%	(1)	(8)	(5)	(5)
R&D	23%	20%	17%	15%	13%	(2)	(3)	(2)	(2)
PTI %	-8%	-10%	0%	8%	16%	(2)	10	8	8
Gross Margins									
Product	84%	84%	85%	87%	88%	0	1	2	1
Services	21%	24%	25%	26%	28%	3	0	1	2
% of Product Rev									
R&D	28%	26%	22%	20%	18%	(2)	(4)	(2)	(2)
Services % of Total Revenue	19%	25%	26%	27%	28%	6	2	1	1