From:	Bill Gates
Sent:	Monday, July 17, 2000 9:34 AM
To:	Carl Stork; Mike Porter; Brian Valentine
Cc:	Joachim Kempin; Paul Maritz; Eric Rudder; Richard Fade; Joe Williams
Subject:	Itanium- DELL

Your data matches what I heard from Michael.

Michael said that Intel was pushing him to have a workstation out in October because Microsoft wants to have a vehicle for Windows which we aren't getting from the other OEMs and since we don't want HP-UX or others to ship first Michael should put his product out with us in October.

His view is that Itanium at this stage is low volume and his people are saying the earliest they should ship is January.

We should get some additional data from HP and others on this.

It sounds like having a developer release in October is the most we need to do.

We don't want to be outmaneuvered by any form of UNIX in the PR related to Itanium. In fact our message should be that in the past Windows was super popular even though UNIX was higher end – now we are matching UNIX with high end capabilities as well as bringing our other strengths to the customer.

I am very frustrated about our mapping our what Intel is doing against us and coming up with a way to get Intel to be more balanced. They are hurting themselves.

> -----Original Message-----
> **From: Carl Stork**
> **Sent:** Wednesday, July 12, 2000 9:55 AM
> **To:** Bill Gates; Neil Calvin (LCA); Mike Porter; Robert (Robbie) Bach; Brian Valentine; Bill Veghte; Bob McBreen
> **Cc:** Kate Sako (LCA); Dan Crouse (LCA); Steve Ballmer; Joachim Kempin; Paul Maritz; Eric Rudder; Bill Neukom (LCA)
> **Subject:** FW: Intel call - Paul Ottelini

With respect to point 3 - Itanium - Ottelini's data is not the same as what we are seeing/hearing.

> The quality of the Itanium CPU itself and associated systems does not seem ready to support a commercial product launch. There are a lot of workarounds with big performance impacts, and because of all the workarounds significant parts of the chip are not being exercised (dispersal mode is disabled). With the latest stepping that we got we still cannot do thi testing based on data from Jeff Havens yesterday. The engineers we work with at Intel seem to agree that they will need to do another stepping before production launch. This makes an October release date unrealistic, a release next year much more realistic. Perhaps this data has not yet been communicated to Otellini and other management.

> OEMs such as Dell and Compaq have told us that they are NOT eager to launch Itanium products this Fall. They do not see a big market opportunity, they think the hardware (and in fairness the software also) are not yet mature - meaning they will bear support costs, they don't necessarily want to the distraction of the launch during their biggest selling season, they all think they will lose money (engineering costs not covered by low volumes.) They will offer Itanium products as soon as Intel gives the all-clear because they do not want to be viewed as behind the competition - most are doing little work, just rebadging the Intel design.

It is interesting that Dell tells Intel that MS is the reason - they may be looking for an easy excuse to give Intel. When we talked to Dell we were honest about the state of the software, but they did not make any request at all that we accelerate software availability - they told us that a March launch would be ideal from their point of view and that is what they would like us to target.

> With respect to Win64 availability, we should be able to make a developer release in the October timeframe. I

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don't know exactly what you would call this, but it could be some a beta, it could be a developer release, it could an SDK, etc. I don't think there is any chance you can call it an end user production release, there is no way that we can be ready for that. However we certainly could let OEMs ship the beta/developer release/SDK - we have a precedent last year where we let some OEMs ship a Windows 2000 beta.

> I don't have the feeling that Intel is spending 80% of their Itanium energy on Windows. Neither on the technical/development side nor on the marketing side. They seem to be investing in the Monterey Unix project (this is the SCO/HP Unix), in Linux, in Novell. I don't know what they are doing with ISVs directly, but in marketing I think they are being neutral/even. We can get more data if you want.

Bottom line, I don't think you need to push Dell in any direction today, though it would be interesting to hear what Michael knows about it (he may not be informed on it as I don't have the feeling it is a high priority at Dell.)

-----Original Message-----
From: Bill Gates
Sent: Tuesday, July 11, 2000 2:09 PM
To: Neil Calvin (LCA); Mike Porter; Robert (Robbie) Bach; Brian Valentine; Bill Veghte; Bob McBreen
Cc: Kate Sako (LCA); Dan Crouse (LCA); Steve Ballmer; Joachim Kempin; Paul Maritz; Eric Rudder; Bill Neukom (LCA); Carl Stork
Subject: Intel call - Paul Ottelini

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