

From: Elliot Katz
Sent: Monday, February 12, 2001 8:32 AM
To: Joseph Krawczak
Cc: Frank Clegg; Jordan Chrysafidis; Sandra Palmaro; Greg Barber; Domenic Borrelli; Andrew Zimakas; Chris Robinson (CANADA); Claudio Silvestri; Ryan Bidan
Subject: On behalf of FRANK CLEGG - Recommendation for - Office ESL Update and Final Decisions Needed
Importance: High

Hi Joseph,

Canada will wait until Sept 1st to offer ESL in Canada. This includes the FPP ESL SKUs, channel attach with large PC resellers and possible COEM attach. See below for Frank's approval of this decision and our reasoning.

Thanks, Elliot

-----Original Message-----

From: Frank Clegg
Sent: Thursday, February 08, 2001 3:33 PM
To: Elliot Katz
Cc: Jordan Chrysafidis; Sandra Palmaro; Andrew Zimakas; Greg Barber; Domenic Borrelli; Chris Robinson (CANADA); Claudio Silvestri
Subject: RE: Recommendation for - Office ESL Update and Final Decisions Needed

I agree. I know you will think about handling the spillover from the US into Canada as they announce. thanks....f

Frank M. Clegg
President, Microsoft Canada Co.
Phone: 905.568.0434 ext. 4254
Fax: 905.507.9940
mailto: frankcl@microsoft.com

-----Original Message-----

From: Elliot Katz
Sent: Wednesday, February 07, 2001 8:48 AM
To: Frank Clegg
Cc: Jordan Chrysafidis; Sandra Palmaro; Andrew Zimakas; Greg Barber; Domenic Borrelli; Chris Robinson (CANADA); Claudio Silvestri
Subject: Recommendation for - Office ESL Update and Final Decisions Needed
Importance: High

Hi Frank,

Further to the email requesting your feedback below, Jordan, Sandra and I have reviewed and recommend that that we wait until Sept 1st to offer ESL in Canada. This includes the FPP ESL SKUs, channel attach with large PC resellers and possible COEM attach.

Reasoning behind recommendation:

1. During launch + 90 days, we want to maximize the revenue we obtain from the early adopters and feel that the availability of a lower cost ESL SKU at retail will jeopardize this
2. We feel that there will be hiccups in the initial rollout and prefer to maximize CUSAT during this period
3. We have the opportunity to leverage the US learnings from the first 90 days in our execution
4. In June we will be running focus group testing locally and potentially direct marketing test of subscription vs. FPP to determine key target markets and opportunities.

Please advise if you are in agreement - we will then communicate as appropriate.

Thanks, Elliot

Plaintiff's Exhibit

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Comes v. Microsoft

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-----Original Message-----

From: Joseph Krawczak

Sent: Tuesday, February 06, 2001 12:25 PM

To: Orlando Ayala's Direct Reports; GMs of Subsidiaries

Cc: Global Desktop Applications Product Mgrs; Global Marketing Leads; All SPMs supporting DAD products; Home & Retail Subsidiary Managers; Office Marketing Extended; Andrew Lees; Steve Schiro; Mitch Koch; Mich Mathews; Gerrit Bergsma; Bill Landefeld; Richard Fade; Steven Sinofsky; Jeff Raikes; Parri Munsell

Subject: Office ESL Update and Final Decisions Needed

LATAM, EMEA, and SPAR (outside of US) Regions/subs need to decide how you want to proceed with ESL. We think there is opportunity with this offering, but it is not mandated from corporate. Regional VPs/Sub GMs: If you do not want to introduce ESL in your sub, or wish to delay the introduction, please let Parri Munsell know by Feb 20 so that operations may be managed accordingly.

Below is further information on ESL.

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1) What are the current plans for Subscription product?

The intent behind ESL is to attach Office to many more new PC's than we do today at a price point that has acceptable impact on the overall cost of the new PC to the customer, but with a business model that has an attractive revenue stream for Microsoft. Last week it was decided not to pursue ESL in the OEM area at this time, in order to best maximize existing preinstall business model for Office Small Business and upsell to Professional. FPP ESL may still be used for PC attach programs in FPP channels however.

The US plans for ESL have just been finalized. The US will pursue large-scale channel attach programs with large PC resellers, and do small market tests to determine demand for standalone FPP ESL assorted at retail.

For full information on ESL, please see <<<http://officemarketing/BIZDEV/Shared%20Documents/Subscription%20Overview%20Presentation%20.ppt>>> Please contact Parri Munsell if you have further questions not covered in this plan.

2) What are the next steps each sub needs to make?

Each region/sub should decide if and how to best make use of Office ESL FPP. The plan of record has been to build ESL FPP product for all Office languages except Japan.

These are your options:

- 1 You may decide that you do not wish to have ESL FPP product. That needs to be communicated back to the product group and we will stop builds for those skus.
- 2 If you wish to have ESL FPP product, you may decide when you want to introduce ESL FPP product into your market. It could be as soon as FPP product is available, or you may choose to introduce at a later date. If you wish to delay the introduction in your market, that needs to be communicated back to us and we will slip out the build for those skus as appropriate.

Sub GM's: If you wish to introduce FPP as soon as possible in your market (except Japan), that is the current plan of record, so you no further action is needed. If you wish to cancel or delay ESL in your market, please inform Parri Munsell by Feb 20 so that we can efficiently manage the operational process.

3) When will FPP ESL be available?

Tier 1 languages Office XP Pro Subscription will be available on May 31. Tier 1 Office XP Small Business Subscription will be available on June 29.

Regards,

Joe Krawczak
Director of Product Management, Microsoft Office
425-936-3295

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