

Microsoft

February 13, 1996

Mr. Mike Culver
VP & GM, Consumer Systems
Acer America Corporation
2641 Orchard Parkway
San Jose, CA 95134

Dear Mike,

After further review of the "Best Buy Internet" project and given there have been no further communications from Acer America regarding this project, Microsoft has determined that this project has not met our expectations. Therefore, per the OEM Marketing terms offered to Acer Group, this project can not be awarded Microsoft OEM Marketing dollars.

As you can see from the enclosed spreadsheet, we sampled fifty-one Best Buy stores. Best Buy displayed an end-cap featuring the Acer Internet system in forty-one of these stores. The Internet demo was not running when our people view the display in forty of these forty-one stores. Additionally, the POP signs announcing these displays made no mention of Microsoft. In thirty-six of these stores, competitive Internet products were displayed on these systems when the Internet program was finally accessed.

As far as I can determine, Microsoft would be paying to have our competition's products promoted. This is not what we expected from this endeavor.

If you have any questions or wish to talk to me about this further, please call me at (206) 936-8835.

Sincerely,



Ted Haneman
Business Manager, International OEM Sales

cc: Ronald Chwang, President & COO, Acer America Corp
Mary Tai, Product Manager, Acer America Corp.
Rick Ripplinger, Manager, Distribution Channel Programs, Corp
Eddie Wu, Account Manager, Microsoft
Craig Spiezia, OEM Marketing Manager, Microsoft
Bengt Akertind, Director International OEM Sales, Microsoft

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Plaintiff's Exhibit

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Comes V. Microsoft

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Superior Court, San Francisco

ACER 002881

Question / Finding	Total	Percent
Stores visited	51	-
Acer Aspire endcap	41	80%
Not Running the Internet Demo	40	78%
Included Acer Internet Signage, (no mention to Microsoft)	36	75%
Included competitive Internet signage with above (Netpage, AOL, CompuServe, Reuters, Prodigy, Interuser, Inqtelnet...)	35	71%
Running other App / Game / Demo	20	39%
Password Protected	16	31%
Not Operational	13	25%
Sales Person Knowledge	23	45%
Required Re-Boot	6	12%

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