

Desktop Applications Division FY95 Overview

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Microsoft

Key Worldwide Business Issues and Opportunities

- ◆ No new major applications until Q4 FY95
- ◆ New platform releases (PowerMac, NT)
- ◆ New distribution models
- ◆ New market segments (eg. SMORGs, SPs)
- ◆ Piracy reduction
- ◆ Chicago launch synergy

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Lotus' Strengths

- ◆ Perceived leader in defining workgroup computing with Notes
- ◆ 1-2-3 brand and large installed base
- ◆ Aggressive Pricing/Marketing
- ◆ Offer complete Smartsuite and products on multiple platforms

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Lotus' Weaknesses

- ◆ No real operating system to leverage
- ◆ Workgroup lead challenged by Novell/WP merger & Microsoft
- ◆ Perceived as single product company
- ◆ Uneven product line, technology support

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Lotus Expected Activities

- ◆ **SmartSuite update worldwide (US:Jun-Aug)**
 - **2 versions: Workgroup(with Notes); End-user**
 - **“Look who’s beating MS again” marketing**
- ◆ **Continue targeted, low pricing**
- ◆ **Expect OLE 2.0 support, LotusBasic in 94/95**
- ◆ **Chicago 32-bit version**
- ◆ **Industry alliances with Powersoft, AT&T**

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Novell/WordPerfect Strengths

- ◆ **Broadened line to compete against MS**
- ◆ **Potential for good workgroup message**
- ◆ **Bought an infrastructure from WordPerfect to supplement strengths**
- ◆ **Leverage, with financial discipline**

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Novell/WordPerfect Weaknesses

- ◆ **Questionable ability to focus with merger**
- ◆ **Technically integrating products from different companies difficult**
- ◆ **Differing business models resulting in loss of some traditional WordPerfect assets**
 - **Less support**
 - **Lower international support/presence**
 - **Lots to learn about end user marketing**



Novell/WordPerfect Activities

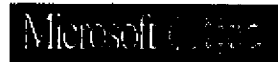
- ◆ **Focus behind upgraded office suite**
- ◆ **Aggressive co-marketing between Office suite and Novell NetWare**
- ◆ **Integrate WordPerfect Office (groupware) and Novell NetWare**



What They Say About Microsoft



Demo of Office 4.3: FX solution



Demo of Customer Solution



Demo of REN



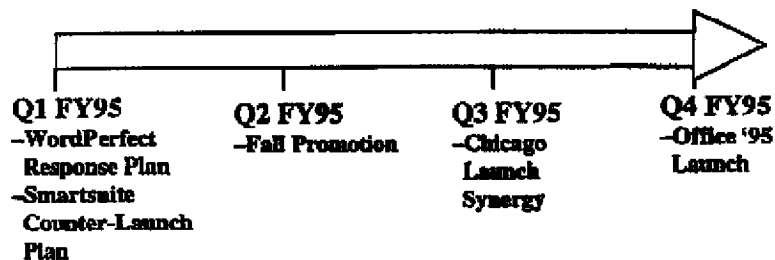
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FY95 Action Plan



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Momentum With Fall Promo

- ◆ Major Fall promotion for end users
- ◆ Ensure no key holes in channel presence
 - Increase breadth distribution
 - Invest in more merchandising presence

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Win Competitive Installed Base

- ◆ **Aggressive switcher campaigns**
 - > **WordPerfect Response Plan**
 - > **Lotus Smartsuite Counter-Launch Plan**
- ◆ **Competitive CCP internationally to attack piracy in this segment**

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Upgrade MS Installed Base

- ◆ **Build efficient and profitable engine for selling to the installed base**
 - > **Subscription-selling/personal maintenance**
 - > **Add-ons to increase profitability**
 - > **Pursue single app to Office upgrades**

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Develop New Markets

- ◆ **Focus on small/medium-sized businesses (SMORGs)**
 - **Broaden awareness with business press advertising**
 - **Focus on key verticals with vertical trade shows and success PR stories**
 - **Recruit Office vertical solutions with key vertical SPs and VARs**
 - **Increase channel availability/visibility**

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Establish our Workgroup Message

- ◆ **No one is clear winner anymore**
- ◆ **Neutralize Notes message with support for Lotus FX**
- ◆ **Leverage EMS message**
- ◆ **REN to ship in Office '95**

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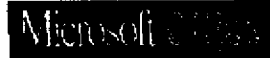
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Continue as Technology Leader

- ◆ Be THE Chicago suite of applications
- ◆ Best platform for business solutions
 - > Common Visual Basic technology
 - > OLE Automation
 - > Workgroup features
- ◆ Leading technology (complete OLE 2.0 support, IntelliSense, OfficeLinks)
- ◆ Lead new distribution methods (CD, MOS)



Link Office '95 and Chicago!!

- ◆ Complementary messaging and positioning
- ◆ Joint end-user marketing activities
- ◆ Joint PR
- ◆ Unified packaging and collateral



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Worldwide Marketing Support Implementing Phoenix in DAD

◆ Objectives

- **Easily localizable strategies & programs**
- **Higher level focus on Intl business issues**

◆ Approach

- **Dedicated International team in DAD**
- **Small "input team" from key subs & regions**
- **Standardized information flow to all subs**



Leadership!

Office suite

**Individual
apps**



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