

From: Ryan O'Hara
Sent: Friday, September 05, 1997 10:11 AM
To: Jim Allchin's Staff (Exchange); Greg Maffei; Greg Maffei's Team; Platforms Finance All; Craig Bruya Direct Reports; Personal Business Systems Mktg Leads; OCU Managers; Linda Plonsky's Direct Reports; Pete Hayes' Direct Reports; Bill Landefeld; Kevin Dillon's direct reports; John Helmon; Todd Parsons; Nell Miller; Melanie Bishop; Robert McDowell; Vaughan Briggs; Desktop & Business Systems MK; ETS Business Analysis & Planning; John Joynt; Meg Olsen; Marc Reguera; Kevin Shea; Sean Pickton; Debra Henry; World Wide PBS Marketing; Deborah Willingham; Pam Biallas; Paul Flessner; Anthony Bay; Russell Stockdale Luis Bonifaz; Christian Wildfeuer; J Allard; Dave Malcolm; Betsy Johnson; John Fredenksen; Bob Muglia (Exchange); BJ Whalen; Mary Oksas; Susan Rucker
Subject: PBSG July Business Review

Microsoft Confidential - Highly confidential information, please do not forward.

Attachments:

July 97 Monthly Business Review

PBS Finance Web



PBSD Business Review



\\pipit\bsdfin\financials\month - current\BusReview.xls

<http://bsdinfo/finance/>

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Plaintiff's Exhibit

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Personal Operating Systems (POS)

Personal Operating Systems

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- \$190M Windows 95 in the OEM channel on 3.4M units reported representing 49% of total POS revenue
- \$29M NT Workstation in the OEM channel on 248K units reported was down from June due to mix of OEMs reporting in July
- \$52M Windows 95 FG on 614K licenses representing the largest sell-in month since Oct-96
- \$46M NT Workstation FG on 360K licenses from strong Select & MOLP reporting

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Key Observations

- The OEM channel

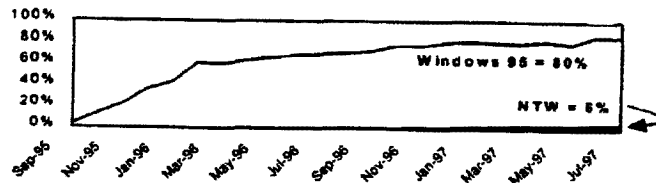
on slightly slower sales of Windows 95 and NTW.

Windows 95 accounted for \$190M or of total OEM revenue.

NTW penetration continues to increase as a % of total OEM shipments reported, but still remains at less than 10%. (See Chart)

OEM Unit Mix

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- July results in the FG channel

The FG revenue was distributed evenly between Windows 95, NTW & Maintenance. Windows 95 posted its best sell-in month (\$52M) and recognized Maintenance had a record month (\$45M). NTW recorded its best sell-in month (\$46M) since the launch of NTW version 4.0.

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Variances in NT Workstation and Windows 95 were

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caused by the % mix of standard vs. upgrade product sold in July.

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Server Operating Systems & Applications

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- Windows NT Server: NT Server revenues totaled \$76.6M (\$55.7M Servers & \$20.9M CALs), the highest monthly total ever and a 20% increase from the prior quarter. 99,659 new user licenses were sold during the month, with 9,719 licenses coming from OEM. The Client-to-Server ratio for July was 14.4, in line with the FY97 average, but a decline from a June ratio of 20.3.

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Server (\$1.6M),

. NTS CALs (\$1.5M) and

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. Windows NT

incremental NT Server revenue

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Executive Summary:

To view additional comments, please open up the PBSB executive summary by clicking on the icon below.

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Executive Summary

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