

Windows Client

**BG/SMMSG Leadership Day
September 11, 2002**

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Plaintiff's Exhibit

8594

Comes V. Microsoft

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Agenda

▶ **Products**

- ▶ Windows XP SP1
- ▶ Windows XP Media Center Edition
- ▶ Windows Media Series 9 (Corona)
- ▶ Windows Plus Pack
- ▶ Windows Update
- ▶ Longhorn

▶ **Efforts**

- ▶ Emerging Markets: EDGI and BRIC
- ▶ Linux
- ▶ Government Security Program
- ▶ Amazing Windows Experiences / Turn It On Campaign
- ▶ Consent Decree Compliance

▶ **Issues**

- ▶ Things I worry about
- ▶ Deployment

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Product Updates and Key Releases

SDB1

Windows Update

- ▶ Auto update added to W2K (RTW June)
- ▶ Software Update Services v1 (RTW June)

SP1 (RTW 9/9)

- ▶ **Goals:** Customer awareness and understanding and reinforce messaging that Windows is a continually, updated product on a predictable schedule.
- ▶ **Key elements**
 - ▶ Updates for security, stability, compability
 - ▶ OEM only (CD#2): **Tablet, Mira and Windows Media Center support**
 - ▶ New USB 2.0 HW support
 - ▶ Optional: .NET Framework Common Language Runtime
 - ▶ Updates in compliance with Consent Decree
- ▶ **Localized version schedule:**
 - ▶ Aug 28: English, German
 - ▶ Sept 4: French, Spanish, Italian
 - ▶ Sept 11: Japanese, Korean, Swedish, Dutch, Brazilian

Windows Media Series 9 ("Corona" – Beta launch 9/4)

- ▶ 500K players and 35K encoders downloaded in 48 hours, Positive press coverage & industry buzz

Longhorn (Targeting FY04 release)

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SP1 Additional dates

Release to Manufacturing (RTM)	8/30
Release to Premier (RTP)	9/4
Release to Web (RTW)	9/9
North America CD Fulfillment	CDs ship to end users 4-6 weeks after RTM
Channel Availability (Select)	Standalone & Integrated Code October Kit
Channel Availability (Open)	Available to existing customers via WWF SP1 SKU or by downloading, New customers receive integrated SP1 in their first kit

Distribution Plan

Slipstream SP1 into FPP
Integrated SP1 FPP added to existing inventory after Aug 28
MSDN, Select, & OEM builds with SP1 integrated
OEM only – receive CD#2 Tablet and Freestyle features, which require CD1 installed first
MSDN only – receive CD#2: Tablet features (no Freestyle), which require CD1 installed first
Listed under new "Critical Updates and Service Packs" heading

Media – available for order/fulfillment via Web or phone
One CD contains integrated SP1
Internal MSMarket fulfillment for CoGS
Available for cost of goods + S&H to customers (\$9.95)

Size
Express install for Home / Pro ~18MB / ~22MB, Network installation ~120MB

Fixes vs DCRs
All Windows Update, QFEs released to-date
Not all fixes in SP1 are available separately via Windows Update (~60%) – consistent with other SPs

Windows Media Series

Key messages for field sales:

- Adoption of digital media server technology in corporations will help drive PC upgrade cycle
- Windows Media technologies will be a core part of Windows Net server
- Linux is making inroads as a Media server, Need to use Win Media 9 Series to help fight the Linux battle
- Key scenarios: Training and executive communication

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Slide 3

SDB1 Should Windows Update be mentioned?
Stephanie Boesch, 9/10/2002

Longhorn Client

Vision

- ▶ **More relevant to users at home & at work**
 - » As convenient as paper, as connected as the phone, as entertaining as television, approachable to more people than ever before
- ▶ **Platform for innovation/differentiation**
 - » New application model based on the .NET Framework and the CLR, enable new hardware form factors
- ▶ **Closer relationship with our customers**
 - » Continuous improvement, ongoing software service

Core Themes: Mobility, Personal Empowerment, Communication, Entertainment and Fundamentals.

Big Bets: New application model, rich presentation & media, unified storage & data, trustworthy computing, communication & collaboration, and It Just Works.

PC Fundamentals: Security, Performance, Reliability, Deployment & Manageability, Compatibility, Resilience and simplicity.

Why will they buy?

- » ITPros – Deployment & Management
- » Information Worker – Collaboration & Mobility
- » Developers – New .NET platform
- » Consumers – Safety & Digital Media

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Efforts

Emerging Markets (RogersW)

▶ Education/Government Initiative "EDGI"

▶ Reactive program

- Mexico – 250K PCs for teacher use at home, financed by govt, considering Linux and W98. EDGI \$10/PC rebate on Windows applied to teacher training. Addl purchase of Ofc, Encarta result in \$60/PC addl rev
- Malaysia – Atypical deal to deliver on exec commitments
- Pending – Egypt, Jordan, Tunisia
- Operations – Continue to work on OEM rev reporting at sub level

▶ Proactive Program – Moving to proactive and policy-based as a response to LINUX

- Targeting BillG to announce education plan during November India trip.
 - Team is in India now, model has been built to understand business impact of different options
 - Reviews scheduled for early October.

▶ BRIC

- ▶ China – Approved Windows Technology Center, Director TBH
- ▶ India – Recently kicked off, comprehensive plan due for MYR

Government Security Program "GSA" (gspteam)

- ▶ GSP Draft includes Source Code, Initiation to Redmond, Security Feedback Loops, Government-specific Security Information, Crypto Service Provider Development Kit, and A Security-based Partnership Framework.
- ▶ 9/9-10 GSP Training in Redmond
- ▶ Next steps: Decide where the function resides and provide adequate funding

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Reactive Program Definition: Mechanism for MS to make new PC purchased w/ legal Windows more cost-competitive to new PCs w/ Linux via a rebate of services, non-bootable sw, or \$ back to the purchasing entity. Targeted at govt and education institutional purchases, esp in emerging markets)

China Director TBH mid-Oct

Efforts cont'd

Consent Decree Compliance (DNeault)

▶ Compliance Progress

- ▶▶ 8/1: OEM Uniform terms effective
- ▶▶ 8/1: W2K SP-3 Release (inc. middleware switching functionality)
- ▶▶ 8/6: Communications Protocol Program launched on microsoft.com
 - 113 protocols across 12 unique tasks; ~5000 printed pages
- ▶▶ 8/27: Client Middleware APIs published on MSDN
 - 292 APIs documented
- ▶▶ 8/30: XP SP-1 Release (inc. middleware switching functionality)
 - Reports that AOL, Real, MusicMatch, and Opera are modifying to take advantage

▶ Protocol Licensing Status

- ▶▶ ~25 NDAs requested from public website (inc. IBM, Apple, Sun, AOL)
- ▶▶ Only 1 signed NDA (NetApp); now engaged in licensing discussions

▶ Press Coverage

- ▶▶ Normal criticisms but largely neutral press (and even a few positives)

Amazing Windows Experience "AWE" (DaveF & RogersW – final plan mid Sept)

- ▶ "Amazing Windows PC" and "Turn it On" combined as "Amazing Windows Experiences" (AWE).
- ▶ Tactics include web content around key experiences, demand generation to drive traffic there, retail activities, OEM offers, etc.
- ▶ Best current intelligence is that direct OEMs will move to SP1 within 30 days of RTM and retail OEMs will wait until after the new year.

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Key Issues - Things that I worry about

- ▶ **Linux**
 - ▶ Desktop Losses
 - ▶ Migration from Unix
 - ▶ Project Jack
- ▶ **Supportability**
- ▶ **Security**
- ▶ **Federation**
- ▶ **Quality**

- ▶ **Deployment**
 - ▶ What does it take?

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