

November Status Report
Benelux OEM Sales
Hans Ranselaar, OEM Sales Mgr

HIGHLY
CONFIDENTIAL

Revenue (see attachment for details)

Area	Oct-91 Actual	Oct-91 Budget	FYQ2 Actual	FYQ2 Budget	FYQ2 Diff.	Qtr. % of Budget
Benelux	\$ 40,000	\$ 67,932	\$ 918,000	\$ 1,047,500	-\$ 129,500	88%

New Business Signed

Account	Product	Comments
V&V Systems	MS-DOS 5.0	
Koning en Hartman	ROM-DOS 3.21/3.22	

Opportunities

Account	Product	Comments
Sydec Purchase	DOS-\$1,168K	50% change
Switch	DOS-\$50K	95% change
Aashima	DOS-\$500k	5% change

Area Summaries

Finished Goods DOS sales

News from the market is a bit more optimistic than last month. The last quarter that is always the most significant period of the year, is developing well. The main problem is the availability of the localized product. We simply don't have enough and we already lost one order from Computer Cash and Carry to DR-DOS. Forecasting of BV is fine, but NV is still not forecasting (and selling) well, according to Gerald, this is mainly due to the market situation and the lack of dedicated resources on the PP-DOS sales.

Significant news

Two new contract signed this months, both of minor importance. One of this is the first ROM-DOS distributors contract in Europe between MS and Koning and Hartman Negotiation with Tulip went excellent and we were able to agreed Rom the commercial terms in a very short period. Legal terms need some workout. Other significant contract negotiation with Sydec Purchase were finalize and is now ready for signing by Sydec management..

Significant issues

IBM is trying to sell their PC-DOS to large accounts targeted for other brands as well. Our LA sales is complaining that is impossible to compete on price. The do position the IBM PC-DOS 5.0 as an alternative for the MS-DOS 5.0. They are also very active with IBM OS/2 2.0, spreading as much fud as possible. It seems that this will go on for month, at least until the release a version of OS/2 which will deliver what they promise.

Market Trends

** MICROSOFT SECRET **

X05210205

Dixon is one of the most important mass merchandisers in the Netherlands and the UK. They don't have their own brand but offer brand names, like Phillips and Commodore. V&V systems is one of our new royalty OEM's delivering via Brightware to Dixon. Mr. Roodenberg, president of Brightware has worked for Headstart which was one of the main suppliers of Dixons. Obviously he is using his contacts to sell his Bright systems. Customers of Dixon have now the choose between a Commodore 386SX with Windows and MS-DOS 4.01, Bright 286/16 with MS-DOS 5.0 and Ensemble, and Aashima's Trend 286 with DR-DOS 5.0. It seems that Aashima is losing this battle because they don't have value added software nor do they have a 386SX. It is no surprise that they contacted us to talk about a MS-DOS and Windows bundle.

Key Account Summaries

**HIGHLY
CONFIDENTIAL**

Tulip

BUN

The use of Tulip systems at our LM 2.1 introduction turned out in to a disaster. The system crashed in front of all major networking dealer, and the audience did response with aha, when they saw that it was a Tulip system which crashed. Actually we don't believe that the crash was due to the hardware but inmate software, probably Tiger.

The hardware problems with Tulip are not solved yet. Our PSS is in contact with Lorim and On-line to solve the problem. Henk Frings wants to talk to our Swedish sub to discuss CO-marketing of LAN manger. Meeting is planned for Dec. 5.

TCI

The contract negotiations with TCI went well, we could agreed on the final terms in one meeting. Prices are higher then we internally set as a goal, the M/C are slightly lower. Some legal terminology is still under discussion. It is clear that our new line of loving our customers is having effect, we now should incorporate some of that love in the contract for Tulip.

	DOS	Windows
286	\$21	\$20
386SX	\$22	\$22
386	\$23	\$23

Extensions will be included at the following rates:

MM	\$38
PEN	\$3,-
HWrecg	\$6,-
Winball	\$38,-

No down payment. A per system license. No minimum commitment for the extensions.

Minimum commitment CY1992 \$ 2.900K:

Minimum commitment CY1993 \$ 3.100:

TCN

Our proposal for bundling Office on the Vision I was right on time. Also from other groups within Tulip there is some pressure on TN to actively sell the Vision I. This bundle is more a dealer program where Tulip and Microsoft are organizing a number of seminars and training's for dealers to help them to sell the extra value of a Tulip I with Windows and Office.

G2

We finally agreed on the new amendment for G2. Prices are in line with the new price guide, hard bundle for a period of nine months with Win Works. The contract will be effective Oct. 1 1991.

GES

New amendment for a per system deal of Windows and MS-DOS now signed and effective Oct. 1 1991. Units shipment will be small the first year.

CONFIDENTIAL

X0590209

**** MICROSOFT SECRET ****

V&V

Mr. Steinberg of V&V systems is very difficult to contact. We did talk to Brightware the actual party shipping the V&V systems. Brightware is shipping to Dixon. See market trend for more info on Brightware.

SYDEC

The Sydec license agreement is now in it final stage. Instead of just MS-DOS they decide to bundle Windows as well. With shipment of 25K units Sydec will be the second OEM royalty customer. The MC for the first year is \$ 1,168K.

Attachment

PP DOS

	Nov-91 budget	Nov-91 actual		Q2 FY92 budget	Q2 FY92 actual	
MSEV	2700	4536	168%	8400	12942	154%
MSN'V	2345	1870	80%	6567	5381	82%
TOTAL	5045	6406	127%	14967	18323	122%

**HIGHLY
CONFIDENTIAL**

CONFIDENTIAL

**** MICROSOFT SECRET ****

X0590210

OEM IN NUMBERS

OEM report for the month		Nov-91			
Rolling three months		Sep-91	Oct-91	Nov-91	YTD
OEM Revenue Actual	US\$(000)	\$ 787		\$ 40	\$ 859
OEM Revenue Budget	US\$(000)	\$ 745		\$ 68	\$ 902
Percent Budget Attainment	%	106%	N/A	59%	95%
Receivables	US\$(000)	\$ 1,849	\$ 1,878	\$ 202	
	Days	203.20068	206.36158	22	
New revenues		No	No	Yes	
Number of OEM visits		27	33	25	
Contracts		4	4	6	
Visits to Redmond		1			

	Budget	Actual	Variance
Q1FY91	\$ 834	\$ 819	-\$ 15
Q2FY91	\$ 918	\$ 1,048	\$ 130
Q3FY91	\$ 938	\$ 741	-\$ 197
Q4FY91	\$ 858	\$ 955	-\$ 3
Total	\$ 3,648	\$ 3,563	-\$ 85

HIGHLY CONFIDENTIAL

Forecast/ Actual per customer	Tulip	G2	Others	Total
Jul-91	\$ 0	\$ 0	\$ 0	\$ 0
Aug-91	\$ 31,755	\$ 0	\$ 0	\$ 31,755
Sep-91	\$ 718,244	\$ 63,859	\$ 5,250	\$ 787,353
Oct-91	\$ 0	\$ 0	\$ 0	\$ 0
Nov-91	\$ 0	\$ 0	\$ 40,000	\$ 40,000
Dec-91	\$ 812,500	\$ 115,000	\$ 80,000	\$ 1,007,500
Jan-92	\$ 0	\$ 0	\$ 0	\$ 0
Feb-92	\$ 0	\$ 0	\$ 30,000	\$ 30,000
Mar-92	\$ 580,000	\$ 120,000	\$ 11,000	\$ 711,000
Apr-92	\$ 0	\$ 0	\$ 0	\$ 0
May-92	\$ 0	\$ 0	\$ 110,000	\$ 110,000
Jun-92	\$ 700,000	\$ 115,000	\$ 30,000	\$ 845,000

**** MICROSOFT SECRET ****

X0590211

	\$ 2,842,499	\$ 413,859	\$ 306,250	\$ 3,562,608	
--	--------------	------------	------------	--------------	--

**HIGHLY
CONFIDENTIAL**

CONFIDENTIAL

X0590212

**** MICROSOFT SECRET ****