

From Jeremy Liu Fri Sep 22 11:00:49 1989  
To: christen jeffli markche romh  
Subject: my letter to Liu  
Date: Fri Sep 22 10:58:27 1989

Any comments before finalise?

Mr. Leonard Liu  
President  
Acorn Incorporated  
602 Min Sheng East Road  
Taipei 10445, Taiwan  
R.O.C.

TEL: 011 886 (02) 715-1950

Dear Leonard,

It was good to talk to you again on the phone the other day. I hope we can see each other again soon too. Are you going to be at Comdex?

Attached to this note is your personal copy of our analysis of the ROM versions of DRI's product versus Microsoft's. I think you'll see that we have an enormous advantage over DR-DOS in the area of the operating system kernel: this is surely critical in machines designed to ship with 256 k memory.

What I really want to tell you - on a confidential basis - are the answers to the questions you raised when we talked. You asked "is this ROM DOS strategic for Microsoft". The answer is a strong "yes".

On the 26th of this month, we are going to announce officially the ROM DOS product. That announcement, which will be made in Europe first, will be accompanied by Psion's announcement that they have licensed Microsoft ROM DOS. Psion, a British company, is the maker of the Psion Organizer which is probably the largest selling pocket computer in the world: it is a huge hit in Europe. Their current technology is eight bit, but they will be moving to 16 bit and MS-DOS. Psion will also announce that they will use our Flash File System, that supports the EEPROM technology that Psion has designed into its system for mass storage. We will also announce that Pocket, a California company, has licensed Microsoft ROM DOS and will be incorporating it into a future version of its pocket PC. We expect similar announcements from Japanese companies in the near future, for pocket PCs, embedded control machines and personal computers.

Our US press release is scheduled for October 2nd, as we believe this date with get us better coverage in the US.

You can believe from this that this product is by no means "something that we have dreamed up to just propose to Acorn". Rather, the product, and its future versions are a key business opportunity for us. It is our plan to expand the range of our offerings as 16 bit processors move into new markets.

I'm sure that Alan Super would not mind me telling you about his decision for Amstrad. He decided to stay with MS-DOS (they use the disk version). In 1985 when he first came out with his low end 512k machine, he shipped both DRI's product and MS-DOS: his market research showed that virtually all users chose to use the Microsoft product, rather than risk the compatibility questions that DRI's operating system products raise. His more recent machines dropped the DRI products entirely. Amstrad is a company that ships most of its machines into the home and small business market; but some machines go into businesses that use networks, that use Windows. It only takes a couple of reports about non-compatibility to give the kiss of death to a PC: we've seen that on the hardware side as well as in the operating system area.

Your concern about Basic supporting Hercules is legitimate. We actually have two solutions to that. We can license our famous Quick Basic Interpreter to you, or with a little engineering work we can provide a version of Q Basic that supports Hercules. Quick Basic is one of the products that we have on our plan for localization into Chinese. While this will not be completed in the timeframe of the shipment of the Third Wave machines, it would surely make more sense in the future to move from the US version of Quick Basic to a Chinese version of the same product.

(Some nice close.....)

X 588414  
CONFIDENTIAL

MS-PCA 1141227  
CONFIDENTIAL

MS-PCA1141227