



From jeffl Thu Nov 2 23.02:05 1989
To: joachim
Subject: Acer/ROMDOS
Cc: jeffl
Date: Thu Nov 2 23.02:04 1989

Joachim, after thinking more about the UPB strategy with Acer for ROMDOS, I don't think it will be very attractive to them. Reason: they already pay us over \$1.6M per quarter and about 1/2 of that goes into UPB. Since we do not require a new license for ROMDOS (which means new commits, etc) they would be paying us the same amount of money anyway since their romdos machines won't help them exceed the qtrly minimum commitment payment.

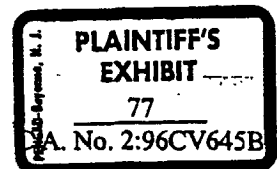
If we want to attract them using UPBs, we could apply some of the UPB to the new Windows license that is about to be signed which has a totally separate min commit schedule. Pros: this will be attractive to them since it will decrease their cash flow to us. Cons: we will get less OEM revenue for FY90 by doing this. If you want to be real sneaky, we could apply some of the UPB to the Mouse deal. This will not affect OEM revenue since the mouse revenue goes to retail.

Eventually we will have to recognize the UPB problem they have - it will be close to \$7M by year end FY90. We can start dealing with it now or wait until FY91 since the budget has not been set yet.

Please advise
jeff

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