

tabbler  
**PLAINTIFF'S  
EXHIBIT**  
**440**  
Comes v. Microsoft

From richmac Mon Oct 29 11:56:23 1990  
To: mikene  
Cc: jeremybu lewis1 marysn mikemap richardf richmac scotto tedha  
Subject: Pricing equation  
Date: Mon Oct 29 13:22:24 1990

Date: Mon Oct 29 11:54:07 1990

Mike as we discussed this AM, could you please summarize the results of our meeting on establishing a pricing equation that will allow consistency across the US channels of distribution from reseller to VAR to OEM to distrib.

I'm seconds away from a flight but here are my summary notes:

1. no such thing as a soft bundle.....no pricing other than distrib pricing.
2. A Hard bundle with a specific definition of MS product int he box or on the HD, and with support assumed from MS, could earn a 65% discount with a \$1mil min commit/year on a specific product. Note here that the product is MS manufactured.
3. A manufacturer can manufacture MS software and hard bundle, provide support and could earn in the vicinity of 80% discount.

Both #2 and #3 need re-examination of the profitability equation since there were several different assumptions as to what the model would be. If it was a USSMD model.....#2 would be in the 52% discount range and #3 would be in the 60% range. Finance and OEM may have a different model for these and it was your action item along with Lewis and Richardf to review in detail.

In summary, if a VAR or OEM wants to buy direct from MS and can meet the min commits they can get standard distrib pricing as an OEM at 46% and we'd stay with the standard VAR discount as we have it... at 44%. This applies to Systems and Apps products. Mouse has a different discount schedule and generally doesn't apply.

Ted has raised some concerns that need to be answered but his Qs impact o/s the US and we did not cover that issue...only within the US.

Action items are for Lewis to drive an understanding of the profitability of #2 and #3 above and Mary Snapp to delegate to Kevin Harrang a opinion on the legality of the comparative discounts with a channel.

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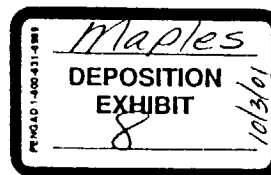
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