

January Status Report
Downing Account Team
February 7, 1991

Revenue

We had an excellent first month of the quarter (90%) with revenue of \$2.5 million on a budget of \$2.7 million. This was due in large part to shipping \$800,000 in mice to Ashton Tate and Unisys. Packaged Product DOS sales were a strong 12,978 with everyone meeting budget. Arche was signed with the \$300,000 due on signing showing in deposits. Media Vision did not fall this month as forecasted, but will show next month. Gateways numbers reported under MHR.

New Business Signed

Account	Product	Comments
Elitech	PP DOS	renewal
Supercom	PP DOS	renewal
Arche	MS-DOS 3.3/4.01/5.0, Win 3.0	\$2.1 million/year
Unisys	Support Agreement	\$150,000 / year,
ABB Power T&D	PP DOS	New Business
Digital Access	PP DOS	New Business
Daytronics	PP DOS	New Business
Universal Computer Ind	PP DOS	New Business
Iverson	Windows	New Business
Data Mart	PP DOS	Renewal
International Data Prod.	PP DOS	Renewal
EDS	Royalty Mouse	New Business
Ashton-Tate	MS Mouse	New Agreement
EG&G	FG DOS 4.01 (\$55)	New Agreement
Pro-Log	MS-DOS 3.2, MS-DOS 3.3 (\$50)	Extension
Reply Corp.	MS Mouse	New Customer
Ricoh	FG DOS 4.01 (\$55)	New Customer

New Business Pending

Account	Product	Royalty	Comm	Close	Chance
Media Vision	Multimedia Win 3.0		\$540,000/ year	2/91	99%
Creative Labs	MM Windows	\$24	\$1.2 million	2/91	90%
Headland	MM Windows	\$30	\$750K	2/91	90%
Roo	DOS/Win/Works	\$40	\$1 million	2/91	50%
Cumulus	DOS 5 amendment			2/91	100%
Lanier Amend.	MS-NET			1/91	100%
Cumulus	Ball Point	\$43	25K	4/91	30%
WinLabs	DOS (ROM & disk)	\$25	30K/processor	3/91	60%
All Computer	DOS 5			4/91	30%
Sysorex	DOS, OS/2			6/91	30%
Versatile Control	Pen Windows		Signed LOI		

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Award	ROM DOS 3.22	\$10	\$50K	1/91	25%
Axodom Chrom.	FG DOS 4.01	\$55		2/91	80%
Central Comp.	FG DOS 3.3, 4.01	\$50		2/91	90%
Complete PC	Works	\$14	\$112K	1/91	90%
Dataclub	MS Mouse 50 pack	\$2,250		2/91	80%
Insignia	DOS 3.3, 5.0 Win3	\$10-\$28	\$1.7M	1/91	90%
Intellisystems	FG DOS 3.3, 4.01	\$55		1/91	90%
Locus	FG DOS 3.3, 4.01	\$55		1/91	90%
Meridian Data	CD-ROM Ver.2.2	\$2.50-\$200.00	\$10K	2/91	90%
Reply Corp.	FG DOS, Win3, Combo			2/91	90%
Siemens	MS Mouse 50 pack	\$2,250		2/91	80%
Xerox	DOS 3.3, 5.0	\$(tbd)	(tbd)	2/91	80%
UnisysDTIII	Apps	per system	\$ 10 M	3/1/91	80%

News

Unisys

Unisys lost \$436.7 million FY90Q4 (Sept-Dec 1990). Unruh cites recession and poorer than expected performance on DTIII.

DTIII pricing overhauled to \$85.00 for Unisys' version of MS Office, add MS DOS, Windows and Mouse to each system shipped. This is change from per copy ship. They've forecasted 300,000 penetration over the next 3.5-4 years.

Executive Review with DSD/NCG tentatively set for March 28, here. Numerous issues on the table.

Support Agreement signed, Tim Case is the new engineer on the account as Marty moves on to Win support team.

Issues

Unisys DSD/NCG is concerned about the future development of PM. They've definitely embraced Win, but don't want to or can't scrap the PM development totally, given vertical mission critical application. They are nervous.

*Combo product sales continue to be slow. Price seems to be the primary issue. Get down to sale price of below \$100.

*Piracy continues to be a problem. The WinLabs contact has identified what is possibly the printing source for pirated Empac and GCH DOS. Working with Debrav to determine next steps.

Sysgen, Inc.'s license has terminated, and MS Legal and OEM Sales are pursuing the balance due.

Media Vision will be asked for an additional \$50K for the consortium fund.

Laptop Watch

*WinLabs will introduce their new notebook 386SX (OEM'd from Sharp) in the March/April time frame. They are forecasting sales of 5K/month and initially plan to bundle ROM DOS 3.22.

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*Cumulus plans to introduce their new laptop 386SX in the June/July time frame. Each laptop will be bundled with DOS/Windows/Works. Cumulus is also a prospect for Ball Point Mouse.

RISC Watch

none known

DOS 5.0 Watch

Status: P=Proposed N=Negotiation S=Signed N/A = Not Applicable

Ship date is OAK + n days... i.e. 60, 90, etc

DFI Threat is Y or N

Account	Status	Close Date	Ship Date	DFI Threat?
Arche	S	1/91		N
Positive	S	12/90		N
Televideo	N/A	2/91		N
USIT	S	11/90		N
Unisys	N	3/1		N
Win Labs	P	3/91		N
Cumulus	P	2/91		N
Sysorex		N/A		Y
All Computer	P	3/91		N
Insignia	N	2/91	+60	N
Xerox	P	3/91		N

Account Summaries

(as reported by Account Manager)

(Wolfs Accounts)

Arche Technologies

New \$2.1 million/year (DOS, Windows) signed and returned.

Creative Labs

\$1.2 million/year Multimedia Windows license agreement in negotiation.

Headland Technology

\$380K/year Multimedia Windows license agreement in negotiation.

Media Vision

\$540K/year Multimedia Windows Agreement signed and at MS.

(Michele Pearson)

Unisys

Arranged highest executive level meeting for DOD Staff and MS. Signed the Support Agreement and visited the DSD folks in San Jose. Continue to pursue issues in tandem with old account manager as much as possible during account transition. Working to complete Amendment One and get the new DTIII Amendment drafted asap.

(Susan Carasco Accounts)

Versatile Control Systems

Signed a letter of intent for DOS and Pen Windows.

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EDS

Signed a royalty Mouse agreement with EDS. The Mouse agreement is tied to the US military SMC contract and has considerable revenue potential.

Cumulus

Gave a Ball Point presentation and demonstration to Cumulus. They will buy. Will add DOS 5 to their existing agreement in February.

WinLabs

WinLabs has agreed to renegotiate their existing DOS agreement on a per processor basis with a 30K units minimum commitment. This new agreement will include DOS 5.0 and DOS ROM versions 3.22 and 5.0.

Have made some headway in the fight against piracy by cultivating the WinLabs connection.

Swan Technologies

Working with Finance to increase Swan's credit limit to \$200,000/month. Swan was quoted \$28.15 based on 10K annual commitment and \$25.15 for a 20K annual commitment.

Sysorex

Interested in licensing DOS and OS/2 on a royalty basis. In February will present a draft agreement based on a 20K units annual commitment.

(Don Hardwick Accounts)

Ashton-Tate

Ashton-Tate's agreement to bundle the MS Mouse with their Applause II business graphics software product (SRP \$495) was executed. One year agreement for 11,500 mice at \$27.80 each (\$319K). Entire order shipped January 1991.

Award Software, Inc.

Award has been given a final request to sign the license agreement for ROM DOS at \$10. One year license with a minimum commitment of \$50K.

The Complete PC

Negotiating with The Complete PC to bundle 8000 copies of Works at \$14 royalty (\$112K) with their Complete Commander voice mail/fax/modem card for pc's (SRP \$895). Expect to begin shipping in February 1991.

Central Computer Systems

Central was given a credit line of \$50K with net 30 terms. They are licensed to sell packaged product MS-DOS and the MS-DOS/Windows Combo product. They also signed a new MS-DOS package product license (\$50), which is awaiting execution.

Dolch Computer Systems

Dolch was approved for a \$30K credit line with net 30 terms. They are licensed to sell package product MS-DOS 3.3 (\$60) and MS-DOS 4.01 (\$55). Dolch makes portable 486-based machines.

EG&G

EG&G's license was executed for packaged product MS-DOS 4.01 (\$55). EG&G makes PC-based automotive diagnostic systems..

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Insignia Solutions

Currently negotiating new royalty license agreement with Insignia that will add MS-DOS 5.0 and Windows 3.0. New agreement should begin in February 1991, and will increase their current minimum commitment of \$500K by 50% the first year (\$750K) and 100% the second year (\$1M). In the interim, Insignia has extended their current agreement for one year (through March 1992).

Locus Computing Corporation

Locus is expected to sign a new MS-DOS packaged product license agreement in February 1991. Locus sells a software package called Merge that runs MS-DOS under Xenix and non-Intel platforms. The MS-DOS price varies, from \$55 for single user systems to \$125 per processor for multiprocessor versions of Merge.

Meridian Data

Meridian has signed an amendment to their license agreement for CD-ROM Extensions Version 2.1 that adds CD-ROM Extensions Version 2.2., priced from \$2.50 for single users to \$200 for 101+ users. Their minimum commitment is \$10K.

Pro-Log Corporation

Pro-Log has extended their royalty license for MS-DOS 3.2 and 3.3 (\$50) for another year, as per renewal terms of their agreement.

Reply Corporation

Reply is a new customer for MS. Reply's license for the MS Mouse 50-pack (\$2,250) was executed. They are expected to sign package product licenses for MS-DOS, Windows, and the MS-DOS/Windows Combo product in February 1991. They are also interested in licensing OS/2, and have applied to be a LAN Manager Reseller. Reply makes PS/2 clones.

Ricoh Corporation

Ricoh is a new customer for MS. Their license for package product MS-DOS (\$55) was executed, and allows them to bundle the product with their high-resolution fax machines that are used for newspaper publishing.

Sysgen, Inc.

Visited Sysgen and discussed their missed minimum commitment payments for MS-DOS. Sysgen currently has a prepaid balance of \$92K, and has another \$72K outstanding. Sysgen's main business of tape backup devices is healthy, but they are effectively out of the PC systems business. There is no reasonable expectation that they will generate many new DOS sales in the future. Sysgen's license expired 12/31/90, and MS Legal is working with OEM Sales to pursue the balance due.

Towercom

Towercom (dba PC House) has purchased several thousand copies of packaged product MS-DOS in the last six months, and has become one of the more significant package product customers. Towercom is currently applying to be a LAN Manager Reseller, and is also being reviewed for credit terms.

Veeco Instruments, Inc. (Sloan Instrument Division)

Veeco signed a new package product agreement for MS-DOS 3.3 (\$60) which is awaiting execution.

Xerox

Will begin negotiating in February with Xerox for new MS-DOS royalty license, which should include MS-DOS 5.0.

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REVENUE PERFORMANCE SUMMARY: Month-to-date: Quarter-to-date: Year-to-date Quarter: 3 FY91

Account	January Budget	January Actual	February Budget	February Forecast	March Budget	March Forecast	FYQ3 Actual	FYQ3 Budget	FYQ3 Diff.	YTD Actual	YTD Budget
Ro Apple	\$25,000	\$0	\$0	\$25,000	\$0	\$0	\$25,000	\$25,000	\$0	\$91,510	\$75,000
Ro Allen Bradle	25,500	25,500	0	0	0	0	\$25,500	25,500	0	\$76,500	\$63,000
Ro Altao	93,680	9,500	0	140,000	0	0	\$149,500	93,680	55,820	\$329,385	\$427,180
PP Amaz	230,000	74,600	0	100,000	0	75,000	\$249,600	230,000	19,600	\$612,900	\$705,000
Ro Arche	224,990	300,000	0	0	0	0	\$300,000	224,990	75,010	\$1,020,015	\$675,005
PP CMO/MMI	55,000	23,250	0	25,000	0	25,000	\$73,250	65,000	18,250	\$128,075	\$210,000
PP Empeo	168,000	66,000	0	66,000	0	66,000	\$168,000	168,000	0	\$392,000	\$504,000
PP GCH Systr	70,000	42,500	0	60,000	0	60,000	\$142,500	70,000	72,500	\$74,500	\$295,000
Ro Insignia	0	0	0	150,000	0	0	\$150,000	0	150,000	\$199,400	\$250,000
Ro Micro Focu	15,100	0	0	36,000	0	0	\$36,000	15,100	20,900	\$48,688	\$45,300
Ro Pro-Log	30,000	26,750	0	0	0	0	\$26,750	30,000	-3,250	\$71,750	\$80,000
PP Superroom	1,000,000	220,000	0	300,000	0	300,000	\$820,000	1,000,000	-180,000	\$1,157,500	\$3,000,000
Ro Sygen	24,375	0	0	0	0	24,375	\$24,375	24,375	0	\$48,750	\$73,125
PP Sysorex	120,000	61,500	0	60,000	0	60,000	\$151,500	120,000	31,500	\$236,000	\$345,000
Ro Televideo	100,364	0	38,310	0	38,310	0	\$0	176,984	-176,984	\$35	\$485,359
Ro Unifys	0	622,970	2,916,150	3,000,000	0	0	\$3,522,970	2,916,150	606,820	\$4,650,629	\$4,539,350
Ro WinLabs	121,916	116,667	0	0	0	0	\$116,667	121,916	-5,249	\$243,833	\$243,832
Miso Rev	457,606	1,026,392	457,606	500,000	457,606	500,000	\$2,026,392	1,372,818	653,574	\$3,483,116	\$3,164,099
Totals	\$2,761,531	\$2,495,629	\$3,412,068	\$4,432,000	\$495,918	\$1,080,375	\$8,008,004	\$6,669,511	\$1,338,491	\$12,860,586	\$15,180,250
		90%		130%		218%		120%		1/31/91	85%

DOS and WinCombo PP PERFORMANCE SUMMARY: Month-to-date: Quarter-to-date: Year-to-date-Q3 FY91

Territory	January Budget	January Actual	February Budget	February Forecast	March Budget	March Forecast	FYQ3 Actual	FYQ3 Budget	FYQ3 Diff.	YTD Actuals	YTD Budget
Jonhar-Dos	1,356	2,106	1,356	2,200	1,356	2,200	6,506	4,069	2,437	10,708	8,644
Combo	0	0	0	0	0	0	0	0	0	375	0
Total \$	\$69,167	\$107,406	\$69,167	\$112,200	\$69,167	\$112,200	\$331,806	\$207,501	\$124,305	\$548,756	\$440,835
% \$ of Bud		155%		162%		162%		160%		1/31/91	124%
Susano Dos	2,480	2,444	2,480	2,500	2,480	2,500	7,444	7,441	3	12,045	12,670
Combo	0	120	0	0	0	0	120	0	120	300	0
Total \$	\$126,491	\$138,444	\$126,491	\$127,500	\$126,491	\$127,500	\$363,444	\$379,473	\$13,971	\$647,594	\$646,139
% \$ of Bud		109%		101%		101%		104%		1/31/91	100%
Wolfs Dos	7,666	8,206	7,666	8,000	7,666	8,000	24,206	23,598	610	44,380	42,552
Combo	0	50	0	0	0	0	50	0	50	2,220	0
Total \$	\$401,167	\$423,606	\$401,167	\$408,000	\$401,167	\$408,000	\$1,239,806	\$1,203,501	\$36,107	\$2,150,768	\$2,170,167
% \$ of Bud		106%		102%		102%		103%		1/31/91	99%
Total DOS	11,702	12,766	11,702	12,700	11,702	12,700	38,156	35,107	3,051	67,133	63,866
Total Comb	0	170	0	0	0	0	170	0	170	2,895	0
Total Units	11,702	12,928	11,702	12,700	11,702	12,700	38,328	35,107	3,221	70,028	63,866
Total \$	\$596,825	\$669,458	\$596,825	\$647,700	\$596,825	\$647,700	\$1,964,858	\$1,790,475	\$174,383	\$3,347,116	\$3,257,141
% \$ of Bud		112%		109%		109%		110%		1/31/91	103%

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FISCAL YEAR 1991 (ACTUAL THRU Jan) AND FISCAL 1992 FORECAST

Type	FY '91					FY '92 Forecast					FY '91
Rd Apple	38,890	52,630	0	40,000	131,510	40,000	40,000	40,000	40,000	160,000	
Budget	25,000	25,000	25,000	25,000	100,000	0	0	0	0	0	
Rd Allen Bradley	25,500	25,500	25,500	24,000	100,500	25,000	25,000	25,000	25,000	100,000	
Budget	25,500	12,000	25,500	24,000	87,000	0	0	0	0	0	
Rd Altos	173,836	146,049	9,500	150,000	479,385	120,000	120,000	120,000	120,000	480,000	
Budget	199,350	134,150	83,680	81,300	508,480	0	0	0	0	0	
PF Amex	170,000	368,300	74,800	400,000	400,000	250,000	250,000	250,000	250,000	1,000,000	
Budget	216,000	260,000	230,000	200,000	906,000	0	0	0	0	0	
Rd Arche	411,978	308,037	300,000	400,000	1,420,015	400,000	400,000	400,000	400,000	1,600,000	
Budget	225,025	224,890	224,990	224,990	899,995	0	0	0	0	0	
Rd CMO/MMI	65,425	37,400	23,250	50,000	176,075	10,000	10,000	10,000	10,000	40,000	
Budget	80,000	75,000	55,000	50,000	260,000	0	0	0	0	0	
PF Empac	168,000	168,000	58,000	110,250	502,250	150,000	150,000	150,000	150,000	600,000	
Budget	168,000	168,000	168,000	110,250	614,250	0	0	0	0	0	
PF GCH Systems	5,000	27,000	42,800	50,000	124,500	100,000	100,000	100,000	100,000	400,000	
Budget	85,000	130,000	70,000	80,500	375,500	0	0	0	0	0	
Rd Insignia	80,000	119,400	0	125,000	324,400	125,000	125,000	125,000	125,000	500,000	
Budget	125,000	125,000	0	125,000	375,000	0	0	0	0	0	
PF Micro Focus	10,936	33,752	0	10,000	54,688	0	0	0	0	0	
Budget	15,100	15,100	15,100	15,100	60,400	0	0	0	0	0	
Rd Pro-Log	19,200	25,800	25,750	20,000	91,750	0	0	0	0	0	
Budget	25,000	25,000	30,000	30,000	110,000	0	0	0	0	0	
PF Supercom	505,000	432,500	220,000	900,000	2,057,500	600,000	600,000	600,000	600,000	2,400,000	
Budget	900,000	1,100,000	1,000,000	1,100,000	4,100,000	0	0	0	0	0	
Rd Sygen	24,375	24,375	0	100,000	148,750	50,000	50,000	50,000	50,000	200,000	
Budget	24,375	24,375	24,375	257,175	330,300	0	0	0	0	0	
Syconex	58,000	128,500	51,500	125,000	361,000	60,000	60,000	60,000	60,000	240,000	
Budget	100,000	125,000	120,000	100,000	445,000	0	0	0	0	0	
Rd TeleVideo	35	0	0	0	35	200,000	200,000	200,000	200,000	800,000	
Budget	178,938	208,057	178,984	38,310	600,289	0	0	0	0	0	
Rd Unisys	1,778,227	2,351,432	522,970	4,680,500	9,331,129	3,000,000	3,000,000	3,000,000	3,000,000	12,000,000	
Budget	1,961,950	2,577,400	2,918,150	4,680,500	12,136,000	0	0	0	0	0	
Rd WinLabs	5,250	121,918	116,667	116,668	360,499	120,000	120,000	120,000	120,000	480,000	
Budget	0	121,918	0	116,668	238,582	0	0	0	0	0	
Misc Rev	1,302,894	1,153,830	1,028,392	2,000,000	5,483,116	2,500,000	2,500,000	2,500,000	2,500,000	10,000,000	
Budget	1,210,981	1,495,512	1,372,818	1,155,754	5,235,065	0	0	0	0	0	
Tot Act/Fca	4,840,536	5,524,421	2,495,629	9,301,418	21,549,102	7,750,000	7,750,000	7,750,000	7,750,000	31,000,000	
Budget	5,572,219	6,846,500	6,547,997	8,414,545	27,380,861	0	0	0	0	0	
% of Budge	87%	81%	38%	111%	79%	0%	0%	0%	0%	0%	
Difference	-731,683	-1,322,079	-4,051,968	856,871	-5,831,759	7,750,000	7,750,000	7,750,000	7,750,000	31,000,000	
YTD Diff	-731,683	-2,053,762	-8,105,730	-5,218,859							
YTD% Budge	87%	83%	68%	81%							

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YTD Forecast/Budget By Quarter

Ty	Actual /Forecast By Quarter					Budget by Quarter						
	Account	Q1FY91	Q2FY91	Q3FY91	Q4FY91	Total	Account	Q1FY91	Q2FY91	Q3FY91	Q4FY91	Total
Rc	Apple	38,880	62,630	25,000	40,000	158,510	Apple	25,000	25,000	25,000	25,000	100,000
Rc	Allen Bradle	25,500	25,500	25,500	24,000	100,500	Allen Bradle	25,500	12,000	25,500	24,000	87,000
Rc	Ahioe	173,836	146,049	146,500	150,000	619,385	Ahioe	199,350	134,150	93,680	81,300	508,480
PF	Ammax	170,000	368,300	249,800	400,000	1,187,900	Ammax	215,000	260,000	230,000	200,000	905,000
Rc	Arche	411,978	306,037	300,000	400,000	1,420,015	Arche	225,025	224,990	224,990	224,990	899,995
PF	CMO	65,425	37,400	73,250	60,000	226,075	CMO	80,000	75,000	65,000	50,000	260,000
PF	Empac	168,000	168,000	168,000	110,250	614,250	Empac	168,000	168,000	168,000	110,250	614,250
PF	GCH	8,000	27,000	142,500	50,000	224,500	GCH	95,000	130,000	70,000	80,500	375,500
Rc	Insignia	80,000	119,400	150,000	125,000	474,400	Insignia	125,000	125,000	0	125,000	375,000
Rc	Micro Focu	10,936	35,752	36,000	10,000	92,688	Micro Focus	15,100	15,100	15,100	15,100	60,400
Rc	Pro-Log	19,200	25,800	26,750	20,000	91,750	Pro-Log	25,000	25,000	30,000	30,000	110,000
PF	Supercom	805,000	432,500	820,000	900,000	2,657,500	Supercom	900,000	1,100,000	1,000,000	1,100,000	4,100,000
Rc	Sygen	24,375	24,375	24,375	100,000	173,125	Sygen	24,375	24,375	24,375	257,175	330,300
PF	Sysorex	68,000	126,500	151,500	125,000	461,000	Sysorex	100,000	125,000	120,000	100,000	445,000
Rc	Televideo	35	0	0	0	35	Televideo	176,938	208,057	176,984	38,310	600,289
Rc	Unisys	1,776,227	2,351,432	3,522,970	4,680,500	12,331,129	Unisys	1,961,950	2,577,400	2,916,150	4,680,500	12,136,000
Rc	WinLabs	6,250	121,916	116,667	116,666	360,499	WinLabs	0	121,916	121,916	116,666	360,498
	Misc Rev	1,302,894	1,163,630	2,026,392	2,000,000	6,483,116	Misc Rev	1,210,981	1,495,512	1,372,818	1,155,754	5,235,065
	Tot Act/Fca	4,840,536	6,624,421	8,008,004	9,301,418	27,674,377	Tot Budget	5,572,219	6,848,500	6,669,513	8,414,545	27,502,777
	%ActFor/B	87%	83%	96%	101%	101%						
	YTD											

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