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Hi Jochen and Juergen!

Here is a summary of the proposed "White Box Deal" that has been discussed with Lieven and to which he is willing to agree to with the named T&C's. Although I realize we are prepared to offer this to Lieven, we can only do so now at this point for Germany only and Lieven wants to be able to do this in all of his stores across Europe (Austria, Switzerland, Belgium, Holland and Italy).

I would appreciate it if Jochen could write a request to all of the relevant Country Managers and Managers in Europe that would need to okay such a deal if it is to be done on a Europe-wide basis. My hope is that this deal could eventually be expanded with a finished goods contract with Vobis as well, which Lieven has shown interest in.

Let me know if you need any other info...If the other country managers are interested in doing such a deal on a Europe-wide basis with Vobis, I will then prepare a letter and contract for Vobis that will state the T&C's. Please let me know from a legal standpoint with whom I need to work with to get this done.

Thx

Stefanie

Proposal for a "White Box Bundle" with Vobis Microcomputer AG:

We would like to offer to Vobis the opportunity to bundle application products in a "White Box" along with their PC's. The White Box will have a sleeve on it that is customized with the Microsoft and "Highscreen" names. Vobis is very interested in being able to have this opportunity in order to help sell more systems, especially with the upcoming Christmas/end of year season. He would aggressively advertise in his "Denkzettel" and it would be something that would help differentiate him from his competitors. If we can make an offer to him with the following T&C's, he is ready to commit. This would be an exclusive deal to only Vobis and no other OEMs.

Products: - WinWord
 - Excel
 - Office

Minimum Commitment: - 10K units of either WinWord or Excel
 - 10K units of Office

Pricing: WinWord DM 280 (\$190)
 Excel DM 280 (\$190)
 Office DM 560 (\$380)

How Lieven would sell it:

CPU with licensed MS-DOS, Windows and WinWorks- DM 2950 incl. VAT (14%)

Same CPU with option to have either WinWord or Excel - DM 3398 incl. VAT
(So he is offering the customer an opportunity to have the product for DM 448)

Same CPU with option to have Office - DM 3749 incl. VAT
(Customer can have product for DM 798)

Benefits to MS: - Revenue of atleast DM 8,400,000.00 (\$5.7 Million)

- High Market penetration of Key Apps in Marketplace and help combat efforts by Lotus, Borland and others to gain marketshare.

- Vobis penetration will eat mainly from piracy and sell applications to people who might normally not purchase these applications, so no big cannibalization of our standard business.

Negative Reactions to such an offer to Vobis:

- Pricing extremely aggressive for Market. The price for full product to distribution for finished goods product in Germany is DM 778 (\$530). The distribution channel will react negatively to this because they will not be able to match the price offering from Vobis.

- Distribution and DEC would react negatively.

Solution to counter these reactions:

- In order to help counter the negative reactions to such pricing and to help us support such a decision and give an explanation, we need to differentiate this product offering. Proposal to do this is to put in with these White Boxes of our apps a product that Lieven sells with all computers called "WAYS 2.0". This product is a "Windows Add-on" product. By placing it together with Excel, WinWord and Office, we can differentiate it from what distribution is offering.