

Microsoft Consumer Product Sparklers for Holiday 97 Sales

Source: PC Data. U.S. Retail Sell-Thru sales

Microsoft Overall Consumer Highlights:

- For the 2nd year in a row Microsoft was the #2 Consumer publisher on \$. (1997 & 1996)
 - Behind Cendant formally CUC whose acquisitions include: Sierra On-Line. Knowledge Adventure, Blizzard, Davidson)
 - In 1997 there were well over 800 publishers selling software in the US consumer software market.
- This Holiday quarter (October - December '97) Microsoft was the #3 Publisher on \$ behind Cendant and Broderbund
- For the past 4 years Microsoft has consistently been a Top 4 Consumer Publisher on \$ (1997, 1996, 1995 & 1994)
- For the past 5 years Microsoft has consistently been a Top 7 Consumer Publishers on both units and \$. (1997, 1996, 1995, 1994 & 1993) This is as far back as PC Data tracks.

Microsoft Games Highlights:

- For the 2nd year in a row Microsoft was the #4 Games Publisher on \$. (1997 & 1996)
 - In 1997 there were close to 400 active Games Publishers in the US.
- For 18 consecutive quarters including this Holiday quarter, Microsoft continues to rank as a Top 10 Games publisher even with a comparably small portfolio
 - Microsoft was #6 Games Publisher on \$ and #7 in units for Q4 '97
 - Other Top Publishers have over 250 games titles in this selling season while Microsoft had less than 50
- Microsoft was the **ONLY** Publisher to have 2 Games titles in the Top 8 Games by \$ in Q4 '97
- It was the first Holiday quarter that Microsoft had 2 Games in the Top 10 Games by \$
 - In December:
 - Flight Simulator** was #3 on \$ (#5 on units)
 - Age of Empires** was #9 on \$ (#13 on units)
- In December '97, Microsoft had 2 games in the Top 10 Games by \$
 - In Holiday Quarter (Oct - Dec '97)
 - Flight Simulator** was #2 on \$ and units behind Riven: The Sequel to Myst
 - Age of Empires** was #8 on 4 (#11 on units)
- For the 5th straight year Microsoft **Flight Simulator** has been a Top 10 Game on both units and \$. (1997, 1996, 1995, 1994 & 1993) This is as far back as PC Data tracks sales.
- For the 3rd consecutive year, Microsoft **Flight Simulator** was the #1 Simulation Game on units and \$ (1997, 1996 & 1995)
- For the 2nd straight year, **Return of Arcade** was the #1 Arcade Game on units and \$ (1997 & 1996)
- For Holiday Quarter '97 and December '97, Microsoft had the #1 title in 3 of the Game categories that PC Data tracks
 - Microsoft had the #1 Simulator game (**Flight Simulator**) on units and \$ in December '97 and Holiday Quarter '97
 - Microsoft had the #1 Strategy game (**Age of Empires**) on units and \$ in December '97 and in Holiday Quarter '97
 - Microsoft had the #1 Arcade game (**Return of Arcade**) on units and \$ in December '97 and in Holiday Quarter '97
- Microsoft **Entertainment Pack Puzzle Collection** was the #1 Puzzle title on \$ and #2 on units for Holiday Quarter '97 and December '97
- In the category of Strategy with over 850 titles this Holiday quarter, **Close Combat 2: A Bridge Too Far** came in at #18 on \$ and #26 on units, performing in the top 3% of all Strategy titles
- In the category of Simulation with over 350 titles in December '97, **Cart Precision Racing** came in at #27 on \$, performing in the top 8% of all Simulation titles on \$

Microsoft Personal Finance Highlights:

- Microsoft continues to be the #2 Publisher in the Personal Finance Market
- Microsoft **Money 98** and **Money Financial Suite** combined to almost double Microsoft's \$ market share in the Personal Finance category in 1997 from 1996 while Intuit lost share
 - Microsoft \$ growth in Personal Finance was 98% from 1996 to 1997
 - Intuit's \$ growth in Personal Finance was 1% from 1996 to 1997
 - Microsoft gained 4.2 share points jumping from 5.0% to 9.2% from 1996 to 1997
 - Intuit lost 4.6 share points decreasing from 89.1% to 84.5% from 1996 to 1997
- For 10 straight quarters, including this Holiday quarter, Microsoft has increased their unit share in Personal Finance with **Microsoft Money**.
- Microsoft growth (Q4 '97 compared to Q4 '96) in the Personal Finance Market was over 100% on \$ and over 70% on units, greatly outpacing the growth of the Personal Finance Market which saw a 23% \$ growth and 5% unit growth
- Microsoft was the primary reason for the unit growth in Personal Finance as Intuit experienced slight negative growth over this time period while Microsoft experienced explosive growth

| Microsoft Unit Growth Q4'96-Q4'97 | Quicken Unit Growth Q4'96-Q4'97 | Personal Finance Market Unit Growth Q4'96-Q4'97 |
|-----------------------------------|---------------------------------|---|
| 72.20% | -0.50% | 5.40% |

Microsoft Kids Highlights:

- For the 4th consecutive year Microsoft was again a Top 10 Education Publisher (1997, 1996, 1995 & 1994)
 - Microsoft was #8 Education Publisher on \$ and units for 1997
 - In 1997 there were well over 300 active Publishers in the Education category
- For the 3rd straight year Microsoft was again the #1 Science Education Publisher on \$ (1997, 1996 & 1995)
- Microsoft was the #1 Publisher in Science Education on \$ for both December '97 and the Holiday Quarter '97
- Microsoft had 6 of the top 10 Science Education titles with our **Magic School Bus Series** during the Holiday Quarter.
- **MSB Rainforest** and the **Magic School Bus Bundle** were the top 2 titles within Science Education by \$ for this Holiday quarter.
- Holiday Quarter '97 was the 9th straight quarter that one of the **Magic School Bus** titles by Microsoft was the #1 Science Education titles on \$.
- Microsoft quickly became the #4 Multi-Subject Education Publisher by \$ this Holiday quarter with the introduction of **My Personal Tutor** and the **Actimates Barney** software.
- For Holiday quarter '97, **My Personal Tutor** was the highest-ranking, new title not already associated with an existing series like Jump Start, Reader Rabbit, Fisher Price or Sesame Street.
- Of the 148 titles that PC Data categorizes as Multi-Subject Education, **My Personal Tutor** came in at #19 on \$ in this category.

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Microsoft Reference Highlights:

- Microsoft continues its leadership in Reference as the #1 Reference Publisher on \$ for the 5th straight year. (1997, 1996, 1995, 1994 & 1993) This is as far back as PC Data tracks sales.
- For 17 consecutive quarters including this Holiday quarter (every quarter since Q4 '93) Microsoft is the #1 Reference Publisher on \$
- Microsoft has been the #1 Encyclopedia Publisher on \$ every month from November '93 thru December '97 with the **Microsoft Encarta** line. That's 50 straight months.
- Microsoft continues to be the #1 Publisher in Encyclopedias on \$: this year, this Holiday Quarter and this December.
- For the 2nd straight year Microsoft is the #1 selling Atlas Publisher on \$. (1997 & 1996)
- Microsoft has the #1 selling Atlas this Holiday quarter and December '97 with **Microsoft Encarta Virtual Globe**.
- For the 5th consecutive year and the 20th consecutive quarter, Microsoft continues to be the #1 Compilation Publisher on \$ with **Microsoft Bookshelf**.
- Microsoft Bookshelf is the #1 selling Compilation title this Holiday Quarter and in December '97

Microsoft Personal Productivity Highlights:

- For the past 5 years, Microsoft has been either the #1 or #2 Personal Productivity Publisher by \$ (1997, 1996, 1995, 1994 & 1993) This is as far back as PC Data tracks sales.
- Microsoft was the #1 Home Office Publisher on \$ for 1997 due to the success of **Home Essentials**.
- **Home Essentials 97** and **Home Essentials 98** have combined to be the #1 selling Home Office title every month since its release in Feb 97 on both units and \$.
- **Home Essentials 98** was the #1 selling Home Office title on both units and \$ in December '97 and in the Holiday Quarter
- For 4 straight years Microsoft has been the #2 Home Graphics Publisher on \$. (1997, 1996, 1995 & 1994)
- Microsoft **Publisher** was the #1 Home Graphics title by \$ for 1997.
- For Holiday Quarter '97 and December '97, Microsoft had 3 of the Top 10 Home Graphics titles by \$,
 - In December:
 - Publisher** was #5 on \$ (#10 on units)
 - Greetings Workshop Deluxe** was # 8 on \$ (#7 on units)
 - Picture It!** was #10 on \$ (#12 on units)
 - In Holiday Quarter (Oct - Dec '97)
 - Publisher** was #5 on \$ (#6 on units)
 - Picture It!** was #8 on \$ (#10 on units)
 - Greetings Workshop Deluxe** was # 9 on \$ (#11 on units)
- Microsoft was the #1 Imaging Publisher on \$ for 1997
- **Picture It!** was the #1 Imaging Title on \$ for 1997
- For the 2nd straight Holiday Quarter (Q4 '96 & Q4 '97) **Picture It!** was the #1 Imaging title on \$
- Due to its success, **Picture It!** had 129% unit growth in this Holiday Quarter, outpacing the rapidly growing Imaging market that had 100% unit growth this holiday quarter vs. last holiday quarter (Q4 '96 vs. Q4 '97).
- For the past 5 years, Microsoft has been the #1 Integrated Publisher on units and \$. (1997, 1996, 1995, 1994 & 1993) This is as far back as PC Data tracks sales.
- Microsoft **Works** was the #1 Integrated product on units and \$ for 1997, Holiday quarter '97 and December '97
- Microsoft was the #3 Travel Publisher on units and \$ for 1997, Holiday Qtr '97 and December '97
- Microsoft had 3 titles in the Top 10 Travel titles for Holiday Qtr '97
 - **Expedia Streets 98** was #6 on \$ (#10 on units)
 - **Expedia Streets 98 Deluxe** was # 9 on \$ (#13 on units)
 - **Expedia Trip Planner 98** was #10 on \$ (#7 on units)

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