



DOJ - Legal

From: Cameron Myhrvold
To: Brad Struss; Doug Henrich
Subject: FW: Win 95 - Announcing New dates
Date: Tuesday, December 20, 1994 9:34AM

Did we know about this? I did not. I certainly think we could have made a few calls or sent some faxes after the stock exchanges closed yesterday to give our best ISVs a heads up on this. Were we able to?

Cam

From: Brad Chase
To: Personal Systems Group Marketing Team
Cc: Anne Schott; bherbold; Bob Eshelman; Brad Chase; Brad Silverberg; Brad Struss; Cameron Myhrvold; Carl Gullledge; Carl Stork; David Cole; Doug Henrich; Greg Maffei; Hank Vigil; Joachim Kempin; Mike Brown; Colleen Lacter
Subject: RE: Win 95 - Announcing New dates
Date: Tuesday, December 20, 1994 9:14AM

MS is a publicly traded company and as a result has an obligation to disclose promptly to the investing public material information about the company.

Privilege Material Redacted

As a consequence the following release went on the wire this morning.

<<File Attachment: WIN95.DOC>>

We should therefore get this information to all our internal and external partners immediately as per the list of owners below. For internal constituencies let them know that a Q&A will be sent to them today. We all will meet at 2pm to get organized and for me to address your issues and ideas.

I am really sorry about this but we had no choice. thanks for your understanding ahead of time

From: Brad Chase
To: Personal Systems Group Marketing Team
Cc: Anne Schott; Brad Chase; Brad Struss; Cameron Myhrvold; Carl Gullledge; Carl Stork; David Cole; Doug Henrich; Hank Vigil; Joachim Kempin; Colleen Lacter
Subject: FW: Win 95 - Announcing New dates
Date: Monday, December 19, 1994 4:40PM

Note my mail below. I want to make sure we have a good plan in place to communicate this info to our internal and external partners.

Here is what I propose. People should let me know if I am missing something:

Table with 2 columns: Constituency to communicate to, Owner. Rows include Field, Intl, PSD, ISVs & OEMs, IHVs, Press/Analysts and their respective owners like Jefft, Chrwild, Brads, etc.

Anne I would like a meeting with all these "owners" tommorrow afternoon, Each of you should consult/work with your partners insides the company

From: Brad Chase
To: Bob Herbold; Bill Gates; Brad Silverberg; Mike Maples; Paul Maritz
Cc: Anne Schott; Brad Chase; Cathy Walker; Debbie Hill; Greg Maffei; Joachim Kempin; Julie Girone Gwin; Kay Barber-Eck; Mary Hoisington; Sharon Hornstein; Steve Ballmer; Claire Lematta; Colleen Lacter; Pam Edstrom
Subject: Win 95 - Announcing New dates
Date: Monday, December 19, 1994 4:14PM

I conferenced with PR today and we have a recommendation for what we should do to announce the new dates for Windows 95. The recommended plan is very similar to what we agreed to in the billg product meeting last week.

Basic Recommendation is as follows:

1. Issue letter from Brad Silverberg explaining that we wanted to make our customers aware of this change in Windows 95 availability.
 - we set out to ship the right product and we still intend to do that.
 - to deliver the right product will take more time than we anticipated.
 - we now expect beta 3 availability in March instead of January and retail availability by the end of August (PR prefers we say this instead of July as we discussed and I thought their rationale was fine)
 - we apologize for any inconvenience this change in schedule causes our customers. We wanted to let you know immediately so that you could plan accordingly.
2. Have conference call for press, analysts, financial analysts. Speakers would be Brad Silverberg and I. Read letter and then take questions for 30 minutes.

The letter and general information will be sent inside the company tomorrow. The information would be sent to key partners Wednesday AM and the conference would be Wednesday afternoon. Clair is writing a first draft tonight for me to review with brads tomorrow. We will also do a Q&A. With clair and pam travelling, Colleen will drive the process with me the next couple of days.

If anyone has any concerns about this plan I need to know right away. Thanks!!!!

Background

Assumptions:

- Perception will be set by timing and positioning. If the fact of the slip leaks out before we can announce it, the press will be much more critical of us.
- Multiple audiences will be interested in this news; national business press; financial and trade analysts, trade press; partners and customers. Our plan needs to take into consideration these constituencies.
- We don't have much room for "positioning." Honesty will be better received than "spin."

Timing considerations:

- It would be nice to have sufficient preparation time to notify internal Microsoft groups so they can be prepared for the response from their customers (including the field, OCU, ECU, DRG, International, Investor Relations, OEM, product marketing and so forth)
- The holidays make the timing problematic. Lots of people will be out later this week. The trades do not publish next week and operate on skeleton staffs if open at all. An announcement next week will be perceived as trying to "squeak by."
- Waiting until the first week in January means that we will run into the Utopia launch. We do NOT want to negatively impact this announcement.

Microsoft Announces Windows 95 Availability Update

Microsoft Corporation today announced that Windows 95 may not be available until August 1995. The company made this announcement based on its continued commitment to deliver a vigorously tested product of the highest quality. The second beta for Windows 95 has been shipped to over 48,000 beta testers. The testing program will be expanded this spring to several hundred thousand customers.

Brad Silverberg, senior vice-president of Personal Systems Division at Microsoft commented, "We have always said we will ship this product when it is ready, and that is what we are committed to do. We want Windows 95 to meet the high standards for product excellence that our customers expect. Feedback from our current beta testers has been excellent, they love the product, but given the sheer breadth of Windows 95, shipping it may take us longer than we had originally anticipated."

For investor relation calls only - 206 882 8080

For press call Colleen Lacter at Waggener Edstrom

MS-PCA 2610597

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