



From: Michael Dwan
Sent: Thursday, August 20, 1998 10:18 PM
To: Pete Peter
Cc: Steven Roseta; Michael Dwan
Subject: OEM Communications Bulletin: IMG PGL Updated

Importance: High

A new Interactive Media Group PGL has been published with significant revisions:

- Encarta Encyclopedia: has substantially reduced royalties at 25k and 10k volumes.
- Graphics category has been added. Previously QAD owned: Picture It!, Greetings.
- Greetings & Picture It!: substantial royalty reductions and added UK English edition. Picture It! Express is also now available.
- Games: Price reductions on Age of Empires, CART, Monster Truck 1.
- New Products Added:
 - Games: Combat Flight Sim, MotoCross Madness 3D, Urban Assault, OutWars, Close Combat 3, Pinball Arcade, Revenge of Arcade.
 - Mapping: MapPoint.
 - Personal Finance: TaxSaver
 - Reference: Encarta Africana
 - DreamWorks: Small Soldiers: Squad Commander (an OEM exclusive!)
 - Kids: My Personal Tutor. 1st & 2nd grade
 - Graphics: Home Publishing.
- New Versions: Auto Route Express, Money, Encarta Virtual Globe/World Atlas, Bookshelf, Golf, Monster Truck Madness, Greetings, Picture It, Expedia Streets and Trips 2000.
- Internet Properties: Fighter Ace and Zone clients with online time (only offered in NA at 200k units and up).
- DVD skus added: Graphics Studio Home Publishing, Kids super combo, Close Combat 1-3 Series, Encarta.
- International: reduced pricing of Japanese language tiles, they are now in line with other international versions.
- Deletions: Flight Sim v6.0, Golf 2.0 and 3.0, Kids Plus Pack, My Personal Tutor Pre School to First Grade, AutoMap Streets & Trip Planner v5.0, AutoRoute Express Europe & GB v5.0, Encarta World Atlas v3.0.

Account Managers should cease using previous versions of the IMG PGL at this time.

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General OEM Pricing and Licensing Notes for all Applications

- Cells with a red triangle in the upper right corner have a comment attached to that cell. To view the comment, hold the mouse cursor over that cell and the comment appears. mix
- Cells with the word "mix" in them have multiple pieces of data within the cell. "Mix" is used when multiple languages are represented in the same row, but have different information for this specific cell. It could be for different "Estimated Street Prices", different "Media" types, etc.
- Royalty amounts are expressed in US \$ Dollars
- Pricing is based on a one year volume agreement
- Pricing is "per-system" only. Prices herein are for Microsoft application products shipped in combination with an OEM's defined PC systems on a per-system basis. A Per-system agreement is a license in which all units of a particular OEM model name and/or number are licensed and a royalty is due for the MS product whenever that particular model is shipped. If your OEM would like to license MS applications on a per-copy basis, then the price, terms and conditions are the same as those offered to software distributors.
- Distribution rights are licensed on a regional basis. Other than Works for Windows, applications licenses are restricted to LOCAL distribution only. Licenses requiring international distribution require OEM Director approval from each of the affected regions.
- Applications products are licensed separately from Systems products.
Application products and systems products *cannot* be "linked" to one another in any way (e.g., requiring an OEM to license one type of product in order to get a different product; offering discounts on one type of product if a customer licenses another type of product).
- Applications may not be licensed to OEMs that are known to be unbundlers.
Applications licenses may not be offered to OEMs with a history of unbundling for a minimum of twelve months and require OEM director approval. Licenses may not be offered to OEMs that are under investigation for unbundling until the investigation is complete.
- VP OEM approval is required before quoting prices below this guideline or on unit commitments over 100K/yr.
- Royalties shown require that Applications distributed by OEM customers are pre-installed on the "Customer System" hard drive. Multimedia Titles include a small program which should be pre-installed on the Customer System hard disk permitting immediate use by the end user without setup.
- Royalties shown require the OEM to provide end user product support.
- Applications not listed on this price guideline are not currently available for licensing through the OEM channel.

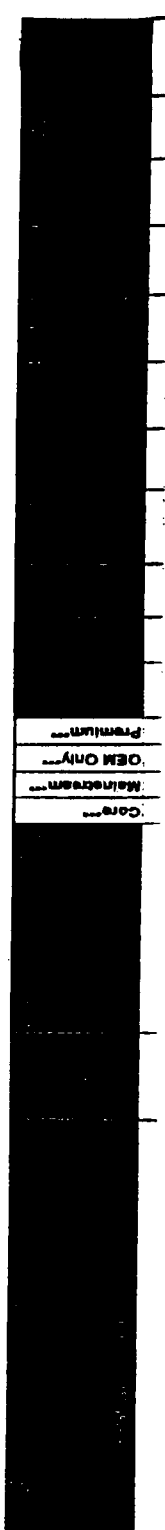
Additional Notes for Consumer Applications

- Many consumer applications carry 3rd party royalties. Do not quote below PGL levels without approval from Consumer Division Marketing.
- Royalties shown for Consumer Applications require the OEM to pre-install the products as well as to ship media for the products, which must be shipped in the same box as the end user PC system.
- Pricing for Consumer Applications assumes the OEM will: (i) place MS product box shots and/or screen shots in point of purchase materials, print advertising, packaging, and marketing collateral.

IMPORTANT NOTE:

As of the date this PGL was revised, Encarta and Bookshelf cannot be imported, distributed or sold in the People's Republic of China. In addition, your customers should be advised that certain software products may be subject to PRC regulations governing "electronic publications." For further information, including a current list of Microsoft software products that cannot be distributed to the PRC, or which may be subject to additional regulations, contact Curtis Hom (LCA).

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Core
 Mainstream
 OEM Only
 Premium

Core Titles that are of major strategic importance to Microsoft i.e. Money and Encarta. These are products that are prerequisites for OEM to participate in Marketing programs such as MS Cash and which have significant retail and OEM Channel competitors from which MS needs to aggressively defend or grow share.

- Mainstream: Majority of IMC products across all categories currently available in retail.
- OEM Only: Back Issue IMC titles retired from retail but retaining appeal and opportunistic bundling potential.
- Premium: e.g. Flight Sim 98 high retail market share no major OEM competitor in this category. Also in this category are DreamWorks interactive and new release Game Titles.

Legal Specificity Requirements for IMR Titles
 (i) OEM may not use the word "free" in association with the promoting IMC IMC IMC
 (ii) MS Premium titles shall be as prominently displayed as non-MS titles bundled with the system.

--MS OEM Product Managers
 Steven Rosala (stevenc) Tel: 425-936-9397
 Michael Dwan (mdwan) Tel: 425-702-0888

Office 97 Small Business Edition	US (EN)	CD	32	A, B	\$165.00	\$160.00	\$155.00	\$110.00
Office 97 Small Business Edition	Singapore (XS), Philippines (XS), Malaysia (XS), Hong Kong (XS), Netherlands (NL), UK (Z), Australia (XA)							
Office 97 Small Business Edition	Eastern Europe (CS, HU, PL, RU, SL), New Zealand (XS), Mexico (ES)	\$175.00	32	A, B	\$165.00	\$160.00	\$155.00	\$150.00
Office 97 Small Business Edition	Europe (IT), Colombia (ES)	\$210.00	32	A	\$200.00	\$195.00	\$190.00	\$185.00
Office 97 Small Business Edition	Europe (NO, FR, DE, DA, FI, ES, SV)	\$230.00	32	A	\$220.00	\$215.00	\$210.00	\$185.00

* ICOMTE will follow US pricing for English, contact IBM for other language versions
 * Please check with your director for MS Office 97 Small Business Edition availability outside regions listed above

Language Key:

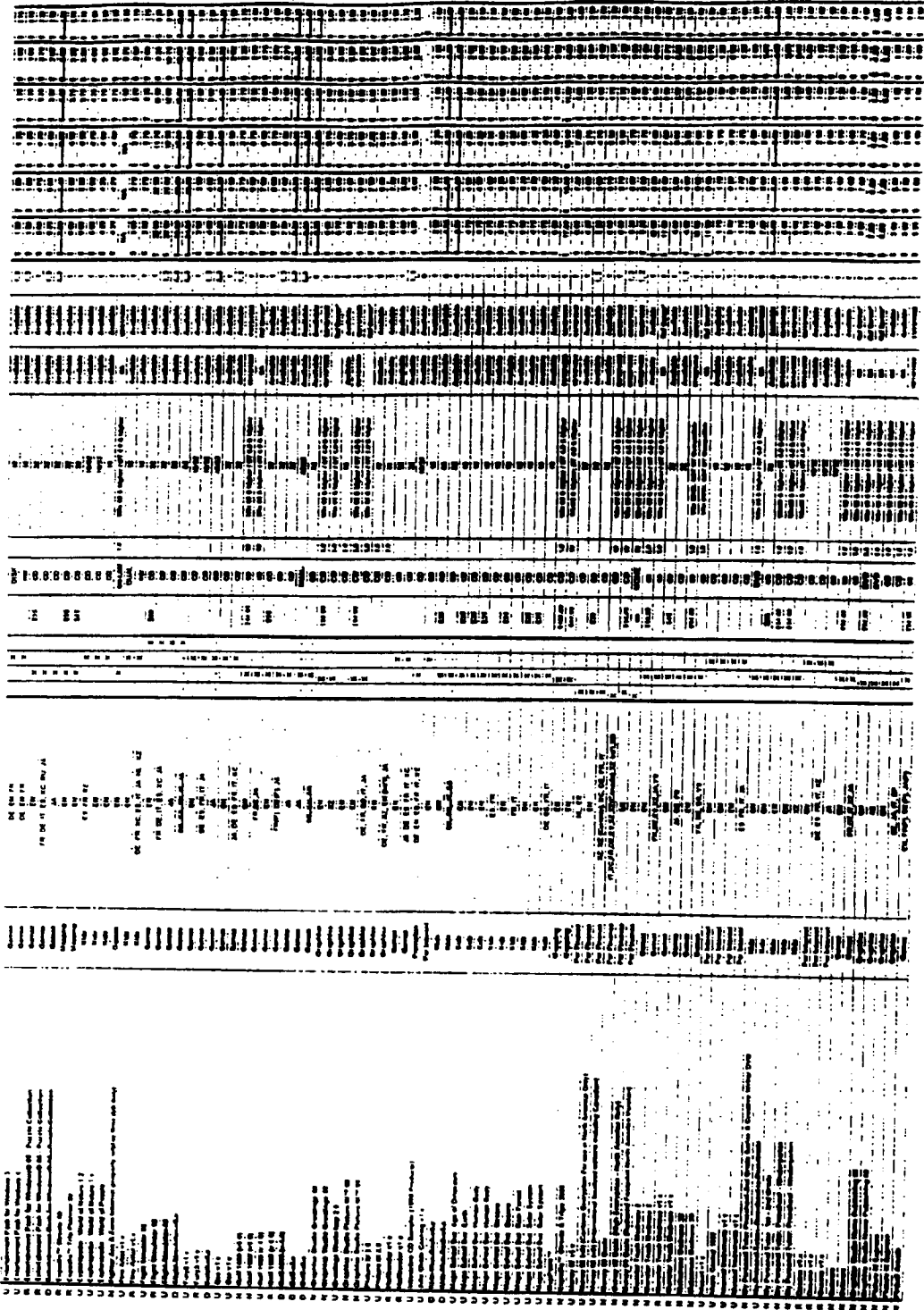
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 - CD # 1 Word 97, Excel 97, Outlook 97, Small Business Financial Manager (NA), Publisher Deluxe, Office Value Pack
 - CD # 2 Automap Streets Plus (was just replaced with new version of Streets called Europa)
- 2 British English Market Place UK, Sell to Constraint Non-specific
 - CD # 1 Word 97, Excel 97, Outlook 97, Small Business Financial Manager (UK), Publisher Deluxe, Office Value Pack
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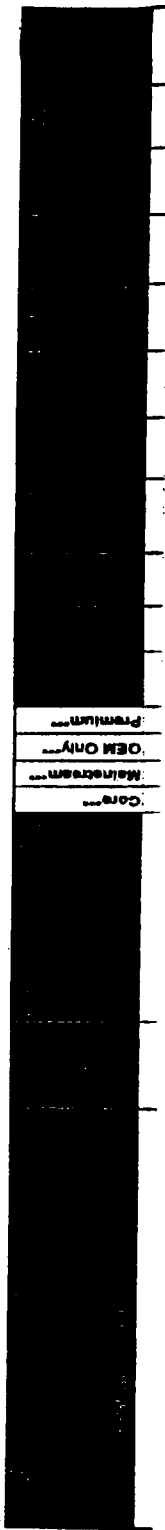
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Productivity Applications		PRIORITY 1	PRIORITY 2	PRIORITY 3	RESTRICTED															
Works 95 v4.x	EN CS, DA, DE, ES, FI, FR, HU, IT, JA, KO, ML, NO, PL, RU, SV, TR, XA, XD, XZ, ZH, XC	X				\$	60	DUAL	32	B	\$ 9.25	\$ 9.00	\$ 9.00	\$ 7.50	\$ 6.75	\$ 6.25				
Works 95 v4.x		X					mix		32	B	\$ 11.00	\$ 10.50	\$ 9.00	\$ 8.00	\$ 7.50					
Greetings Workshop v1.x	EN			X		\$	30	CD	32	A	\$ 8.50	\$ 6.25	\$ 5.75	\$ 5.25	\$ 4.75	\$ 4.25				
Publisher 97 v4.x	EN			X		\$	80	CD	32	A	\$ 21.00	\$ 20.50	\$ 20.00	\$ 17.00	\$ 15.00	\$ 13.50				
Publisher 97 v4.x	XZ			X		\$		CD	32	A	\$ 23.00	\$ 22.50	\$ 22.00	\$ 18.75	\$ 16.50	\$ 15.00				
Publisher 97 v4.x	DA, DE, ES, FR, IT, NL, NO, SV, XC, XD			X		\$		CD	32	A	\$ 29.50	\$ 28.75	\$ 28.00	\$ 23.50	\$ 21.00	\$ 19.00				
Picture iT!	EN		X			\$	80	CD	32	A	\$ 15.50	\$ 13.50	\$ 10.50	\$ 7.25	\$ 6.00	\$ 3.50				
Picture iT!	DE, FR, XZ, EN (Int'l Eng)		X			\$	80	CD	32	A	\$ 18.75	\$ 16.50	\$ 13.25	\$ 9.50	\$ 8.25	\$ 5.50				
Picture iT!	JA		X			\$	80	CD	32	A	\$ 23.75	\$ 21.00	\$ 16.75	\$ 12.25	\$ 10.50	\$ 7.00				
Outlook 97	EN		X			\$	109	CD	32	A	\$ 34.75	\$ 34.00	\$ 33.50	\$ 30.25	\$ 27.00	\$ 25.00				
Outlook 97	XC		X			\$	109	CD	32	A	\$ 34.75	\$ 34.00	\$ 33.50	\$ 30.25	\$ 27.00	\$ 25.00				
Small Business Financial mgr	EN		X			\$	109	CD	32	A	\$ 8.75	\$ 8.50	\$ 8.25	\$ 7.25	\$ 6.50	\$ 6.00				
Small Business Financial mgr	XZ		X			\$	109	CD	32	A	\$ 9.50	\$ 9.25	\$ 8.00	\$ 8.00	\$ 7.25	\$ 6.75				
Word 97	EN		X			\$	109	CD	32	A	\$ 23.50	\$ 23.00	\$ 22.50	\$ 19.25	\$ 16.75	\$ 15.50				
Word 97	CS, DA, DE, EL, ES, FI, FR, HU, IT, KO, ML, NO, PL, PT, RU, SV, TR, XC		X			\$	109	CD	37	A	\$ 33.00	\$ 32.25	\$ 31.50	\$ 27.00	\$ 23.50	\$ 22.00				
Home Essentials	EN			X		\$	109	CD	32	A,1	\$ 35.00	\$ 34.00	\$ 33.00	\$ 28.00	\$ 25.00	\$ 23.00				
Home Essentials	ES			X		\$	109	CD	32	A,1	\$ 49.50	\$ 48.50	\$ 47.50	\$ 40.25	\$ 35.25	\$ 32.75				
Home Essentials	XZ			X		\$	109	CD	32	A,1	\$ 49.50	\$ 48.50	\$ 47.50	\$ 40.25	\$ 35.25	\$ 32.75				
Excel 97	EN			X		\$	109	CD	32	A	\$ 52.75	\$ 51.75	\$ 50.50	\$ 43.00	\$ 37.75	\$ 35.00				
Excel 97 (India-English)	EN			X		\$	109	CD	32	A	\$ 58.00	\$ 57.00	\$ 55.50	\$ 47.50	\$ 41.50	\$ 38.50				

Excel 97	CS, DA, DE, EL, ES, FI, FR, HU, IT, KO, NL, NO, PL, PT, RU, SV, TR, XC		109	CD	32	A	\$ 74.00	\$ 72.50	\$ 71.00	\$ 60.00	\$ 53.00	\$ 49.00
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 SL - Slovenian; ES - Spanish; SV - Swedish; TR - Turkish; XZ - UK English

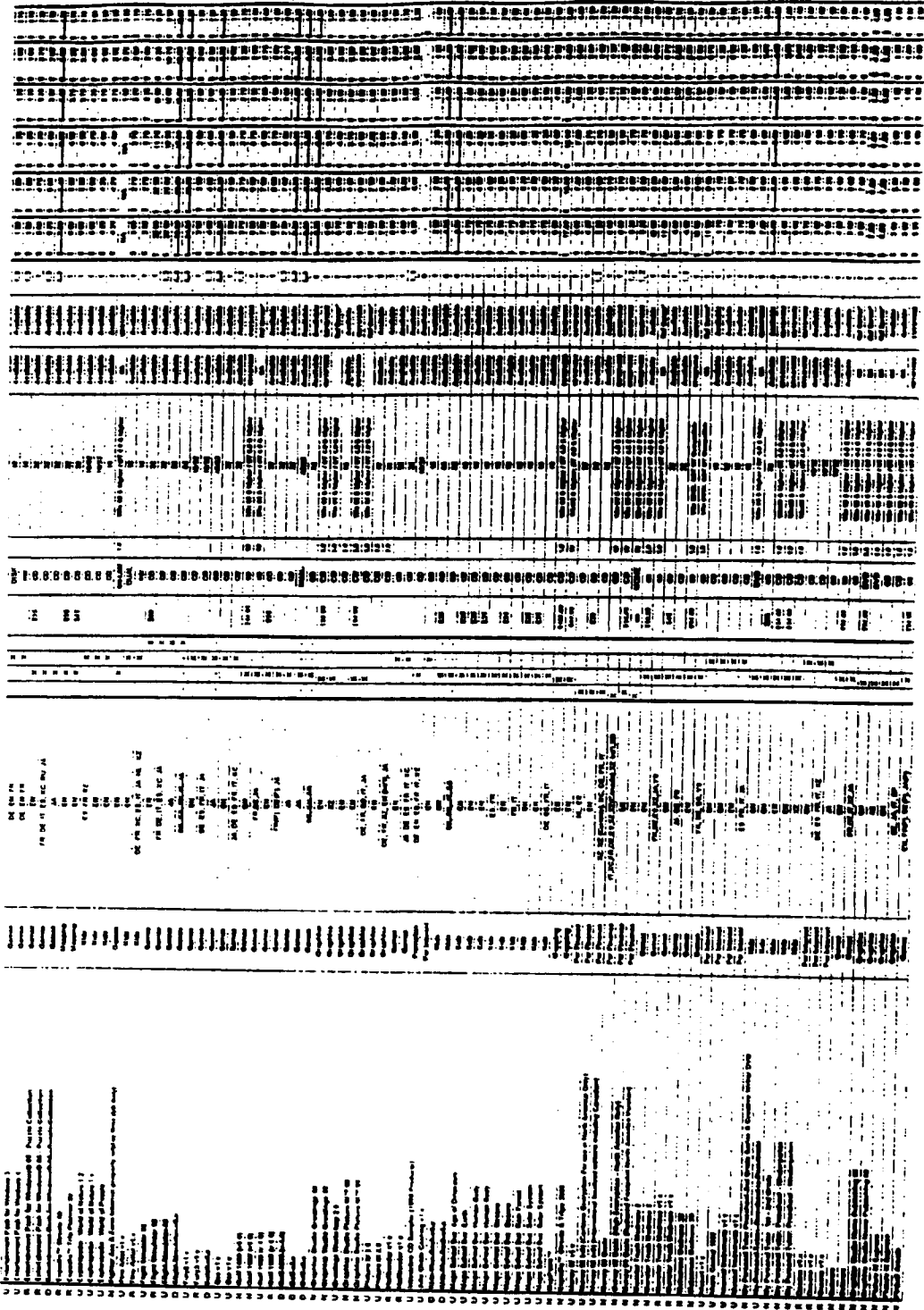
Media Key:

CD - CD-ROM only; Disk - floppy only; Dual - Available on floppy and CD-ROM

Notes:

- A - Available only to full system and laptop vendors. Total retail value of SW cannot exceed HW value
- B - Available to all OEMs, including peripheral manufacturers, multimedia kit vendors, etc. Total retail value of SW cannot exceed HW value
- C - Can only be distributed in North America (US and Canada) due to encryption issues
- D - Preferred OEM Scenarios for US is Personal Scenes. Other options include Sports Extremes, Undersea, Brain Twister, Flight or Stenogram. Japanese versions include Railroad and Marine.
- E - No product or language version substitution permitted
- F - A multimedia kit is defined as a cd-rom drive upgrade kit or a cd-rom drive + sound card kit. CD-ROM is a required component.
- G - Contains trial versions of: Hefflinger, Deadly Tide, Close Combat, 3D Movie Maker, Magic School Bus (Oceans, Solar, Human Body, Earth), and Return of Arcade
- H - partial localization (the software stays in English)
- I - Any Home essentials deals above 500K units PGL pricing require VP approval.

GENERAL INFORMATION	
NO.	DESCRIPTION
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Model	Part No.	Description	Quantity	Unit Price	Total Price
100	3141	100 1/2" x 100 1/2" x 100 1/2" 316L SS	1	100.00	100.00
200	3142	100 1/2" x 100 1/2" x 100 1/2" 316L SS	1	100.00	100.00
300	3143	100 1/2" x 100 1/2" x 100 1/2" 316L SS	1	100.00	100.00
400	3144	100 1/2" x 100 1/2" x 100 1/2" 316L SS	1	100.00	100.00
500	3145	100 1/2" x 100 1/2" x 100 1/2" 316L SS	1	100.00	100.00
600	3146	100 1/2" x 100 1/2" x 100 1/2" 316L SS	1	100.00	100.00
700	3147	100 1/2" x 100 1/2" x 100 1/2" 316L SS	1	100.00	100.00
800	3148	100 1/2" x 100 1/2" x 100 1/2" 316L SS	1	100.00	100.00
900	3149	100 1/2" x 100 1/2" x 100 1/2" 316L SS	1	100.00	100.00
1000	3150	100 1/2" x 100 1/2" x 100 1/2" 316L SS	1	100.00	100.00

INTERNATIONAL RELEASE STATEMENT - This document contains information which is **RESTRICTED** (CONFIDENTIAL) under Executive Order 12958, 50 CFR 1.61, and 1.62.

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100 1/2" x 100 1/2" x 100 1/2" 316L SS
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[Michael Dwan] Here is the mail I sent earlier for the announcement ... is this OK ?

OEM Communications
Bulletin: L...

-----Original Message-----
From: Michael Dwan
Sent: Wednesday, August 19, 1998 7:46 PM
To: Kurt Kolb
Cc: Steven Roseta; Michael Dwan; Pete Peter
Subject: IMG PGL: August 98
Importance: High

Kurt, here is a copy a new revised IMG PGL for your approval. Hopefully we can get this published by September 1st.
Thanks, M.

Notes:

As an audit trail (we learned from your advice last year!) PGL entries are color coded as follows:

Red = Revised
Blue = New
Black = Unchanged
Strikethrough = Deleted

We also left a codes in the left column to assist your sort of the color codes (Unchanged, Revised, Deleted, New).

Formatting: we have inserted an additional column for OEM release date and we have added additional information on NT compatibility to the platform column as we were receiving many queries from SEs and AMs. We also request that our new easy to read header formats are retained for publication.

Notable changes:

- Additions of Graphics category to IMG (previously DAD owned): Picture It!, Greetings
- Encarta Encyclopedia: substantially reduced royalties at 25k and 10k volumes, this is good for international in particular.
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Issues for discussion:

- Encarta: in preparing this PGL we reviewed the DAD PGL and found that Works is priced above Encarta at the 50k -500k volumes. As you recall we previously agreed to align Encarta and Works pricing at these volumes. However we heard from Edmcc that you'd approved his new increased price PGL for Works. We suggest aligning the Works pricing with our Encarta price at these levels.

Attached Current and New IMG PGLs.
OLD NEW

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Applicators_PGL_019
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7-88 IMC OEM
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