

3 Year Outlook and Presentations

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(Final as of 3/5/96)

Corporate Planning



MS CA 0002647
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FL AG 0104927
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Consolidated 3 Year Revenue Summary Outlook * U.S. Dollars (\$000's)

	FY96 YTD and Forecast vs Budget			3 Year Revenue Outlook			3 Year Rev Outlook Growth %'s						
	FY96 YTD	FY96 Est	FY96 Plan	FY97	FY98	FY99	96-99	96-97	Year-over-Year				
WinOffice	1,168,072	2,302,109	1,875,110	22.7%	2,415,716	2,378,639	17.9%	21.4%	2,415,716	11%	6.5%	(1.5%)	(1.5%)
MacOffice	38,190	80,786	120,760	1.5%	95,180	107,867	0.6%	0.7%	95,180	10.3%	6.4%	11.4%	11.4%
WinExcel	114,440	229,120	171,101	2.1%	199,929	173,033	1.0%	2.0%	199,929	(8.9%)	(0.9%)	(11.9%)	(11.5%)
MacExcel	6,046	9,432	26,707	0.3%	5,054	3,976	0.0%	0.1%	5,054	(25.0%)	(10.8%)	(25.4%)	(12.1%)
WinWord	127,894	241,684	214,068	2.6%	251,204	218,762	1.3%	2.2%	251,204	(3.3%)	3.9%	(2.1%)	(11.1%)
MacWord	8,101	15,528	26,508	0.1%	13,021	9,611	0.1%	0.1%	13,021	(14.8%)	(10.1%)	(11.8%)	(16.1%)
WinPPT	17,035	23,212	22,417	0.3%	20,946	41,355	0.2%	0.2%	20,946	21.2%	(9.8%)	30.6%	44.5%
MacPPT	2,708	4,987	9,856	0.1%	7,478	6,237	0.0%	0.0%	7,478	7.9%	50.0%	(12.1%)	(4.8%)
WinAccess	60,630	58,885	102,966	1.2%	79,648	62,535	0.5%	0.7%	79,648	2.0%	35.3%	(7.3%)	(15.3%)
WinProj	71,700	147,726	157,845	1.9%	127,771	139,067	1.0%	1.1%	139,067	0.8%	(13.5%)	8.8%	8.8%
MacProj	5,285	10,217	11,052	0.1%	10,222	11,166	0.1%	0.1%	10,222	3.0%	0.1%	4.3%	4.7%
Desktop Apps New Users	1,602,101	3,123,187	2,738,396	33.1%	3,283,141	3,104,468	18.2%	28.6%	3,283,141	0.4%	5.1%	(1.5%)	(2.1%)
Existing Users	273,681	372,892	393,756	4.3%	611,312	570,434	3.3%	5.7%	611,312	15.2%	75.4%	(6.5%)	(6.7%)
WinOffice	15,890	27,878	32,441	0.3%	62,744	31,059	0.2%	0.6%	62,744	3.7%	139.6%	(6.1%)	(50.5%)
MacOffice	22,673	28,969	52,303	0.6%	49,682	32,088	0.2%	0.3%	49,682	3.6%	72.1%	(15.9%)	(23.2%)
WinExcel	1,821	2,394	4,997	0.1%	6,225	2,320	0.0%	0.0%	6,225	(1.0%)	227.9%	(20.7%)	(62.7%)
MacExcel	29,413	37,993	65,911	0.8%	66,980	42,286	0.2%	0.2%	66,980	3.6%	76.3%	(13.6%)	(26.4%)
WinWord	1,878	2,766	8,008	0.1%	11,143	3,329	0.0%	0.0%	11,143	6.4%	302.9%	(18.7%)	(11.7%)
MacWord	2,937	3,635	6,556	0.1%	5,151	3,298	0.0%	0.0%	5,151	(3.2%)	41.7%	(6.3%)	(62.1%)
WinPPT	72	152	191	0.0%	903	341	0.0%	0.0%	903	31.0%	518.1%	(3.6%)	(62.1%)
MacPPT	5,993	14,365	26,681	0.3%	12,582	9,064	0.1%	0.1%	12,582	(12.4%)	(23.0%)	13.7%	(21.2%)
WinAccess	7,891	9,625	19,346	0.2%	26,636	25,342	0.0%	0.2%	26,636	38.1%	103.4%	16.1%	(14.9%)
MacProj	695	1,005	318	0.0%	2,348	1,194	0.0%	0.0%	2,348	5.9%	84.5%	26.6%	(49.2%)
Win Maintenance	146,811	246,619	147,682	1.8%	212,080	164,253	1.2%	1.2%	220,667	(3.6%)	(14.0%)	(22.6%)	14.1%
Mac Maintenance	11,796	15,223	9,356	0.1%	23,813	6,094	0.0%	0.2%	33,679	(3.5%)	56.4%	(74.4%)	(24.5%)
Desktop Apps Existing Users	321,551	763,416	844,756	9.1%	1,313,099	955,698	5.5%	9.9%	1,006,817	7.8%	48.2%	(11.0%)	(5.1%)
Other Desktop Apps	5,553	5,719	2,505	0.0%	62,912	102,434	0.6%	0.4%	62,912	161.6%	790.9%	22.2%	62.8%
Other Recurring Maint.	(25,019)	(10.5%)	3,497,457	42.3%	4,465,707	3,302,675	31.9%	38.9%	4,222,601	2.8%	14.7%	(3.7%)	(1.9%)
Desktop Apps - Total	30,077	48,520	68,762	0.8%	54,931	89,988	0.7%	0.7%	119,972	35.2%	13.2%	63.8%	31.3%
Kids	47,322	77,800	102,264	1.2%	117,889	262,156	1.5%	1.5%	262,156	49.9%	51.5%	40.6%	48.7%
Entertainment	46,931	79,751	93,837	1.1%	109,539	162,218	1.2%	1.2%	162,218	34.3%	37.4%	48.1%	19.1%
Reference	12,923	19,800	16,774	0.2%	34,251	49,009	0.3%	0.3%	56,220	41.6%	73.0%	43.1%	14.7%
Geography	17,703	32,554	43,747	0.5%	35,174	43,271	0.3%	0.4%	67,667	27.6%	8.0%	23.0%	56.4%
Personal Interest					6,307	35,077	0.3%	0.3%	112,543	n/a	n/a	456.2%	220.8%
Cityscape					1,900	9,500	0.1%	0.1%	24,890	n/a	n/a	400.0%	162.0%
Health					7,200	17,520	0.1%	0.1%	31,792	n/a	n/a	143.3%	92.9%
Travel	26,226	40,978	63,710	0.8%	79,083	122,372	0.9%	1.0%	176,572	62.7%	93.0%	54.7%	44.1%
Productivity	77,512	116,472	116,395	1.4%	97,645	113,027	0.8%	0.7%	124,354	2.2%	(16.2%)	15.8%	10.0%
Works	205,945	330,314	361,093	4.4%	393,256	487,693	3.6%	3.7%	571,187	17.7%	12.1%	24.0%	17.1%
Hardware	464,639	766,189	666,582	10.5%	977,176	1,306,691	9.7%	9.7%	1,742,577	31.5%	22.3%	39.4%	33.4%
Consumer - Total	9,864	14,864	5,000	0.1%	25,457	37,689	0.4%	0.4%	100,582	89.1%	71.1%	126.6%	74.3%
Money					3,041	6,272	0.0%	0.0%	12,030	n/a	n/a	100.2%	91.8%
Online Bill Payment					7,500	6,250	0.0%	0.0%	6,250	n/a	n/a	n/a	116.7%
Portfolio Manager					3,438	4,346	0.0%	0.0%	4,346	n/a	n/a	n/a	26.3%
Personal Finance CD ROM					20,150	31,429	0.2%	0.2%	31,429	n/a	n/a	n/a	65.9%
Online Subscription					5,038	5,349	0.0%	0.0%	5,349	n/a	n/a	n/a	6.2%
Online Transaction					4,505	7,892	0.0%	0.0%	7,892	n/a	n/a	n/a	75.2%
Online Ad										n/a	n/a	n/a	n/a
Other										n/a	n/a	n/a	n/a
Desktop Finance - Total	9,864	14,864	5,000	0.1%	28,499	104,592	1.0%	0.8%	169,876	125.1%	91.7%	207.0%	61.4%

Consolidated 3 Year Revenue Summary Outlook *

U.S. Dollars (\$000's)

	FY96 YTD and Forecast vs Budget			FY97			FY98			3 Year Revenue Outlook			3 Year Rev. Outlook Growth %'s		
	FY96 YTD	FY96 Fxsl	FY96 Plan	FY97	FY98	FY99	'96-'99	'97-'98	'98-'99	'96-'99	'97-'98	'98-'99	'96-'99	'97-'98	'98-'99
Subscription	10,155	70,361	0.8%	92,511	1.1%	408,868	3.6%	700,456	5.2%	954,773	5.5%	138.5%	481.1%	71.3%	36.3%
Transaction	2,606,844	4,746,286	52.2%	4,465,014	51.9%	5,940	0.1%	11,200	0.1%	15,942	0.1%	n/a	n/a	88.6%	42.3%
Advertising	10,155	70,361	0.8%	92,511	1.1%	29,521	0.3%	75,145	0.6%	128,728	0.7%	269.6%	1057.2%	154.5%	71.4%
On-Line - Total	2,606,844	4,746,286	52.2%	4,465,014	51.9%	44,328	3.9%	78,801	8.3%	1,099,493	6.3%	147.1%	509.4%	77.1%	34.7%
Total Apps & Content Grp	110,319	233,144	2.6%	177,370	2.1%	5,875,711	51.2%	6,500,099	48.2%	7,234,547	41.6%	15.1%	23.8%	10.8%	11.3%
Win NT Server	42,175	96,722	1.1%	105,196	1.3%	429,369	3.7%	723,143	5.4%	1,156,650	6.6%	70.6%	84.2%	68.4%	59.9%
SQL Server	43,842	87,134	1.0%	61,058	0.7%	256,004	2.2%	560,288	4.2%	955,397	5.5%	114.6%	164.7%	118.9%	70.5%
Exchange Server	7,159	14,349	0.2%	17,490	0.2%	97,717	0.9%	288,092	2.1%	522,949	3.0%	221.6%	521.6%	194.8%	81.5%
Mail 3.x Server	20,528	41,056	0.5%	27,611	0.3%	60,607	0.5%	39,535	0.3%	27,953	0.2%	(31.5%)	(30.4%)	(14.8%)	(29.3%)
SNA Server	36,534	72,423	0.8%	26,723	0.3%	20,922	0.2%	30,539	0.2%	44,615	0.3%	46.0%	45.8%	46.0%	46.1%
Sys Mgmt Server	71,735	177,761	2.0%	69,752	0.8%	59,094	0.5%	17,696	0.7%	127,696	0.7%	46.0%	43.9%	47.0%	47.0%
BackOffice	23,709	47,082	0.5%	29,280	0.4%	111,875	1.0%	142,976	1.1%	186,593	1.1%	37.1%	34.5%	27.8%	30.5%
Internet Server	381,845	857,079	9.5%	572,069	6.9%	12,365	0.1%	37,732	0.3%	72,988	0.4%	540.0%	434.5%	205.1%	91.8%
Win NT Workstation	237,947	947,265	10.5%	572,009	6.9%	426,083	3.7%	262,805	1.9%	434,184	2.5%	(21.1%)	(5.1%)	(18.5%)	(16.4%)
Courseware, Gateways, Other	696,920	1,046,156	11.6%	1,021,183	12.3%	44,671	0.4%	36,405	0.3%	23,158	0.1%	175.2%	177.2%	107.8%	84.5%
OEM	237,947	947,265	10.5%	572,009	6.9%	1,716,641	15.0%	3,015,509	22.3%	5,041,222	29.0%	80.5%	100.3%	75.7%	67.2%
Win95 OEM	30,083	40,164	0.4%	56,221	0.7%	2,459,563	21.4%	2,876,508	21.3%	3,431,351	19.8%	51.9%	159.6%	17.0%	20.0%
Other OEM	43,793	107,783	1.2%	103,521	1.3%	241,810	2.1%	146,396	1.1%	146,396	1.1%	(100.0%)	(76.9%)	(39.5%)	(100.0%)
Win95 Upgrades	77,141	111,374	1.2%	46,975	0.6%	403,495	3.5%	120,903	0.9%	358,684	2.1%	(16.1%)	(33.6%)	(70.0%)	(46.7%)
MS Plus!	71,293	162,067	1.8%	2,170	0.0%	68,490	0.6%	46,063	0.3%	82,005	0.5%	(9.7%)	(38.5%)	(32.7%)	78.0%
Windows Maintenance	139,256	274,763	2.6%	312,763	2.6%	206,971	1.8%	86,555	0.6%	145,633	0.8%	(3.5%)	27.7%	(58.2%)	68.1%
Other Personal Systems	1,979,841	2,875,211	32.9%	2,170,763	26.6%	(91,704)	(0.8%)	(112,495)	(0.8%)	(92,800)	(0.8%)	(197.3%)	(190.9%)	22.7%	(17.4%)
Visual Basic	78,732	138,568	1.5%	106,796	1.3%	166,281	1.4%	194,549	1.4%	223,731	1.3%	17.3%	20.0%	17.0%	15.0%
FontPro	30,083	40,164	0.4%	56,221	0.7%	28,115	0.2%	19,680	0.1%	13,776	0.1%	(10.0%)	(30.0%)	(10.0%)	(30.0%)
Visual C++	43,793	107,783	1.2%	103,521	1.3%	134,729	1.2%	161,675	1.2%	185,926	1.1%	19.9%	25.0%	20.0%	15.0%
MSDN	24,397	43,471	0.5%	40,082	0.5%	65,207	0.6%	91,289	0.7%	118,676	0.7%	39.8%	50.0%	40.0%	30.0%
Internet Studio	27,138	55,296	0.6%	60,072	0.7%	18,740	0.2%	48,724	0.4%	87,703	0.5%	n/a	n/a	160.0%	80.0%
Other DD Products/Tech	204,143	385,282	4.3%	366,692	4.4%	75,263	0.7%	92,281	0.7%	95,603	0.5%	20.0%	36.1%	22.6%	3.6%
Developer - Total	15,452	28,490	0.3%	40,656	0.5%	488,335	4.3%	608,198	4.5%	725,415	4.2%	23.5%	26.7%	24.5%	19.1%
SoftImage	80	80	0.0%	80	0.0%	41,538	0.4%	78,954	0.6%	102,241	0.6%	53.1%	45.8%	40.1%	29.5%
Interactive Authoring Tools	15,232	28,570	0.3%	40,656	0.5%	8,591	0.1%	17,407	0.1%	44,779	0.3%	n/a	n/a	102.6%	157.3%
Scaleable Servers	20,684	42,000	0.2%	16,080	0.2%	5,846	0.1%	45,535	0.3%	172,708	1.0%	n/a	n/a	618.9%	279.1%
Merchant Services	2,602,046	4,288,142	47.5%	3,785,402	45.7%	8,352	0.1%	24,434	0.2%	66,717	0.4%	n/a	n/a	192.6%	173.1%
Security	80	80	0.0%	80	0.0%	3,508	0.0%	5,796	0.0%	9,450	0.1%	n/a	n/a	65.2%	61.0%
Network Clients	15,232	28,570	0.3%	40,656	0.5%	1,183	0.0%	15,074	0.1%	49,078	0.3%	n/a	n/a	1174.4%	225.6%
CSD Other	20,684	42,000	0.2%	16,080	0.2%	69,018	0.6%	187,200	1.4%	444,925	2.6%	149.7%	141.6%	171.2%	137.7%
CSD - Total	2,602,046	4,288,142	47.5%	3,785,402	45.7%	31,500	0.3%	23,625	0.2%	17,719	0.1%	(25.0%)	(25.0%)	(25.0%)	(25.0%)
Other Op Systems - Total	5,208,889	9,034,428	100.0%	8,276,845	100.0%	5,594,119	48.8%	6,998,462	51.8%	10,174,112	58.4%	33.4%	30.5%	25.1%	45.4%
Other	26,428	26,428	0.3%	26,428	0.3%	11,469,830	100.0%	13,498,560	100.0%	17,408,659	100.0%	24.4%	27.0%	17.7%	29.0%
Gross Revenue	5,208,889	9,034,428	100.0%	8,276,845	100.0%	11,469,830	100.0%	13,498,560	100.0%	17,408,659	100.0%	24.4%	27.0%	17.7%	29.0%

* The revenue summary view does not tie-out to the p&I view by product division (only at consolidated total). The p&I view by product division includes allocated revenue (in and out).

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Consolidated 3 Year Outlook Revenue and License Summary

	FY96 Est			FY97 Outlook			FY98 Outlook			FY99 Outlook					
	On-Line	Off-M	Total Revenue	FC	On-Line	Off-M	Total Revenue	FC	On-Line	Off-M	Total Revenue	FC	On-Line	Off-M	Total Revenue
Desktop Apps	\$ 3,737	\$ 156	\$ 3,892	\$ 4,242	\$ 223	\$ 4,465	\$ 4,045	\$ 238	\$ 4,283	\$ 3,927	\$ 296	\$ 4,223	\$ 3,927	\$ 296	\$ 4,223
% Revenue Mix	96%	4%	100%	95%	5%	100%	94%	n/a	6%	91%	7%	100%	91%	7%	100%
Licenses (Units K)	17,817	2,900	20,718	22,146	4,218	26,364	22,102	4,260	26,362	22,589	4,948	27,537	22,589	4,948	27,537
Consumer	\$ 542	\$ 223	\$ 766	\$ 657	\$ 254	\$ 911	\$ 903	\$ 297	\$ 1,200	\$ 1,145	\$ 267	\$ 1,412	\$ 1,145	\$ 267	\$ 1,412
% Revenue Mix	71%	29%	100%	70%	3%	100%	69%	8%	23%	66%	15%	100%	66%	15%	100%
Licenses (Units K)	13,675	32,168	45,843	16,585	36,717	53,302	22,782	42,864	65,646	28,910	47,703	76,613	28,910	47,703	76,613
Desktop Finance	\$ 2	\$ 13	\$ 15	\$ 4	\$ 3	\$ 7	\$ 23	\$ 36	\$ 40	\$ 19	\$ 59	\$ 78	\$ 19	\$ 59	\$ 78
% Revenue Mix	11%	89%	100%	12%	11%	100%	22%	34%	44%	21%	35%	100%	21%	35%	100%
Licenses (Units K)	642	5,086	5,728	1,049	380	7,981	2,569	1,400	7,967	4,375	3,186	9,740	4,375	3,186	9,740
On-Line Systems	\$ -	\$ 73	\$ 73	\$ -	\$ 444	\$ 444	\$ -	\$ 787	\$ 787	\$ -	\$ 1,099	\$ 1,099	\$ -	\$ 1,099	\$ 1,099
% Revenue Mix	n/a	100%	100%	n/a	100%	100%	n/a	100%	100%	n/a	100%	100%	n/a	100%	100%
Licenses (Units K)	4,280	74	4,354	4,903	473	5,376	4,970	929	601	5,871	601	6,472	5,111	1,425	6,536
Total Apps & Content	\$ 4,280	\$ 74	\$ 4,354	\$ 4,903	\$ 473	\$ 5,376	\$ 4,970	\$ 929	\$ 601	\$ 5,871	\$ 601	\$ 6,472	\$ 5,111	\$ 1,425	\$ 6,536
% Revenue Mix	90%	8%	98%	83%	8%	91%	76%	14%	9%	76%	20%	100%	71%	20%	100%
Licenses (Units K)	32,134	40,154	72,288	39,780	380	47,486	47,714	1,400	55,090	104,204	104,204	121,351	55,773	3,186	62,192
Business Systems	\$ 795	\$ 62	\$ 857	\$ 1,596	\$ 120	\$ 1,717	\$ 2,804	\$ 211	\$ 3,016	\$ 4,688	\$ 353	\$ 5,041	\$ 4,688	\$ 353	\$ 5,041
% Revenue Mix	93%	7%	100%	93%	7%	100%	93%	n/a	7%	93%	7%	100%	93%	7%	100%
Licenses (Units K)	24,414	965	25,379	44,801	1,867	46,667	76,045	3,169	79,214	130,898	5,454	136,352	130,898	5,454	136,352
Personal Systems	\$ 981	\$ 1,993	\$ 2,974	\$ 587	\$ 2,701	\$ 3,289	\$ 141	\$ 3,023	\$ 3,164	\$ 493	\$ 1,451	\$ 1,944	\$ 493	\$ 1,451	\$ 1,944
% Revenue Mix	33%	67%	100%	18%	n/a	100%	4%	n/a	96%	13%	87%	100%	13%	87%	100%
Licenses (Units K)	17,396	49,138	66,534	10,651	54,751	65,402	4,547	65,402	69,949	8,130	59,506	67,636	8,130	59,506	67,636
Developer	\$ 385	\$ 0	\$ 385	\$ 483	\$ 5	\$ 488	\$ 578	\$ 30	\$ 608	\$ 580	\$ 145	\$ 735	\$ 580	\$ 145	\$ 735
% Revenue Mix	100%	0%	100%	99%	1%	100%	95%	5%	100%	80%	20%	100%	80%	20%	100%
Licenses (Units K)	1,713	22	1,735	1,945	20	1,964	2,082	110	2,191	1,867	467	2,334	1,867	467	2,334
CSD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
% Revenue Mix	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Licenses (Units K)	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Other	\$ 2,161	\$ 2,098	\$ 4,259	\$ 2,667	\$ 5	\$ 2,672	\$ 3,323	\$ 30	\$ 3,353	\$ 187	\$ 6,998	\$ 5,762	\$ 145	\$ 1,822	\$ 445
% Revenue Mix	50%	49%	100%	48%	0%	100%	50%	0%	47%	3%	100%	57%	1%	48%	4%
Licenses (Units K)	43,523	54,325	97,848	55,452	89,767	145,219	80,592	70,933	151,526	139,028	66,713	205,741	139,028	66,713	205,741
Total Platforms	\$ 6,441	\$ 74	\$ 6,515	\$ 7,570	\$ 478	\$ 8,048	\$ 8,493	\$ 960	\$ 9,453	\$ 10,871	\$ 1,370	\$ 12,241	\$ 10,871	\$ 1,370	\$ 12,241
% Revenue Mix	71%	1%	72%	66%	4%	70%	63%	7%	39%	1%	100%	62%	9%	26%	1%
Licenses (Units K)	75,657	94,479	170,136	95,232	360	107,254	128,306	1,400	126,024	194,802	3,186	129,124	194,802	3,186	129,124

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Consolidated 3 Year Headcount Outlook

(Organization View)

FY96 YTD	FY96 YTD and Forecast vs Budget			3 Year Headcount Outlook			1 Year HC Outlook Growth %		
	1996 Est	1996 Plan	1997	1998	1999	96-97	97-98	98-99	99-00

Regular and Temp & Contractors Heads by Div	1996 YTD	1996 Est	1996 Plan	1997	1998	1999	96-97	97-98	98-99	99-00
Regular Apps	1,222	1,376	1,426	1,487	1,535	1,594	11.3%	5.0%	8.1%	5.9%
Temp & Contractors	127	134	140	150	158	168	13.3%	12.0%	12.0%	12.0%
Desktop Apps Total	1,349	1,510	1,566	1,637	1,693	1,762	12.6%	5.7%	8.4%	6.5%
Consumer	966	1,246	1,316	1,679	1,890	2,012	14.3%	17.1%	14.7%	12.6%
Regular	800	885	859	1,461	1,714	1,875	13.3%	29.8%	20.5%	17.2%
Temp & Contractors	1,766	2,103	2,195	3,140	3,604	3,887	27.6%	22.7%	40.1%	14.7%
Consumer Total	60	0.7%	116	160	179	185	1.3%	16.8%	17.9%	1.4%
Desktop Finance	5	0.1%	10	45	64	75	0.3%	95.5%	346.9%	42.1%
Regular	65	0.7%	126	205	243	260	1.8%	27.3%	62.5%	18.3%
Temp & Contractors	418	4.6%	460	738	818	858	6.1%	33.1%	60.4%	10.8%
Desktop Finance Total	180	2.0%	179	245	250	260	1.8%	13.3%	36.9%	2.0%
On-Line Systems	598	6.6%	639	983	1,068	1,118	7.9%	20.5%	51.8%	8.6%
Regular	19	0.2%	29	33	33	33	0.3%	4.4%	11.8%	
Temp & Contractors	1	0.0%	2	2	2	2	0.0%	4.1%	11.9%	
Apps & Cust Mgmt	20	0.2%	31	35	35	35	0.2%			
Regular	118	1.3%	170	212	245	283	2.0%	18.5%	24.7%	15.6%
Temp & Contractors	10	0.1%	19	39	42	48	0.3%	37.4%	110.8%	7.7%
Apps & Cust Mgmt Total	148	1.6%	189	251	287	331	2.3%	20.6%	33.2%	14.3%
Research	2,823	31.0%	3,397	4,309	4,740	4,965	35.2%	13.3%	26.8%	10.0%
Regular	1,123	12.3%	1,201	1,942	2,239	2,448	17.4%	26.8%	61.8%	15.3%
Temp & Contractors	3,946	43.3%	4,598	6,251	6,970	7,413	52.6%	17.3%	36.0%	11.6%
Apps & Cust	1,135	12.5%	1,231	1,372	1,478	1,578	10.1%	5.1%	7.4%	1.8%
Regular	429	4.7%	435	440	462	479	3.4%	3.3%	1.1%	5.0%
Temp & Contractors	1,564	17.2%	1,666	1,762	1,834	1,907	13.5%	4.6%	5.8%	4.1%
Business Sys	817	9.2%	963	963	963	1,103	7.8%	4.6%	7.0%	7.0%
Regular	201	3.3%	218	220	228	231	2.1%	2.6%	15.1%	(11.5%)
Temp & Contractors	1,138	12.5%	1,241	1,283	1,309	1,403	10.0%	4.3%	3.4%	2.0%
Personal Sys Total	1,164	12.8%	1,384	1,384	1,481	1,584	11.2%	4.6%	7.0%	6.9%
Developer	1,406	15.4%	1,604	1,604	1,716	1,815	13.0%	4.6%	7.0%	6.9%
Regular	586	6.4%	686	686	719	759	5.4%	3.4%	4.8%	5.6%
Temp & Contractors	119	1.3%	108	134	137	145	1.0%	10.1%	24.0%	2.3%
CSD Total	705	7.7%	794	820	856	904	6.4%	4.4%	1.1%	4.4%
Other										
Regular										
Temp & Contractors										
Other Total										
Platform Mgmt	254	2.8%	270	501	516	527	3.7%	25.0%	85.6%	3.0%
Regular	92	1.0%	90	95	100	105	0.7%	5.1%	5.6%	5.3%
Temp & Contractors	346	3.8%	360	596	616	632	4.2%	20.6%	65.6%	1.4%
Platform Mgmt Total	3,976	43.7%	4,534	4,856	5,119	5,400	38.3%	6.0%	7.1%	5.4%
Regular	1,183	13.0%	1,131	1,209	1,235	1,280	9.1%	4.2%	6.9%	0.1%
Temp & Contractors	5,159	56.7%	5,665	6,085	6,231	6,680	47.4%	5.6%	7.1%	4.4%
Total Apps/Contractors	6,799	74.7%	7,931	9,165	9,859	10,365	73.5%	9.1%	15.6%	7.6%
Regular	2,106	23.3%	2,132	1,151	1,451	1,328	16.5%	16.9%	35.2%	8.0%
Temp & Contractors	9,105	100.0%	10,363	12,116	13,310	14,093	100.0%	11.2%	20.0%	8.1%
Total Apps & Platforms										

Adding new parts and - new parts

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Consolidated 3 Year P&L Outlook U.S. Dollars (In Millions)

	FY96 YTD and Forecast vs Budget		FY96 Plan		3 Year P&L Outlook			3 Year P&L Outlook Growth %'s				
	FY96 YTD	FY96 Fcst	FY96 Plan	FY97	FY98	FY99	CAGR '96-'99	Year-over-Year '96-'97	'97-'98	'98-'99		
Gross Rev by Division												
Desktop Apps	2,081	3,818	44.0%	4,401	39.7%	4,239	32.4%	4,161	24.6%	2.9%	15.3%	(3.7%)
Consumer	467	776	10.7%	945	8.5%	1,310	10.0%	1,746	10.3%	31.0%	21.8%	38.6%
Desktop Finance	10	15	0.2%	28	0.3%	105	0.8%	170	1.0%	124.1%	88.7%	267.0%
On-Line	10	73	0.2%	444	0.8%	92	1.2%	1,099	6.5%	147.1%	509.0%	77.2%
Total Apps/Content	2,569	4,682	54.0%	5,818	52.5%	6,440	49.2%	7,177	42.4%	15.3%	24.3%	10.7%
Business Sys	477	1,012	11.0%	1,874	16.9%	3,195	24.4%	5,224	30.9%	72.8%	85.1%	70.5%
Personal Sys	1,925	2,885	33.3%	3,189	28.8%	3,044	23.6%	3,820	22.6%	9.8%	10.5%	(4.5%)
Developer	204	385	4.7%	488	4.4%	608	4.6%	725	4.3%	23.5%	26.7%	24.5%
CSD	16	29	0.4%	69	0.6%	187	1.4%	445	2.6%	149.7%	141.6%	171.2%
Other	21	42	0.5%	32	0.3%	24	0.2%	18	0.1%	(24.6%)	(23.8%)	(25.0%)
Total Platforms	2,643	4,353	50.2%	5,652	51.0%	7,059	53.9%	10,232	60.5%	33.0%	29.8%	24.9%
Total Gross Revenue	5,212	9,036	104.2%	11,470	103.6%	13,499	103.0%	17,409	102.9%	24.4%	26.9%	17.7%
Total Rev Adjustments	(860)	(364)	(4.2%)	(395)	(3.6%)	(398)	(3.0%)	(484)	(2.9%)	10.0%	8.6%	0.8%
Net Revenue	4,351	8,672	100.0%	11,075	100.0%	13,101	100.0%	16,925	100.0%	25.0%	27.7%	18.3%
Cost of Revenue	645	1,209	13.9%	1,594	14.4%	1,860	14.2%	2,296	13.6%	23.8%	31.8%	16.7%
Gross Margin	3,706	7,462	86.1%	9,481	85.6%	11,241	85.8%	14,629	86.4%	25.2%	27.1%	18.6%
Operating Expenses												
People	329	694	7.6%	935	8.4%	1,120	8.6%	1,283	7.6%	22.7%	34.7%	19.9%
Infrastructure	98	208	2.3%	261	2.4%	297	2.3%	325	1.9%	16.1%	25.8%	13.8%
Contingency Staff	65	132	1.5%	191	1.7%	226	1.7%	256	1.5%	24.8%	45.1%	18.4%
Product Development	88	226	2.6%	329	3.0%	301	2.3%	292	1.7%	8.9%	45.7%	(8.6%)
Marketing	378	767	8.8%	955	8.6%	1,112	8.5%	1,467	8.7%	24.1%	24.6%	16.4%
Other	33	49	0.8%	59	0.5%	68	0.5%	79	0.5%	16.9%	19.6%	14.9%
Product Support Services	243	479	5.6%	469	4.2%	482	3.7%	613	3.6%	8.6%	(2.0%)	2.7%
Bad Debt & Taxes	50	76	1.2%	120	1.1%	142	1.1%	165	1.0%	29.4%	58.0%	17.9%
R&D Shared Resources	0	11	0.0%	7	0.1%	5	0.0%	3	0.0%	(36.3%)	(31.0%)	(24.9%)
Total Operating Exps	1,285	2,642	30.5%	3,328	30.0%	3,754	28.7%	4,482	26.5%	19.3%	26.0%	12.8%
Responsibility Margin	2,420	4,821	55.6%	6,154	55.6%	7,486	57.1%	10,148	60.0%	28.2%	27.6%	21.7%
												35.6%

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Consolidated 3 Year P&L Outlook by Product Division U.S. Dollars (In Millions)

	Worldwide Applications/Content										Worldwide Platforms				Total \$ Platforms												
	Desktop Apps		Consumer		Finance		Microsoft OneDrive		Apps Cont		Research		Total			Business Systems		Personal Desktop Sys		Developer		Other		Platform		Total	
	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses		Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses
FY96 F&B	3,596	746	15	73	4,429	985	2,813	374	28	42	4,242	861	3,381	1,209	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	
Net Revenue	431	294	6	155	886	98	150	65	6	4	3,233	746	1,209	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	
Cost of Revenue	3,164	452	9	(82)	3,543	887	2,663	309	22	37	746	861	746	746	746	746	746	746	746	746	746	746	746	746	746	746	
Gross Margin	88.0%	60.6%	62.1%	(112.9%)	n/a	n/a	94.7%	87.6%	78.7%	89.6%	92.4%	86.1%	86.1%	86.1%	86.1%	86.1%	86.1%	86.1%	86.1%	86.1%	86.1%	86.1%	86.1%	86.1%	86.1%	86.1%	
% of Net Revenue	674	444	22	112	1,272	452	2,146	271	127	2	2,550	481	481	481	481	481	481	481	481	481	481	481	481	481	481	481	
Operating Expenses	2,491	8	(12)	(154)	2,271	436	2,146	37	(105)	35	4,821	861	861	861	861	861	861	861	861	861	861	861	861	861	861	861	
Responsibility Margin	69.3%	1.1%	(81.2%)	(266.3%)	51.3%	44.3%	76.3%	10.0%	(369.5%)	85.1%	60.1%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	
% of Net Revenue	4,144	917	27	444	5,532	1,824	3,146	473	68	32	5,541	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	
FY97 Outlook	4,97	363	9	378	1,247	172	90	75	6	1	346	1,594	1,594	1,594	1,594	1,594	1,594	1,594	1,594	1,594	1,594	1,594	1,594	1,594	1,594	1,594	
Net Revenue	3,647	554	18	66	4,285	1,632	3,057	398	61	28	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	
Cost of Revenue	88.0%	60.4%	66.0%	14.9%	n/a	90.6%	97.1%	84.1%	90.6%	89.6%	93.7%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	
Gross Margin	764	672	35	254	1,725	598	449	322	151	1	1,602	3,134	3,134	3,134	3,134	3,134	3,134	3,134	3,134	3,134	3,134	3,134	3,134	3,134	3,134		
Operating Expenses	2,883	(118)	(17)	(188)	2,560	1,054	2,608	76	(80)	27	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151	6,151		
Responsibility Margin	69.6%	(12.9%)	(63.7%)	(42.3%)	46.3%	57.8%	82.9%	16.0%	(132.5%)	85.1%	64.8%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	
% of Net Revenue	3,992	1,271	99	787	6,149	3,122	3,034	589	183	24	6,952	13,101	13,101	13,101	13,101	13,101	13,101	13,101	13,101	13,101	13,101	13,101	13,101	13,101	13,101	13,101	
FY98 Outlook	479	491	42	483	1,495	231	22	91	19	2	365	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	
Net Revenue	3,513	780	57	304	4,654	2,891	3,012	498	164	22	6,386	11,241	11,241	11,241	11,241	11,241	11,241	11,241	11,241	11,241	11,241	11,241	11,241	11,241	11,241		
Cost of Revenue	88.0%	61.4%	57.4%	38.6%	n/a	92.6%	99.3%	84.5%	89.6%	89.7%	94.7%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%	85.8%		
Gross Margin	831	793	56	348	2,029	739	336	382	181	1	1,726	3,154	3,154	3,154	3,154	3,154	3,154	3,154	3,154	3,154	3,154	3,154	3,154	3,154	3,154		
Operating Expenses	2,682	(13)	0	(45)	2,623	2,152	2,676	115	(17)	20	4,861	7,486	7,486	7,486	7,486	7,486	7,486	7,486	7,486	7,486	7,486	7,486	7,486	7,486	7,486		
Responsibility Margin	67.2%	(1.0%)	0.3%	(5.7%)	42.7%	68.9%	88.2%	19.6%	(9.4%)	85.1%	69.9%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%	57.1%		
% of Net Revenue	3,918	1,699	161	1,099	6,878	5,110	3,784	701	434	18	10,147	16,923	16,923	16,923	16,923	16,923	16,923	16,923	16,923	16,923	16,923	16,923	16,923	16,923	16,923		
FY99 Outlook	470	612	57	564	1,704	357	75	106	52	2	592	2,290	2,290	2,290	2,290	2,290	2,290	2,290	2,290	2,290	2,290	2,290	2,290	2,290	2,290		
Net Revenue	3,448	1,087	103	535	5,174	4,753	3,709	596	381	16	9,455	14,639	14,639	14,639	14,639	14,639	14,639	14,639	14,639	14,639	14,639	14,639	14,639	14,639	14,639		
Cost of Revenue	88.0%	64.0%	64.5%	48.7%	n/a	93.0%	98.0%	84.9%	88.0%	89.7%	94.1%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%	86.4%		
Gross Margin	868	957	71	418	2,313	887	493	445	252	1	2,169	4,482	4,482	4,482	4,482	4,482	4,482	4,482	4,482	4,482	4,482	4,482	4,482	4,482	4,482		
Operating Expenses	2,580	130	33	117	2,861	3,866	3,215	151	129	15	7,287	10,148	10,148	10,148	10,148	10,148	10,148	10,148	10,148	10,148	10,148	10,148	10,148	10,148	10,148		
Responsibility Margin	65.8%	7.7%	20.5%	10.7%	41.6%	75.7%	85.0%	21.5%	29.8%	85.1%	72.5%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%		
% of Net Revenue	CAGR %'s 1996-99	31.6%	120.3%	147.1%	n/a	15.8%	73.1%	23.4%	148.4%	(24.3)%	n/a	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%		
Net Revenue	2.9%	34.0%	(239.3)%	(184.5)%	(100.0)%	n/a	13.4%	11.7%	24.5%	(24.3)%	n/a	15.8%	15.8%	15.8%	15.8%	15.8%	15.8%	15.8%	15.8%	15.8%	15.8%	15.8%	15.8%	15.8%	15.8%		
Gross Margin	1.2%	150.7%	(239.3)%	(184.5)%	(100.0)%	n/a	8.0%	107.0%	59.1%	(207.4)%	n/a	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%		
Responsibility Margin	Growth %'s 1996-97	23.0%	79.3%	509.0%	n/a	24.9%	85.0%	11.8%	26.6%	(23.8)%	n/a	24.9%	24.9%	24.9%	24.9%	24.9%	24.9%	24.9%	24.9%	24.9%	24.9%	24.9%	24.9%	24.9%	24.9%		
Net Revenue	15.3%	22.5%	90.4%	(180.6)%	(1.3)%	20.9%	86.1%	14.8%	28.9%	(23.8)%	n/a	20.9%	20.9%	20.9%	20.9%	20.9%	20.9%	20.9%	20.9%	20.9%	20.9%	20.9%	20.9%	20.9%	20.9%		
Gross Margin	15.7%	(1527.3)%	40.8%	(1.3)%	(100.0)%	n/a	12.7%	141.8%	101.9%	(14.1)%	n/a	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%		
Responsibility Margin	Growth %'s 1997-98	(3.7)%	267.0%	77.2%	n/a	11.1%	71.2%	(3.6)%	24.4%	(24.1)%	n/a	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%		
Net Revenue	(3.7)%	40.9%	219.3%	358.0%	n/a	8.6%	75.0%	(1.5)%	25.0%	(24.0)%	n/a	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%		
Gross Margin	(6.9)%	(89.0)%	(101.9)%	(76.2)%	n/a	2.6%	104.2%	2.6%	52.7%	(80.9)%	n/a	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%		
Responsibility Margin	Growth %'s 1998-99	(1.8)%	33.7%	62.4%	n/a	11.9%	63.7%	34.7%	19.1%	(36.8)%	n/a	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%		
Net Revenue	(1.8)%	39.7%	82.4%	76.1%	n/a	11.2%	64.4%	23.1%	19.7%	(32.5)%	n/a	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%		
Gross Margin	(3.8)%	(1103.1)%	10303.0%	(362.6)%	n/a	9.0%	79.7%	20.2%	30.5%	(853.5)%	n/a	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%		
Responsibility Margin																											

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