

DOJ - Legal

From: Brad Chase
To: Brad Silverberg; Joachim Kempin; Jonathan Roberts; Steve Ballmer
Cc: Brad Chase; Richard Freedman
Subject: RE: Win MArketing/chicago business plans
Date: Friday, December 10, 1993 3:31PM

ok you are forcing me to put my model on email when i would rather discuss it in meetings. Everyone below is actually right. so the proposed solution is that we license OEMs the "Premium Trial Kits" (ignore the name, we will come up with something better but this gives you the gist).

Essentially you let the OEMs license Mobile or Multi-media portions of the premium product in exchange for helping you market the retail Premium product to the same group of customers. So Joachim gets us the OEM revenue and then every customer who gets the Mobile edition of the trial pak also gets on-line or info in the manual or a coupon or all three on the full Premium product. If the pc has a cd-rom the premium product is on it then the customer can get the Premium product from the cd. You probably keep a couple of the mobile features only in the retail product to help entice the notebook user but you give the OEMs key ones too.

There are many benefits of this approach. First we don't confuse customers about what the premium product is all about, they are just getting a free sample. Second we help advertise the premium product WHILE we get extra revenue from OEMs for many customers who would never buy the premium product.

Joachim we will discuss this in our upcoming meeting, i don't claim to have details worked out but htis-is the concept

From: Brad Silverberg
To: Joachim Kempin; Jonathan Roberts; Steve Ballmer
Cc: Brad Chase
Subject: RE: Win MArketing/chicago business plans
Date: Friday, December 10, 1993 2:31PM

In addition, I would say that we need to keep keep keep making the Premium attractive to end users so that the mobile user *will* want to buy the premium package. Our plan must be a combination of additional \$ from OEM for specialized components (mobile support, mm) plus driving end users to premium. I don't think we can withhold things like mobile or mm from oem's and be successful.

From: Joachim Kempin
To: jonro; steveb
Cc: bradc; bradsj
Subject: RE: Win MArketing/chicago business plans
Date: Friday, December 10, 1993 1:21PM

Touche, but;
that customer might not go out and buy the expensive and complete premium pack assuming that he only wants to enhance his notebook without caring about anything else. So if You want to own the next mobile standard You need to build a lot of sockets or other add on vendors will do it for You. Last but not least I see no reason to inflict pain on OEMs who have helped us to create a standard. Not that they are the only reason but their partnership has helped.

From: Jonathan Roberts
To: Joachim Kempin; Steve Ballmer
Cc: Brad Chase; Brad Silverberg
Subject: RE: Win MArketing/chicago business plans
Date: Friday, December 10, 1993 11:58AM

I'm going to indulge in a little lame duck kibitzing.

MSC 00347103

Page 5

HIGHLY
CONFIDENTIAL

MX 4087002
CONFIDENTIAL

Plaintiff's Exhibit

5622

Comes V. Microsoft

RBC 04893

I have some concerns about a packaging model that has a base product with mobil and multi-media extensions for the OEM channel. This model is based on the assumption that a customer after having received their brand new notebook with it's mobile extensions of add-on will than go out and buy the premium product. I can't figure out why they would. We've already given them most of what they want. Also, these variants make our message pretty confusing. This add-on strategy kind of smacks of a tweener. After WFW, I hate tweeners. We are not creating enough pain (e.g. depriving the OEMs of a significant customer benefit) to drive retail sales, nor are we willing to price the premium product in such a way that we can drive a high penetration through the OEM channel.

Anyway, last you will hear from me on this topic. I have a new set of things to think about.

Jonathan

From: Joachim Kempin
To: Jonathan Roberts; Steve Ballmer
Cc: Brad Silverberg
Subject: RE: Win MArketing/chicago business plans
Date: Thursday, December 09, 1993 12:04PM

a notebook guy as an example might want to license just these components in addition to the basic release and nothing else. Sure I will charge him high \$\$, but I do not think we need to force all of the premium stuff down his throat.

From: Steve Ballmer
To: Joachim Kempin; Jonathan Roberts
Cc: Brad Silverberg
Subject: RE: Win MArketing/chicago business plans
Date: Wednesday, December 08, 1993 5:44PM

why accessories and premium jk?? jon make sure JK has seen your plan

From: Joachim Kempin
To: Jonathan Roberts; Steve Ballmer
Cc: Brad Silverberg
Subject: RE: Win MArketing/chicago business plans
Date: Wednesday, December 08, 1993 2:32PM

I have not seen the plan.

From: Steve Ballmer
To: Jonathan Roberts
Cc: Brad Silverberg; Joachim Kempin
Subject: Win MArketing/chicago business plans
Date: Saturday, December 04, 1993 8:03PM

I have afew comments

1. we have no plan to use chicago to increase oem royalty rates that i knwo of I expect most oem's togo base which will have the same royalty essentially as wfw today right JK??

YES MS-DOS + WFW = CHICAGO BASE

2. I do not think we are trying to create accessory product coattails with chicago we are trying to sell premium are we on different wavelenghts

I MIGHT NEED AN ACCESOIR OPTION PACKAGE(EXPENSIVE)

MSC 00347104

Page 6

HIGHLY
CONFIDENTIAL

MX 4087003
CONFIDENTIAL

RBC 04894