

Document Separator Sheet

Plaintiff's Exhibit

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Comes v. Microsoft

MS/CR 0051553

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Subscription Frequently Asked Questions

Confidential Information – Do Not Disclose SKU Lineup & Pricing until April 2

Overview

What is this new subscription version of Office?

The subscription version of Microsoft Office XP provides customers with new choice for how they can purchase and stay up to date with the latest versions of Microsoft Office. For a lower upfront fee, customers can purchase a yearly subscription to Microsoft Office at their local retailer. During their annual subscription, these customers are entitled to receive the latest upgrades to Office.

How does it work?

Microsoft Office Subscription provides a straightforward and convenient way for customers to activate and then renew their annual subscription.

- Office Subscription allows a customer to use Microsoft Office applications 20 times before they are required to activate the product. The product may be activated over the internet or by calling a toll free phone number.
- Once activated Office Subscription provides the full functionality of Microsoft Office for twelve months. The product reminds customers to renew their subscription sixty days before the expiration. Notifications become more frequent 30 days from expiration.
- Customers using Microsoft Office past the subscription expiration have five grace uses of the product. During each grace use, the customer is notified that the product has expired and asked to renew by online registration, phone or retail purchase.
- If a customer tries to use Office past the expiration and after they have exceeded their five grace uses the product will only allow a user to load, view and print files. Documents cannot be edited, files cannot be saved and macros cannot be used.

Why is Microsoft introducing subscription version of Office?

The subscription version of Office provides another choice for how customers can purchase Office. With this subscription product, customers will be able to purchase Office at a lower upfront price and conveniently pay an annual fee for the rights to always have the latest version of Office on their PC.

Who do you expect to purchase the subscription product?

We expect that the subscription version of Office will appeal primarily to very small business, home office customers and individuals interested in using Microsoft Office for personal use.

Why would you expect customers to purchase a subscription version of Office?

We expect that customers will purchase the subscription version of Office because it provides them an easy way to keep their computer updated with the latest version of Microsoft Office for a low yearly fee.

What will Office Subscription cost?

Prices will vary by region. However, the Estimated Retail Price is \$109/year for Office Small Business Subscription and \$159/year for Office Professional Subscription.

When will Office Subscription be available?

Office Subscription will be available from local retailers in select world wide regions starting in June of 2001. In the United States Microsoft Office Subscription will be available in select cities.

Isn't this just another way to force people to pay and upgrade to the latest version of the product?

Office Subscription will provide customers with yet another choice for how they can purchase Microsoft Office. With this subscription product, customers can now pay an annual fee for the convenience of always having the rights to the latest version of Office. Customers who prefer to purchase the traditional, non-subscription version of Office can continue to do so with Office XP.

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Subscription Frequently Asked Questions

Can I still buy Microsoft Office without a time limited subscription?

Yes. The subscription product will provide customers yet another choice for how they can purchase Microsoft Office.

Will all versions of Microsoft Office be made available as a subscription?

No. Subscription will be offered in the Microsoft Office Small Business and Microsoft Office Professional suites.

Will Microsoft Office Subscription be made available to Open and Select license customers?

No. This is a retail product and is intended for very small businesses, home-based businesses and consumers.

What is the role of the retail channel with subscription? Aren't you cutting them out of the loop with direct credit card renewals?

No. Retailers will be the only way to initially purchase a Microsoft Office Subscription and once a customer is a subscriber they will be encouraged to use retailers as a way to renew their subscription each year.

Will Office Subscription be distributed through other channels as well, such as OEM?

We have no plans currently to distribute the subscription version of Office outside the retail channel.

How is this different from Office Online, which you announced last year?

Both the subscription version of Office and Office Online provide customers with additional choice in how they can purchase and use Office. However, they differ significantly in how customers can access Office, how they would purchase Office and the subscription length itself.

- Office Online refers to Office delivered as a hosted application service via Windows Terminal Services where Office resides on a server and is accessed over the Internet by customers. Office Subscription allows customers to install and use Office on their desktop PC.
- Office Online customers receive this application service typically from an Application Service Provider. With the subscription version of Office, customers will be able to purchase their initial subscription at retail and their renewals at retail or directly with Microsoft.
- With Office Online the ASP pays Microsoft for the rights to provide the latest version of Office as a hosted service to its customers during that month. With the subscription version of Office, customers will be able to purchase annual subscriptions at retail for their desktop PC and their renewals at retail or directly with Microsoft.

How Subscription Works

Will there be any difference between the regular and subscription versions of Office?

The subscription product will be functionally identical to the non-subscription product except that the subscription product will need to be renewed each year. As part of the subscription, customers will be entitled to all product updates – thus insuring that their investment in Microsoft Office never becomes outdated.

Once I purchase a copy of Microsoft Office Subscription do I need to register the product?

Yes. Customers must activate their subscription product via the Office Activation Wizard within 20 launches of the product. After the 20th launch, customers will need to contact the Microsoft activation Center to continue using the product.

How can I renew my subscription when it is about to expire?

The subscription version of Microsoft Office will start to remind customers that they need to renew their subscription license 60 days before the product expires. Customers then may choose to renew their subscription in one of three ways.

- Customers may purchase a new copy of Office Subscription from the retailer of their choice.

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Subscription Frequently Asked Questions

- Customers may renew directly with Microsoft by providing their credit card information to a secure server over the Internet.
- Customers may call a phone number and renew their subscription with a credit card by talking with a Microsoft customer service representative. Toll free phone numbers will be provided in select worldwide regions

What happens if the product expires?

Once the subscription expires Microsoft Office provides the customer five grace loads. If the subscription has not been renewed by the end of these grace loads Microsoft Office will only allow documents to be load, viewed and printed.

Are Office documents lost after my subscription has ended?

No. All user documents and files are unaffected. An expired subscription only affects what customers can do with documents using Microsoft Office on a specific desktop. Documents can always be transferred to other desktops and edited using other copies of Microsoft Office.

How many installations am I allowed to make with one subscription product license?

Customers will be able to install the subscription product on one computer.

I can't install this product on more than one computer without getting messages asking me to activate the product. Why?

Customers can install the subscription product on one computer only. If customers need to install the subscription product on more than one computer, they will need to acquire the corresponding number of subscription product licenses to do so.

Privacy

What information does Microsoft get off of my machine when I activate my subscription? Why is this information relevant?

The Activation Wizard creates a unique hardware identification based on various hardware components in the customer's computer. This code associates a specific copy of Office with a hardware device. Consistent with MS privacy policy, this code is not based on any personal or customer information of any kind.

How does MS identify my hardware? Can I change hardware components in my PC?

The Office Activation Wizard will detect the hardware configuration on which Office 10 is being installed. The Wizard does not scan the users hard-drive or detect any personal information. The Wizard is intelligent enough to tolerate a certain degree of change in a hardware configuration so that users can change their hardware without having to re-register their copy of Office 10. If the user completely overhauls their hardware, then registration may be required again

I heard this was an attempt by Microsoft to [invade privacy, collect info from people's hard disks, force customers to give their names to MS.]

The only information required from the customer to activate or subscribe to Microsoft Office is the country they reside in. No personal information whatsoever is collected from the customer's hard disk. If they wish, customers may voluntarily provide their name and contact information to receive future communications on product updates and service releases.

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