

To: Steve Ballmer
From: Russ Werner (RW)
CC: List
Subject: September Monthly Status Report
Date: 9/16/88

A. Marketing/Business

1. Windows

Windows retail business is exceptional for Windows/286 (172% of revenue budget y-t-d; 205% of revenue budget for the month of August--25,000 units!), but weak for Windows/386 (72% of revenue budget y-t-d). There are a number of programs just getting underway which should help the business significantly (new ad campaign early Oct.; Brand Advertising Campaign focused on Windows in Oct, ; Fall Low-End and Hi-end USSMD promotions etc.).

Windows/386 seems to be suffering from the industry memory problem (now more a pricing issue than physical shortage-- per jons this is not expected to improve until 1Q '89).

- Joe Rehfeld is putting into place an upgrade program that would encourage 386 owners to purchase Windows 286 now and upgrade to Windows 386 when memory becomes available. This is priced to protect our margin.

Overall, we are at 104% of budgeted revenue, but unless Windows/386 picks up steam we will trend toward missing forecast.

The Windows 2.1 SDK finally went to manufacturing on 8/23 after a disaster-check beta program confirmed that Codeview-w was in acceptable condition.

2. DOS

PR this month has been primarily focused on limiting the damage to MS from the negative press generated by the poor EMS support under PC DOS 4.0. We have been able to fix all of these problems for our OEM release and will provide a small, stable limulator. The final BAK release and the golden master for our Packaged Product DOS is scheduled for 9/27 availability, which puts P.P.Dos at a mid-Oct. availability. This is pretty good considering the massive product problems for PC DOS 4.0.

DRI's DR DOS looks like it has been effectively checked among all of the mainstream players in the U.S./Europe and even Taiwan, including the top 3 clone mfrs. This means that we have high confidence in all of these accounts licensing DOS 4.0. Thompson in France is a possible concern for their \$250 machine, but we will focus on this.

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Joachim has identified only 5 major U.S. accounts that remain an issue for DOS 4.0 licensing (but notably including Compaq and Zenith), but these are not DRI opportunities. OEM is putting a major push on signing these 5 up for DOS 4.0.

Several other programs were developed during the month to provide upside revenue and further limit DRIs opportunity.

- A program to provide a DOS 4.0 update to customers who own MS OEM P.P.
- A program to provide a retail distributed DOS 4.0 upgrade for licensed and p.p. dos customers.
- a program to target the low-end Taiwan and European 8086/8088 oems with a very low cost p.p. dos (estimated at 40% of total market for very low-end).

3. Optical PC

We have renamed this project Optical PC given OEM interest in considering the platform for their business as well as home markets.

IBM made a final decision on 9/15 to go ahead with the project. This is great news. This will result in IBM bundling Windows and Windows Works in 1989 on their low-end machines. The 386-HPC will be in 1990. Rick Hargrove deserves special note here for his efforts.

We also exposed Olivetti, Compaq, Zenith and Atari to the project during the month. Overall, this looks like a good opportunity, although the availability of applications will push the project into the CY 1990 timeframe. Atari doesn't look very interesting. A lot of pre-selling and both oem and isv-related activity needs to go on now in order to make 1990 successful.

During the month, we announced CD-ROM XA, along with Sony and Phillips. Next month there will be further PR activity on CD-ROM XA, including PR announce and demos at CD-ROM Expo--as well as some activity on DVI along with Intel/IBM. Raleigh Roark and Dan Newell have been key in making the XA announcement happen.

This industry is re-aligning dramatically at this point with MS well positioned in a leadership role.

B. Development

1. Windows

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The Windows 3.0 development plan was completed and presented to Steveb/Billg.

We have done well in staffing Program Management, User Education and Development in this past month. Phil Baret and Chris Doerr have done an exceptional job in recruiting this month--as have HR.

Jody Snodgrass will be acting as overall project coordinator for Window 3.0 from a program management perspective.

In addition, the Ruby contract was signed and we are close to signing a contract for an enhanced terminal product. These two external projects along with the Paintbrush contract will provide significant value-added to Windows 3.0.

We are working with the Adrian and Gabe to better understand how to balance the requirements for OS/2 and Windows as we compete for scarce external resources in all areas, but especially for drivers.

2. DOS

Development activity was tied down fixing up DOS 4.0 and the Limulator, but it looks like we have a good product.

DOS 4.1 specification development has taken a good deal of effort. HPC really helped Tomle get thru a number of design objectives that might not have otherwise made it.

The DOS group evaluated alternate proposals for getting DOS out of conventional memory (bank switching/protect mode etc.). Progress in evaluating the protect mode option unfortunately is proceeding slower than desirable as a result of the Retail DOS upgrade project. We need to get this done. AST is getting upset with the time it is taking here.

The group also has conducted an assessment of the requirements for creating a Dos 4.0 upgrade that could be provided via retail distribution for licensed or oem packaged product Dos owners. This review is scheduled to be presented to management on 9/20.

C. Organization/Staffing

Developer Relations activities were distributed among the various systems business units now that each business unit has achieved critical mass. Cameron Myhrvold has done an excellent job in managing both the Corporate and ISV developer relations activities and the expertise built up in the group will be valuable for each business unit.

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Cameron Myhrvold, Allistair Banks and Pat Winston will go to OS/2 under Adrian King; Renee Watremez and Rob Horwitz will go to the net group under Rob Glaser; Sherry Richardson will work for Joe Rehfeld on Windows ISV activity.

There is no longer a cross division function as such.

Also during the month, as a result of the Applications Div. reorganization, Chris Doerr will pick up responsibility for building and managing a User Education Production group for Systems (5 headcount).

Attached is an updated organization chart.

DOS/Windows Group	Actual <u>9/16/88</u>	Confirmed <u>Hires</u>	Offers <u>Out</u>	FY '89 <u>Plan</u>
S30s Group	3			3
S32s Development	26	2	2	34
S34s User Ed	4	2	0	13
S36s Test	11			11
S38s Marketing	<u>8</u>	<u> </u>	<u> </u>	<u>12</u>
	52	4	2	73

Transfers: Clark Cyr starts 10/17 in S32s
Greg Lowney starts 10/1 in S 38s

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D. Objectives

For Last Month

1. Present Win 3.0 Development Plan and finalize staffing plans: Done
2. Finalize Ruby contract: Done (burned 1 billg chip).
3. Finalize EMS Dos plan: Now protect mode/reprioritized
4. Review Business Unit Financials and set up tracking process: on-going/good progress
5. Finalize ISV group plans/focus: Done
6. Finalize plan for HPC and staff. Have successful meetings with Zenith, Sony, C&T: Done

For This Month

1. Complete assessment/develop plan for DOS retail upgrade; implement DOS 4.0 p.p. upgrade; ship final BAK and P.P DOS 4.0.; implement 8086 dos plan.
2. Present Protect Mode DOS program/AST
3. Institute Win 3.0 tracking procedure/final specs avail.
4. Develop Development Tools Plan for OPC and get both Windows and CDRom isv efforts underway.
5. Complete financial analysis of business unit and identify margin objectives.

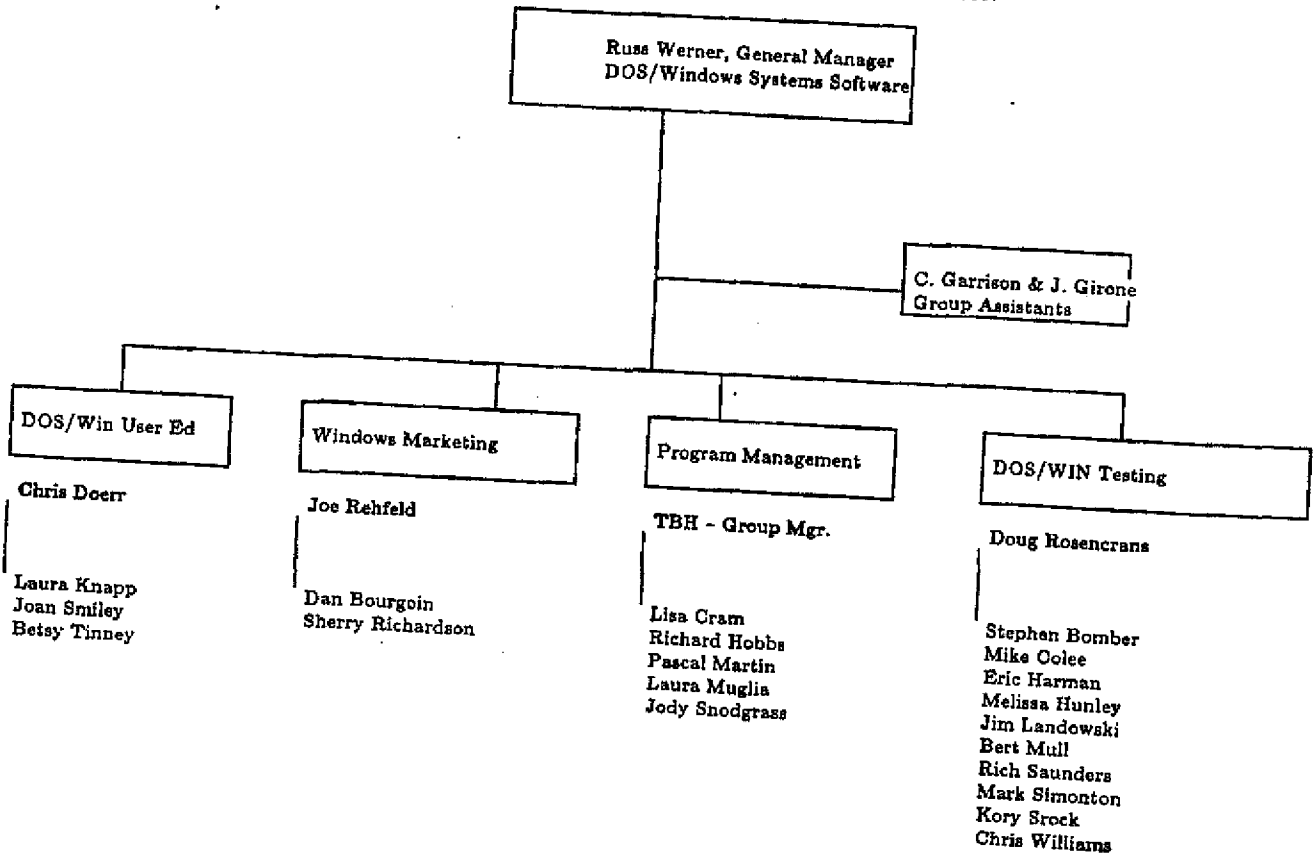
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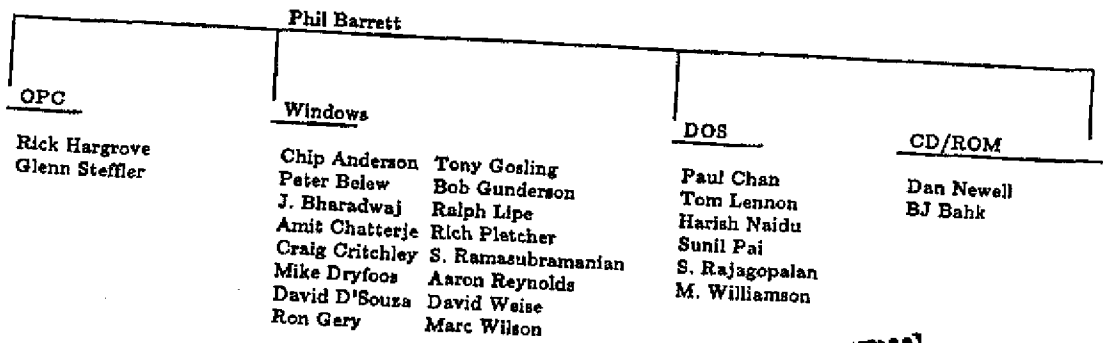
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DOS/WINDOWS SYSTEMS SOFTWARE ORGANIZATION



DOS/WIN Development



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Microsoft Systems Marketing Review

Microsoft Windows and Systems Events

August 1988

Table of Contents

Business Activity.....Pages 1 and 2
 Product Marketing Activity.....Pages 2 and 3
 Systems Events News.....Page 3
 Action Items and Circulation.....Page 4

August Accomplishments

Completed Windows differentiation ad
 Began G/A research program
 Began DOS 4.0 Update ad plans
 Initiated Win/386 cost reduction plan (split media packages)

Business Activity

Windows/286

USA activity for August was superb. Revenue for the month was at 205% of forecast bringing the FY 89 YTD total to 172% of forecast. World-wide remains on target at 101% of revenue forecast. Expect strong activity to continue with this product's inclusion in the fall promotions.

Windows/286 August	Actual Units	Actual Revenue	Forecast Units	Forecast Revenue	Revenue as % of Forecast
Domestic Retail	24,679	\$960,835	5,204	\$482,934	205%
International Retail	10,543	\$708,255	12,596	\$888,390	80%
Domestic OEM	186,784	\$1,168,032	15,061	\$781,155	150%
International OEM	18,918	\$164,334	71,664	\$844,850	19%
ALL Channels World-Wide	238,924	\$3,032,456	106,525	\$2,995,959	101%

FY 89 YTD	Actual Units	Actual Revenue	Forecast Units	Forecast Revenue	Revenue as % of Forecast
Domestic Retail	37,170	\$1,562,861	17,268	\$908,052	172%
International Retail	20,845	\$1,541,922	20,893	\$1,528,076	101%
Domestic OEM	186,784	\$1,168,032	76,044	\$1,328,560	88%
International OEM	133,444	\$921,564	129,018	\$1,402,955	66%
ALL Channels World-Wide	378,243	\$5,194,379	243,223	\$5,163,643	101%

Windows/386

Windows/386 had a good month, but not exceptional. YTD revenue lags at 72% of forecast in the USA. This is better than world-wide revenue which averages much lower at 63% of forecast. Sales are slow due to memory constraints. This trend is likely to continue through the fall, although with Windows/386 in the fall promotion campaign, we should see some good business through the retail channel.

Windows/386 August	Actual Units	Actual Revenue	Forecast Units	Forecast Revenue	Revenue as % of Forecast
Domestic Retail	8,208	\$851,136	9,204	\$951,233	89%
International Retail	1,632	\$223,454	2,055	\$288,601	77%
Domestic OEM	9,593	\$300,783	18,499	\$372,874	81%
International OEM	1,145	\$26,829	8,000	\$90,000	30%
ALL Channels World-Wide	20,578	\$1,402,002	38,758	\$1,702,708	82%

FY 89 YTD	Actual Units	Actual Revenue	Forecast Units	Forecast Revenue	Revenue as % of Forecast
Domestic Retail	12,463	\$1,291,005	17,268	\$1,784,647	72%
International Retail	2,923	\$401,805	4,310	\$623,067	64%
Domestic OEM	9,545	\$295,473	29,848	\$681,498	43%
International OEM	11,724	\$132,419	19,100	\$277,700	48%
ALL Channels World-Wide	36,755	\$2,120,702	70,526	\$3,366,912	63%

Windows SDK

We shipped as many SDKs as we had in stock for August - a huge number of 96! The remaining backlog was shipped the first day in September which will boost our FY 89 YTD revenue figure well above forecast at the end of September. Inventory is plentiful.

Windows SDK August	Actual Units	Actual Revenue	Forecast Units	Forecast Revenue	Revenue as % of Forecast
Domestic Retail	96	\$22,465	460	\$121,963	18%
International Retail	224	\$62,293			
Domestic OEM	7	\$2,100			
International OEM					
ALL Channels World-Wide	327	\$66,858	460	\$121,963	71%
FY 89 YTD					
Domestic Retail	761	\$186,920	863	\$228,801	82%
International Retail	515	\$141,671			
Domestic OEM	12	\$3,600			
International OEM					
ALL Channels World-Wide	1,288	\$332,191	863	\$228,801	145%

Windows Updates and Promos

Update revenue lags at 35% of forecast for FY 89. Update revenue will continue to come in as more people update to 2.1. However, since 3.0 is not scheduled to be released until FY 90, our original FY 89 forecasts for update revenue will be much too high since we won't have another update in FY 89.

Windows Product Line Update/Promo Business

FY 89 YTD	Actual Units	Actual Revenue	Forecast Units	Forecast Revenue	Revenue as % of Forecast
Domestic Retail	8,330	\$180,098	15,000	\$515,700	35%
International Retail	2,672	\$139,031			
Domestic OEM	2	\$25			
International OEM					
ALL Channels World-Wide	12,004	\$319,154	15,000	\$515,700	62%

Windows Product Line Total for FY 89

In looking at the total of Windows/286, Windows/386, and Windows SDK business (exclusive of updates), we are ahead in the USA at 104% of forecast for FY 89. Even when update revenues and forecasts are included, we still come in at 94% of revenue forecast. This is not too bad!

Windows Product Line Total Revenue Analysis FY 89

(Excluding Update Business - Packaged Product Business Only)

	Actual Units	Actual Revenue	Forecast Units	Forecast Revenue	Revenue as % of Forecast
Domestic Retail	50,394	\$,040,786	35,399	\$2,919,500	104%
International Retail	24,283	\$2,065,368	25,203	\$2,149,143	97%
Domestic OEM	198,441	\$1,467,105	105,892	\$2,010,068	73%
International OEM	145,168	\$1,033,983	148,118	\$1,680,655	63%
ALL Channels World-Wide	418,286	\$7,647,272	314,612	\$7,759,356	87%

Windows Product Line Total Revenue Analysis FY 89

(Including Update Business)

	Actual Units	Actual Revenue	Forecast Units	Forecast Revenue	Revenue as % of Forecast
Domestic Retail	59,724	\$3,220,884	50,399	\$3,435,200	94%
International Retail	26,955	\$2,224,429	25,203	\$2,149,143	104%
Domestic OEM	196,443	\$1,467,130	105,892	\$2,010,068	73%
International OEM	145,168	\$1,033,983	148,118	\$1,680,655	63%
ALL Channels World-Wide	428,290	\$7,966,426	329,612	\$9,275,056	86%

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Business Activity (continued)

Mouse/Windows Bundle

This business continues to be slow at only 22% of forecast in the US.

Mouse/Windows Bundle Business FY 89 YTD	Actual Units	Actual Revenue	Forecast Units	Forecast Revenue	Revenue as % of Forecast
Domestic Retail	5,656	\$631,305	25,300	\$2,833,600	22%
International Retail	7,649	\$898,978			
AE Channels World-Wide	13,305	\$1,530,283	\$29,300	\$2,833,600	54%

Product Marketing Activity

Windows Product Line

Budgets

Departmental expenses for S38S were under budget for July by 11%. These figures will run one month behind due to distribution of financial reports during the third week of the subsequent month. For example, next month's report will include figures for August, but not September.

Marketing expenses for Windows are well under budget year-to-date due to the lack of materials produced and our ad campaign not beginning until October weeklies. More detail will be included next month on actual budget vs. actual amounts.

Communications

Advertising campaign number one for Windows kicks off with October weeklies. You may request a complete media schedule and copy of the ad from JulieG. Also, I have been actively involved in reviewing the screens used in the Microsoft brand advertising piece.

Communications plan for Windows collateral material is due any time now from CorpCom.

Public relations opportunities exist with Epson, NCR, and Unisys. I've forwarded specific information on each to RussW and Waggener Group.

Corporate Activity

Look for details here on Windows in the corporate market starting next month.

ISV Activity

Next month we'll look at all the exciting news occurring with Windows ISVs. Now that the Developer Relation Group no longer exists and each group has responsibility for their own ISV "evangelism", we'll be handling all Windows ISVs here. Sherry Richardson is the dedicated Windows ISV person. Look for more news here next month.

OEM Activity

NCR was here in August. They are pursuing a Windows/386 bundle in the early calendar 1989 time frame. I will be watching them closely to make sure we take advantage of any PR opportunities here.

Look for more detail here next month on the projected top OEM customers that are shipping Windows this year.

Product Plans

Windows inventory levels are low due to the eminent release

of 2.1D, the latest and FINAL release of 2.1.

Windows/386 will move to separate media SKUs in December to produce greater margins in the Windows product line.

Windows/386 Enhancement Kits will be available to Mouse-Win/286 purchasers as an upgrade option as well as to Win/286 purchasers starting in October. Look for more news on this. This is to allow Mouse users to move up to Win/386 and to get people with 80386 machines to buy Win/286 now and then move to Win/386 later when memory is cheaper and more available.

Product Support Activity

Next month this section will look at the number and type of support questions raised for Windows.

Research

Formal marketing research for 3.0 is underway with Griggs/Anderson. Questionnaire drafts are being distributed September 16. Top line results will be available the week of October 24, with final results scheduled to be presented on November 11. Research is limited to domestic analysis currently due to budget constraints.

Informal marketing research was done during August to determine how people use windoidap. Our in-house telemarketing group performed this quick research. Top-line results are that approximately one out of seven people use non-Windows applications significantly in their work environment. All of these users used non-Windows apps to cut and paste, switch, etc. in the majority of their work. A complete report is available from JulieG upon request.

Ruby research for product positioning of 3.0 has been kicked off with an initial meeting with O and M. Look for more on this in the weeks ahead.

USSMD Activity

National Sales Meeting attendees got to hear all about Windows and DOS as I gave presentations and demonstrations to the full audience. Some people were confused by USSMD's comments about how the "808x market was growing rapidly during the next year." I attempted to clear up any confusion at the meeting.

Top accounts (by revenue) for FY 88 include:

Windows -		
1 - MicroD	13,628	\$680,744
2 - Ingram East	11,713	588,377
3 - Egghead	10,702	576,180
4 - Softset	7,659	395,271
5 - Gales	4,011	201,880
6 - Computer Warehouse	1,748	93,010
7 - Computerland	1,849	82,240
8 - B Dalton	1,385	73,602
9 - Businessland Corp	1,474	66,929
10- Corporate Software	1,197	63,680

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Product Marketing Activity (continued)

Windows/386

1 - Ingram East	4,656	\$469,790
2 - MicroD	4,577	464,521
3 - Softset	3,836	389,626
4 - Gates	1,936	198,015
5 - Egghead	1,700	180,898
6 - Businessland	1,290	117,817
7 - MicroAmerica	1,056	109,138

Windows SDK

1 - Gates	1,886	\$492,635
2 - Ingram East	1,302	339,000
3 - MicroD	1,161	303,213
4 - Softset	437	113,455
5 - Egghead	293	60,685

FY 89 results will appear year-to-date in my next report. In the weeks ahead, I'll be looking at ways to leverage our activity with each of these accounts to increase our business through our top customers. In addition, I'll be gathering more data on which in-direct dealers are moving the highest volume.

Channel Marketing Activity

Both Windows/286 and Windows/386 are included in this period's buy-in. Both are also part of the Fall High-End Promotion and Windows/286 is part of the Holiday promotion for low-priced products. \$50,000 from our Windows collateral budget was spent to help produce the material for the Fall High-End Promotion.

General

Interviews for the Windows product marketing manager position continue. Two more candidates were interviewed during August with no success. More candidates are scheduled to come in over the next few weeks.

3-Year revenue plans for Windows were submitted to RussW for review.

Profitability analysis is underway with Marty Vowels and Rick Devenuti in Finance. Results of this study are due by the end of September. Action items include adjusting current product to increase profit margin and planning package components and marketing expenditures to meet target margins for 3.0.

Microsoft Systems Events News

August 1988 Month End Summary

All outstanding issues for the Microsoft Systems Software Forum have been resolved. A summary report was sent out to an extensive list. If you did not receive one, email danbo and I'll see that you get a copy.

New Events

I have met with all of the product managers for systems products (OS/2 PM, LAN Man, SQL Server etc). They have provided me with marketing plans for their respective products. I am developing the FY89 Systems Event Calendar based upon my discussions with them. This calendar will be released at the end of September.

COMDEX 88

I am coordinating the Windows/386 ISV demo station at Fall COMDEX. We have 10 3 hour demonstration spots open and most are filled. A confirmed list of ISV's demoing at the ISV station will be available on or before October 1st.

PC Managers Event

I have been working very closely with Businessland and they are interested in co-sponsoring the event. I met briefly with the SE's at the National Sales meeting and they will be providing me with contact names at key corporate accounts and possible seminar topics and subject matter. A follow up meeting will be held on Friday 9/16. The goal of this meeting will be to develop the outline for the final proposal including budget and operational responsibility assignments, seminar format, potential site selections and an implementation agenda.

Advanced Network Development Conference

The 3rd Advanced Network Development Conference was tentatively scheduled for December. A meeting was held to evaluate the results of the LAN Man survey conducted in August. Based on the results and the fact that the tentative date was very close to COMDEX, it has been decided to cancel the event until a later date. The coordination for this event will likely be handled by Tracy Beiers.

If you are interested in the results of the LAN Man attendee survey, email danbo and I'll see that you get a copy.

Windows/286 and 386 Demo Scripts

The demo scripts and files for Windows/286 and Windows/386 have been completed and have gone to print and disk duplication. These are available from Heidi Johnson.

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September Action Items

Fall (September through December) action items include:

- Plan promotions for top 10 retail and OEM accounts
- Profitability analysis with COGs plan
- Product returns analysis
- Finalize G/A research project
- Understand all 3.0 product issues
- Obtain Corpcom communications plan for FY 89
- Hire Windows product marketing manager

Circulation

- | | |
|-------------------------------------|-------------------|
| Karen Abel | John Parkey |
| Rich Abel | Michel Perrin |
| Phil Barrett | Jeff Raikes |
| Tracy Belers | Franz Rau |
| Dan Belles | Pam Ratliff |
| Dan Bourgoin | Sherry Richardson |
| Chris Buecker | Claudia Riggs |
| Jeremy Butler | Don Robertson |
| Ida Cole | Mark Rolsing |
| Michael Cooper | Tamarah Rourke |
| Sharon Decker | Jeff Sanderson |
| Mike Delman (O&M) | Diane Schumacher |
| Chris Doerr | Jody Snodgrass |
| Jim Dunnigan | Charles Stevens |
| Pam Edstrom (Waggener) | Susan Sullivan |
| Richard Fade | Marty Taucher |
| Rob Glaser | Dennis Tillman |
| Mike Griffin | Dawn Trudeau |
| Janie Guill | Rick Tsang |
| Nancy Gullick | Mark Ursino |
| Charlotte Guyman | Vijay Vashee |
| Pete Higgins | David Vaskevitch |
| Kathryn Hinsch | Paul Verba |
| Richard Hobbs | Manny Vellon |
| Kristi Holappa | Rob Waton |
| Rob Horwitz | John Wang |
| Ron Hosogi | Renee Watrimez |
| Valerie Houtchens | Phil Watt |
| Paul Jacroux | Russ Werner |
| Lionel Job | Lisa Wilson |
| Gordon Johnson | Ariene Yanow |
| Heidi Johnson | Glenn Young |
| Randy Kahle | |
| Adrian King | |
| Laura Knapp | |
| Marla Knipher | |
| Reed Koch | |
| Chris Larson | |
| Jon Lazarus | |
| Lewis Levin (Microsoft - Sunnyvale) | |
| Deb Lewy | |
| Jeff Lum | |
| Marlea Lyons | |
| Rich Macintosh | |
| Mark Mackaman | |
| Paul Maritz | |
| Pascal Martin | |
| Jim Minervino | |
| John Morey | |
| Anne Morris | |
| Joseph Mouhanna | |
| Laura Muglia | |
| Cameron Myhrvold | |
| Suanne Nagata | |
| Mike Negrin | |
| Gabe Newell | |
| Scott Oki | |
| Bob O'Rear | |

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**Windows and DOS Development
August Status Report
Phil Barrett**

Windows 286 & 386 Rel 2.1D

Release 2.1D development work was completed in August. The product was release to Manufacturing Sept 6. A 2.1D release of the 386/XT version of Win386 was not released since i no bug fixes in 2.1D affected it.

Windows Rel 3.0

Windows 3.0 moved into high gear in August. The Windows 3.0 product plan was completed and presented to SteveB and BillG for review. The basic plan was well recieved with one major addition — Protected-Mode Windows. Thanks to some midnight efforts by DavidW and BobGu, a demonstration system was available to prove the feasibility of pW. This was very well recieved. More planning has been done and it appears that an end of July 1989 ship date is feasible.

A fair amount of progress was made in August. Drop shadows on menus and proportional system font are working. The keyboard driver reorganization was completed — this allows us more flexibility for supporting international keyboards. Windows 386 scheduler is working giving us the ability to boost the priority of the VM using the Keyboard providing for a much smoother response.

Interface/Tools

The Windows 2.1 SDK beta release was made in August. This was mostly to gain feedback on the suitability of CVW for general use. The feedback was quite positive so the product was released to manufacturing and is now shipping to customers.

Planning for the 3.0 SDK began in August with the specification of the work areas that will be focused on. External suppliers of tools are also being examined. Whitewater Group and Eikon Systems are two.

DOS

August saw the IBM release of DOS 4.0. August also saw the discovery by the press of DOS 4.0 bugs. Probably the biggest complaint is poor EMS support. This and several other problems have been corrected for the PC-DOS release. In addition, the maintenance release will have a reduction of the number of physical pages consumed by expanded memory usage. A Beta OEM release was made in August and the Packaged product release is planned for Sept. Progress on EMM386 was made in August with substantial progress made on both functionality and size. Plans are in place for a second round of improvements (most size) for the maintenance release.

August was a big month for DOS planning. Evaluation of the IBM Lifeboat (4.1) specification occured in August (and is ongoing). DOS plans were presented to BillG and we recieved the go-ahead to investigate Protected-Mode DOS. Initial planning started on a Retail Upgrade Package of DOS.

Recruiting & Personnel

Four offers were accepted in August making it a top month for recruiting. We recieved accepts from Clark Cyr (Tools), Guther Zieber (GDI/Drivers), Lalitha (Printer Drivers) and Sriram Rajagopalan (DOS). Thanks to Beth Davis and Susan Voeller for a top-notch job. The bad news, we are still 7 under our FY89 plan. We have also obtained a Waterloo Coop student and there is a possibility of a second. This will help out quite a bit. Current recruiting status:

Offers Out: Mike Morgan, Paul Klemmond
Offers Rejected: Eric Meyer (salary)

Headcount Plan:

Group	Current	FY89
Windows 286	14	15
Windows 386	5	5
HPC	1	4
DOS	5	8
CD-ROM	2	2
Group	1	1
Total	28	35

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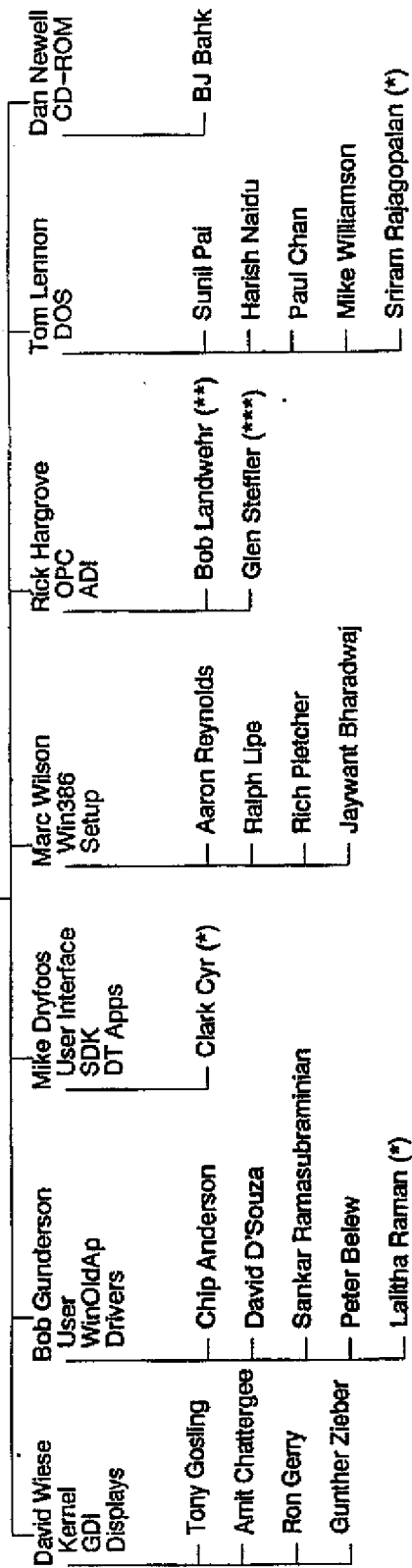
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Phil Barrett
Manager
Windows & DOS Development



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Notes:
* --- New Hire
** --- Contractor
*** --- Co-op Student

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9/12/88