

To: Joachim Kempin

From: Richard Fade *RF*

Date: April 22, 1991

Subject: March 1991 Domestic OEM Status Report

cc: John Jenkins, Ted Hannum, Mark Chestnut, George Downing, Kathleen Graves, Mike Murray, Paul Maritz, Steve Ballmer, Carl Stork, Bill Miller, Brad Silverberg

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REVENUE

Gross revenue for March was \$9.6M vs budget of \$1.9M, Q3 gross was \$55.1M vs budget of \$40.3M (137%), YTD Actual is \$134.6M vs \$113.8M (118%). Subtract \$3M for prepaid balance reserve, add back in \$1.3M we gained from the "GAAP" and Q3 net is \$53.4M. March high revenues included stronger than expected ship rates from several OEMs plus continued success selling OEM Mice (\$1.7M). We expect strong revenues to continue into Q4; non IBM revenue will top \$44M (perhaps more if we can ship Ballpoint units) the IBM "Windfall" continues yielding as much as \$12M for Q4, bringing Q4 revenue to \$56M. (See Comments on Revenue.)

NEW BUSINESS

Account	Product	Comments
Tandy	Windows 3.0 +MM Ext.	25K units per year
Tandy	MS CDX	low revenue
Packard Bell	MS-DOS 3.3,4.01 & 5.0	\$7.5M, Per Processor 2 Year license
AT&T	LM/UNIX Development	Co-dev agreement for LM/ UNIX
Northgate	DOS /Win/OS2	\$29/\$24/\$115, 3yr term, great license
Bezier Systems	Truelmage 1.X	\$75K due on signing
		\$250K source code charge
		\$1.1M min commitments
		\$55/ unit royalty rate
Computer Peripherals	Truetype rasterizer	\$20,000 IHV agreement
Liuski	MS-DOS	\$630K min commit
DAK	CD-ROM (stat pak, small bus)	1yr license, \$350K

NEWS

AT&T's Microsoft Technical Exhibition on March 6th with Billg went very well and helped to build rapport with the new Director of Client Systems.

GRID announced a 486-33 MPC system targeted for multimedia title developers.

Radio Shack announced the CDR-1000, the first CD ROM drive that meets the MPC specification and has a SRP of \$399.95. The drive has a 150k bps transfer rate and the drive does not require a plastic case (caddy) for the CD.

Tandy has opened a Multimedia Technology Center for the industry to use. The center is a resource for educational training in multimedia technology, assisting developers, and evaluating new multimedia products.

Everex announces Windows bundle on 386 systems and announces Super VGA Monitor with support for VESA.

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Bull announced to the press that they had lost \$1.2 billion on sales of \$6.3 billion. Bull announces further layoffs. ZDS impacted and lays off 300, a 10% headcount reduction. Nonetheless, engineering continues to hire.

ZDS hires Alan Soucy as VP of Strategy and Planning. He was formerly a high ranking manager in the PC group at Martin Marietta, a large ZDS customer. He is highly thought of in ZDS, is said to have been a vocal critic of ZDS product offerings and is also a strong Windows proponent.

3Com announced \$40.8 million 3rd quarter loss ships 3 servers capable of running NetWare 386

Commodore CDTV and 50 titles will be on store shelves by April 5 and will have a peripheral device for the Amiga that will play all of the titles written for CDTV.

NetFRAME considering a new marketing strategy to offer high-end, turnkey solution with optimal applications like databases or Lotus Notes.

Logitech announced their TrackMan Portable this month at the CeBIT '91 trade show in Hannover, Germany. The new Logitech clip-on mouse device for laptops closely resembles our BallPoint mouse offering and will make its U.S. debut early next month. The price tag will be approximately \$170 and it will be available in July.

Compaq announced their acquisition of 13 percent of Silicon Graphics, SGI, for \$135 million. Compaq is spending an additional \$50 million with SGI in development of ACE hardware. The SGI technology will help Compaq get a MIPS based system quickly as well as help Compaq with 3D graphics support.

AT&T places four directors on NCR Board. Negotiations continuing for AT&T buyout.

HP rethinks itself again and reorganizes after a good quarter. Frankenberg now in charge of PC business and Corvallis handheld division plus New Wave. Hackborn and Platt are being groomed for the successorship of the helm. The good quarter was the posted at a earnings jump of 18% (\$205 Million) helping the stock to rebound.

HP announces a new line of workstations based on the PA 90 RISC architecture with twice the Mips for half the price of most of their competitors. The reaction from the market has been outstanding with major orders coming almost immediately in the magnitudes of thousands of units per order.

HP unveiled the HP IIisi (We knew it as ELI) to a welcome market. It's a 17 PPM printer that connects to a LAN and is designed for heavy duty and to reduce per page costs. This is the first RISC based printer coming out of Boise.

Northgate is shipping a new PC called the Northgate AM386DX PC. This has Advanced Micro Device's 386DX CPU.

HP Corvallis will be announcing the HP 95LX Palmtop PC in NY on April 23rd. The palmtop will include Rom-Dos 3.22, Lotus 1-2-3 2.2, and wireless messaging from Motorola. MS Bradc and Sergiop will be attending as MS executives.

DG announced better-than-expected profit of \$12.4 million on \$311.7 million in revenue for 1st qtr FY 1991 to strong sales of Avion workstations and stabilization in the dropping sales of DG's proprietary MV Eclipse computers. DG's goal with the Avion RISC computers is to be a server company.

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ISSUES

Gateway 2000 is shipping a new custom color case for market differentiation. Continue to want custom mouse.

Several OEMs who purchase MS-DOS from far east OEMs are interested in pursuing a license with MS (ie. DAK, Zeos, Entertainment Mktg).

Tandon announces SPARC station at CeBIT for German market.

AT&T Pike patent still not resolved.

Tandy, Zenith and Wang are unhappy with our decision to not license the RUP uninstall technology.

CompuAdd Unhappy about Microsoft plans for Soundboard offering, Multimedia Council commitment of \$250k needs to be resolved.

Logitech substantially undercut Ballpoint on price to ZDS.

DEC Eclipse Project: Our fix to the network/Windows driver problem still being tested.

Intel: Has encountered Microsoft sales reps aggressively selling the DOS upgrade into their large accounts. This has created confusion and ill-will towards the OEM relationship.

Compaq Strategic Alliance: The release date for the toolkit has now slipped to May. We did receive a first draft of the toolkit last week. The toolkit needs to be reviewed and approved by NBU, PSS and systems marketing. Markbu has complete ownership of this. IBM approached Compaq directly with a very aggressive price for OS/2 2.0. IBM gave Compaq a bundled price of \$15 per system. Compaq will not do anything with this offer, but OEM sales should be careful about deals IBM might try to cut with other OEMs.

Compaq OS/2 UPBs: The Compaq auditors are still not pleased with Compaq's \$800,000 prepaid balance of OS/2. Mike Clark has asked for additional relief. Compaq's run rate of OS/2 is about 2,000 copies per quarter so it will take an additional year to run through their prepaids

Compaq/BallPoint Promotion: We are having production problems with BallPoint. ALPS is having some quality problems and is not achieving their 7500 BallPoint unit per week goal. All production is going to Compaq and we are constantly revising our build and sales orders to make sure that we satisfy Compaq requirements. It is confusing and tedious, because we build 4 different SKUs for Compaq and ship to 18 locations and has been a real pain for Chrisme. In addition, Compaq feels that the promotion will have a positive effect on their portable sales orders, which will require Compaq's BallPoint requirements to increase beyond their current 85,000 forecast..

NCR asks for increased MS cooperation on workgroup sales effort-- threaten to drop all efforts to market the workgroup.

NCR to "equally" feature Pen Windows and PenPoint at their June announcement.

Zeos is looking at Logitech for their future Mouse orders. They can purchase the Mice for \$12-\$13 versus the \$22.15 they are currently paying MS. Logitech will also put Zeos' logo on the Mice.

PP orders - There are now numerous customers that would like to purchase less than 30 units. The implementation of Geoged's one page distribution agreement will resolve this issue.

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General Common Issues

OS/2 packaged product - Received several calls again this month requesting OS/2 in low quantities (<100). Have referenced these customers to IBM, Compaq, and CompuAdd. MS needs a packaged product solution, especially in light of the packaged product LAN Man product.

Minimum PP DOS orders - Several prospective customers have indicated a desire to buy from MS at less than the current thirty(30) unit minimum. The implementation of a one page "quick" distribution agreement will be helpful in resolving this issue.

PEOPLE

March was fairly stable personnel wise. We continue to complete account turnovers in the New Business groups. Mike Oldham was hired for Northwest territory, we also decided to hire Gregan and will assign him to DEC in late May. The group now has 3 accounts which have more than one account manager assigned. Compaq: Peterbra full time, Markbu 1/2 time with Sun, UB/Tandem, HP; Larryed full time, Darcyr 1/2 time with DG, Citrix, DEC; Kellyw full time, Gregan will come on full time also and manage the DEC A1 project plus offload maternity leave accounts this summer. The group's effectiveness continues to improve as more account managers gain experience. In May we will do training for Strategic Selling for account managers and basic Sales Management for group managers.

COMMENTS ON REVENUE

March revenues were even stronger than expected. Q3's strength based on strong over budget performance from IBM (OS/2 and Windows "fat fees"), Unisys (\$920K mouse sales), AT&T (FAA contract pre pay), Gateway (\$902K in mouse sales, AST (Mouse and Windows promo \$552K), Dell (mouse sales of \$370K) and Everex whose new license resulted in over budget revenues of (DOS and Windows) of \$503K. Mice and Windows will keep us healthy in Q4 as well. I have yet to see any real weakness in the US OEMs, demand seems to continue to be steady, not really growing but not shrinking either. What is apparent is the VERY aggressive discounting of 386 class machines (SX and DX) has already begun, this will put pressure on our royalties later this summer. Recent negotiations with AST and Dell will result in new Window licenses with both. Both will offer "Windows systems" in very mainstream ways within their product lines.

FG-DOS

Our steady "20K" units per month trend continues. We have established a base of consistent, honest customers who provide this revenue each month. Our sales suffer tremendously from grey market OEM products and counterfeits. We are moving the larger of the FG licensees to royalty per systems licenses during Q4. More focussed attention is needed, I have grown weary of the time it has taken to decide to hire Jim Boyle (Mikehal, Frankga, Billn), we are gaining some of the negative qualities of a "large company".

	March Units	%	Q3 Units	%	FY91 Units	%	FY90
PP 3.3	2,854	15%	14,108	20%	52,935	27%	
PP 4.01(5 1/4)	12,311	57%	39,508	57%	106,603	55%	
PP 4.01 (3.5)	6,048	28%	16,231	23%	35,635	18%	
Units of PP	21,213	100%	69,847	100%	195,173	100%	207,116
Dollars of PP	\$1,075,640		\$3,560,054		\$9,934,991		\$10,655,754
Avg. Price	\$50.70		\$50.97		\$50.90		\$51.45

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LAPTOP WATCH

AT&T will announce a notebook laptop in March, 1991 called the Safari 386NSX. A slimline laptop will be announced in November. Pen-based maybe in Q2CY92.

Currently ALR has a 386sx 16-Mhz for \$2795 on the market bundled with DRI-DOS, which is manufactured by it's parent company Wearnes in Singapore. Richard and Melvin met with the CEO and Vice-President of ALR to explore the possibility to displace DRI. At present ALR will remain loyal to DRI with the current version of the LapTop, but expressed a serious interest in having the next version be a MS-DOS LapTop.

ZDS to announce five new portables at Comdex, three will feature Windows. Two of Zenith's new portables to be 486 based, will feature Isopoint devices.

Dell sub notebook slated for (11x7x1 1/4) in Q4'91

NCR to announce their notebook offering in May (OEM'ed product).

AST seriously underestimated the strong demand their notebook product would receive. AST has significant backorders which they don't expect to catch up to for many months. July is our guess.

Atari's notebook manufacturing group, Atari Microsystems, has not begun to spec out their new Portfolio II. Unless Atari buys a notebook product from someone else, they will not have a Intel based notebook product for at least six months.

Northgate has a great new notebook product available in small quantities. Northgate's 386sx, 20mg, 4MG notebook weight in at 6.5lbs and has the nicest notebook color screen resolution I have ever seen. This product should help Northgate compete against Zeos's notebook and will give them an advantage against Gateway 2000.

RISC WATCH

AT&T does not have plans to develop/OEM/market a RISC machine at this time. Current workstation plans are 486-based.

Tandy will contact Miller at MIPS to express Tandy's interest in joining Compaq and DEC.

ZDS has strong interest in developing a MIPS machine; this development is currently taking place at Bull. This may change now as ZDS will participate in Gibraltar.

NCR plans to respond to Sun and HP competitive threats by introducing a highly integrated 486 for the technical workstation marketplace.

Tandon announces Sparc station at CeBIT.

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DOS 5.0 WATCH

Status: P=Proposed N=Negotiation S=Signed N/A = Not Applicable
 Ship date is OAK + n days... I.e. 60, 30, etc
 DRI Threat is Y or N

<u>Account</u>	<u>Status</u>	<u>Close Date</u>	<u>Ship Date</u>	<u>DRI Threat?</u>
AT&T	S	4/91	6/91	N
Tandy	S	4/91	+30	N
PB	S	4/91	ASAP	N
ALR	N	Beta		Y
Everex	S	Jan.	30	N
SMS	S	Dec	30	N
Wyse	S	Feb	30	N
CompuAdd	S	7/90	+30	N
Wang	S	4/91	+30	N
ZDS	S		ASAP	N
Tandem	S			
Commodore	N	4/91	OAK + 90	N
Phoenix	S	12/90	30	N
Intel	S	12/90	30	N
Compaq	S	9/90	30 or less	N
Dell	S	4/91	30	N
Digital	P	5/91	When available	N
NCR	S	3/91	+ 60 days	N
Atari	N	4/91	+90	N
Momenta	N	4/91	+120	N
Tandon	S	4/91	+30	N
Northgate	S	2/91	+30	N
AST	S	3/91	60	N
HP	S	N/A	60	N
Memorex-Telex	S	1/91	60	N
Northgate	S	2/91	30	N
Data General	N	5/91	?	N
PC Craft	N	4/91	5/91	N
Bell Computer	N	4/91	5/91	N
Intermec	N	6/91	Mid 1992	N
Melard Tech	P	6/91	Late 1991	Y
NCR POS	S	6/91	Late 1991	N
NCR Financial	S	6/91	Late 1991	N
Telxon	P	6/91	1992	N
Positive	N	4/91		N
Win Labs	N	4/91		N
Sysorex	N	5/91		Y
Osicom	N	4/91		N
C3	N	4/91		N
Swan	N	5/91		?
Insignia	N	4/91	+60	N
TI	N	4/91	+60	N
Austin Comp.	N	4/91	+60	N
Tricord	N	4/91	+90	N
Unisys	N	4/91	TBD	N

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PRODUCT MARKETING FEEDBACK

LM/Unix

Per Pattye, Ronsi has done a great job negotiating LM/UNIX deal with AT&T.

LAN Manager

Need to have Netware vs. LM white paper.
AST is waiting to do seminars with MS.

DOS 5.0

Disclose the de-install feature for the MS RUP so that OEMs may duplicate the feature, but note the code Power management is needed now.
AST is reporting bugs with their bios and MS-DOS 5.0, Excel 3.0 and Lotus files.
Need separate ROM version kit as well as separate Flash Memory File System kit for embedded OEMs.

ROM-DOS 5.0

We need to improve the kit so that we do not lose another opportunity to DRI because of an inferior product. No spec yet.
Need to have key embedded OEMs review power management spec.

Ballpoint

Make available PS/2 version of Ballpoint ASAP.
Dell - need to do Ballpoint presentation to clarify product and pricing options.

Mouse

Zeos is switching to Logitech, Logitech offers them a 40% savings.

Flash Memory File Systems

Still not released officially so that we can license it to DataBook.

Pen Windows

Largely due to GO's activity in the market some OEMs are asking for Pen Windows before its expected delivery date due. Wanting to commit to MS platform but are concerned about delivery of product.

OS/2

Need outline of IBM supported OS/2 1.3x features.

ACCOUNT SUMMARIES

(As reported by Group and Account Managers)

Jenkins Account Team

AT&T (Patty Eastern)

LM/Unix agreement is signed!! The MS Technical Exhibition at AT&T Bell Labs went very well and Patty made significant progress in account penetration this month in the systems, laptop, multimedia and reseller groups of AT&T. AT&T agreed to continue its commitment to Multimedia and the \$250K contribution. I have qualified potential Ballpoint and Pen Windows business and am still working on the Windows apps promotion. DOS 5 and OS/2 1.31 are very close to closure as is the Windows Productivity Pack amendment.

Tandy (Ray DiCasparro)

Tandy and MS had a successful meeting regarding Tandy's plans for Windows. Tandy intends to bundle Windows with all PCs within the next two years. Tandy will introduce the first Windows in ROM PC in late Spring

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**MICROSOFT CORPORATION
DOMESTIC OEM REVENUE BY SALES TEAM, BY BUSINESS UNIT
FOR THE MONTH OF MARCH 1991
(in thousands)**

	DOWNING			GREENBERG'S			HEARNUM			GRAMBS			CHESBROUGH			OTHER			TOTALS								
	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%						
ROYALTY:																											
HARDWARE	0	0	N/A	0	0	N/A	2	0	N/A	0	0	N/A	48	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	50	0	N/A
LANGUAGES	3	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	4	0	N/A
NETWORKS	117	0	N/A	0	0	N/A	1,177	945	125%	99	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	1,393	945	147%
MULTIMEDIA	238	0	N/A	0	0	N/A	0	0	N/A	89	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	4,489	0	N/A
DOCS	1,512	0	N/A	2,085	0	N/A	1	0	N/A	0	0	N/A	0	0	N/A	1,001	0	N/A	0	0	N/A	0	0	N/A	172	0	N/A
OS/2	51	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	58	0	N/A	0	0	N/A	0	0	N/A	211	0	N/A
PRINTER SYS.	0	0	N/A	170	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	240	0	N/A
WIN	0	0	N/A	0	0	N/A	6	0	N/A	52	0	N/A	0	0	N/A	678	0	N/A	0	0	N/A	0	0	N/A	190	0	N/A
ANALYSIS	730	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	224	0	N/A
DATA ACCESS	194	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	735	0	N/A
ENTRY	224	0	N/A	0	0	N/A	0	0	N/A	3	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	171	0	N/A
GRAPHICS	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
OFFICE	172	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	186	0	N/A
OFFICE	191	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
OTHER	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
TOTAL	3,432	0	N/A	2,336	0	N/A	1,186	945	126%	243	0	N/A	1,785	0	N/A	-377	0	N/A	8,606	945	911%	-2,254	451	-500%			
OTHER:																											
UPB & HISC	-2,575	38	-6,723%	-206	575	-36%	361	-195	N/A	770	0	N/A	-1,896	33	-5,831%	1,292	0	N/A	-2,254	451	-500%	6,352	1,396	455%			
TOTAL	857	38	2,237%	2,130	575	370%	1,547	750	206%	1,013	0	N/A	-110	33	-339%	915	0	N/A	6,352	1,396	455%						
PACKAGED PRODUCT:																											
BOOKS	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
HARDWARE	0	0	N/A	0	0	N/A	404	0	N/A	111	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
LANGUAGES	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
NETWORKS	0	0	N/A	0	0	N/A	2	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
MULTIMEDIA	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
DOCS *	18	0	N/A	0	0	N/A	5	0	N/A	852	433	197%	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	1,384	460	501%
OS/2	0	0	N/A	0	0	N/A	10	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
WIN	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
ANALYSIS	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
DATA ACCESS	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
ENTRY	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
GRAPHICS	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
OFFICE	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
OFFICE	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
OTHER	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
APPS & OTHER	1,346	0	N/A	82	27	308%	429	33	1,285%	993	433	229%	345	25	1,382%	51	0	N/A	3,246	519	624%						
TOTAL	2,203	38	5,750%	2,213	602	368%	1,976	783	252%	2,006	433	463%	235	58	409%	966	0	N/A	9,598	1,914	501%						
GAAP ADJ.	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
OTHER ADJ.	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
TOTAL	2,203	38	5,750%	2,213	602	368%	1,976	783	252%	2,006	433	463%	235	58	409%	-737	0	N/A	7,896	1,914	412%						
GROSS VARIANCE	2,165	28%		1,611	21%		1,192	16%		1,572	20%		178	17%		966	0		7,484	1,914	100%						
NET VARIANCE	2,165	36%		1,611	27%		1,192	27%		1,572	26%		178	26%		-737	0		5,981	1,914	100%						

* INCLUDES BUNDLED PACKAGED PRODUCT MS-DOCS/WINDOWS OF \$304,000.00.
** INCLUDES IBM AND HISC.

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**MICROSOFT CORPORATION
DOMESTIC OEM REVENUE BY SALES TEAM, BY BUSINESS UNIT
YEAR-TO-DATE AS OF MARCH 31, 1991
(in thousands)**

ROYALTY:	DOWNING			TECHNICAL			HANNON			GRAVES			CHESTNUT			OTHER			TOTALS		
	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%	ACTUAL	PLAN	%
HARDWARE	0	0	N/A	660	250	265%	94	72	131%	26	0	N/A	200	19	1,075%	0	0	N/A	981	341	268%
LANGUAGES	152	102	150%	5	0	N/A	0	0	N/A	72	0	N/A	441	0	0	0	0	N/A	321	233	138%
NETWORKS	546	254	215%	1,259	220	572%	7,030	5,678	124%	260	131	198%	5	679	65%	2,093	1,200	174%	11,628	8,163	142%
MULTIMEDIA	297	0	N/A	0	0	N/A	0	0	N/A	357	0	N/A	14,016	12,922	108%	578	14	4,127%	59,544	56,675	105%
DOCS	7,026	5,324	127%	16,460	16,232	101%	18,747	15,801	119%	2,717	6,182	44%	864	1,009	86%	2,703	2,105	128%	5,653	5,999	101%
OS/2	244	158	155%	654	567	115%	1,187	1,761	67%	1	0	N/A	656	250	263%	87	0	N/A	1,103	250	441%
PRINTER SYS.	0	0	N/A	360	0	N/A	1,479	643	230%	0	0	N/A	2,588	1,396	185%	9	0	N/A	12,874	9,738	132%
VIN	3,032	3,512	86%	4,601	3,908	118%	1,165	278	419%	0	0	N/A	0	0	N/A	7	16	45%	980	1,241	79%
ANALYSIS	620	602	103%	329	624	53%	727	710	102%	21	0	N/A	0	0	N/A	23	0	N/A	1,139	1,263	92%
DATA ACCESS	359	553	65%	470	1,300	36%	213	260	82%	3	0	N/A	0	0	N/A	1,618	2,070	78%	2,341	3,675	64%
ENTRY	37	45	83%	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	281	379	74%
GRAPHICS	261	379	69%	0	0	N/A	0	0	N/A	0	0	N/A	1	14	6%	0	0	N/A	1,143	1,123	102%
OFFICE	293	602	49%	331	507	65%	0	0	N/A	0	0	N/A	0	0	N/A	440	407	108%	7,144	7,040	101%
XENIX	1	0	N/A	533	0	N/A	20	18	109%	6,151	6,615	93%	0	0	N/A	0	0	N/A	105,876	92,718	114%
TOTAL	12,869	11,730	110%	25,710	23,609	109%	29,162	24,577	119%	11,612	13,371	86%	18,771	16,289	115%	7,732	5,942	130%	109,494	97,379	112%
OTHER:																					
UPB & MISC	2,449	155	1,582%	-164	-390	N/A	-3,897	2,518	-155%	1,282	-17	N/A	2,441	1,510	162%	1,906	-2,116	N/A	3,617	1,662	216%
TOTAL	15,318	11,885	129%	25,547	23,219	110%	25,265	27,094	93%	12,894	13,354	95%	21,212	17,799	119%	9,239	3,828	241%	109,494	97,379	112%
PACKAGED PRODUCTS																					
BOOKS	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
HARDWARE	4,350	750	580%	2,739	450	564%	969	0	N/A	1,068	210	518%	2,646	0	N/A	16	0	N/A	11,608	1,410	823%
LANGUAGES	0	0	N/A	29	0	N/A	7	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	37	0	N/A
NETWORKS	4	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	11	0	N/A
MULTIMEDIA	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
DOCS *	5,746	5,059	114%	0	230	0%	74	58	127%	5,652	8,461	67%	0	0	N/A	58	0	N/A	11,530	13,808	84%
OS/2	85	0	N/A	27	0	N/A	67	0	N/A	45	0	N/A	323	0	N/A	88	0	N/A	803	465	171%
VIN	120	0	N/A	147	0	N/A	124	17	725%	0	0	N/A	0	225	0%	0	0	N/A	91	425	21%
ANALYSIS	0	0	N/A	81	0	N/A	10	200	5%	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
DATA ACCESS	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
ENTRY	0	0	N/A	0	0	N/A	-43	0	N/A	30	0	N/A	0	0	N/A	0	0	N/A	-13	0	N/A
GRAPHICS	0	0	N/A	21	0	N/A	10	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	21	0	N/A
OFFICE	0	0	N/A	71	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	81	284	29%
XENIX	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
APPS & OTHER	0	0	N/A	0	0	N/A	60	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	60	0	N/A
TOTAL	10,306	5,809	177%	2,916	680	429%	1,282	275	466%	6,816	5,954	76%	3,004	225	1,335%	868	486	179%	25,190	16,430	153%
GROSS REVENUE	25,624	17,694	145%	28,461	23,899	119%	26,566	27,369	97%	19,710	22,509	88%	24,216	18,024	134%	10,107	4,315	234%	134,684	113,809	118%
GAAP ADJ.	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	-3,500	0	N/A	-3,500	0	N/A
OTHER ADJ.	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A	-10,002	0	N/A	-10,002	0	N/A
NET REVENUE	25,624	17,694	145%	28,461	23,899	119%	26,566	27,369	97%	19,710	22,509	88%	24,216	18,024	134%	10,107	4,315	234%	121,182	113,809	106%
GROSS VARIANCE	7,930	381	208%	4,562	4,562	62%	-803	-803	-4%	-2,799	-2,799	-13%	6,192	6,192	30%	5,792	5,792	28%	20,875	20,875	100%
NET VARIANCE	7,930	108%		4,562	4,562	62%	-803	-803	-4%	-2,799	-2,799	-13%	6,192	6,192	30%	5,792	5,792	28%	20,875	20,875	100%

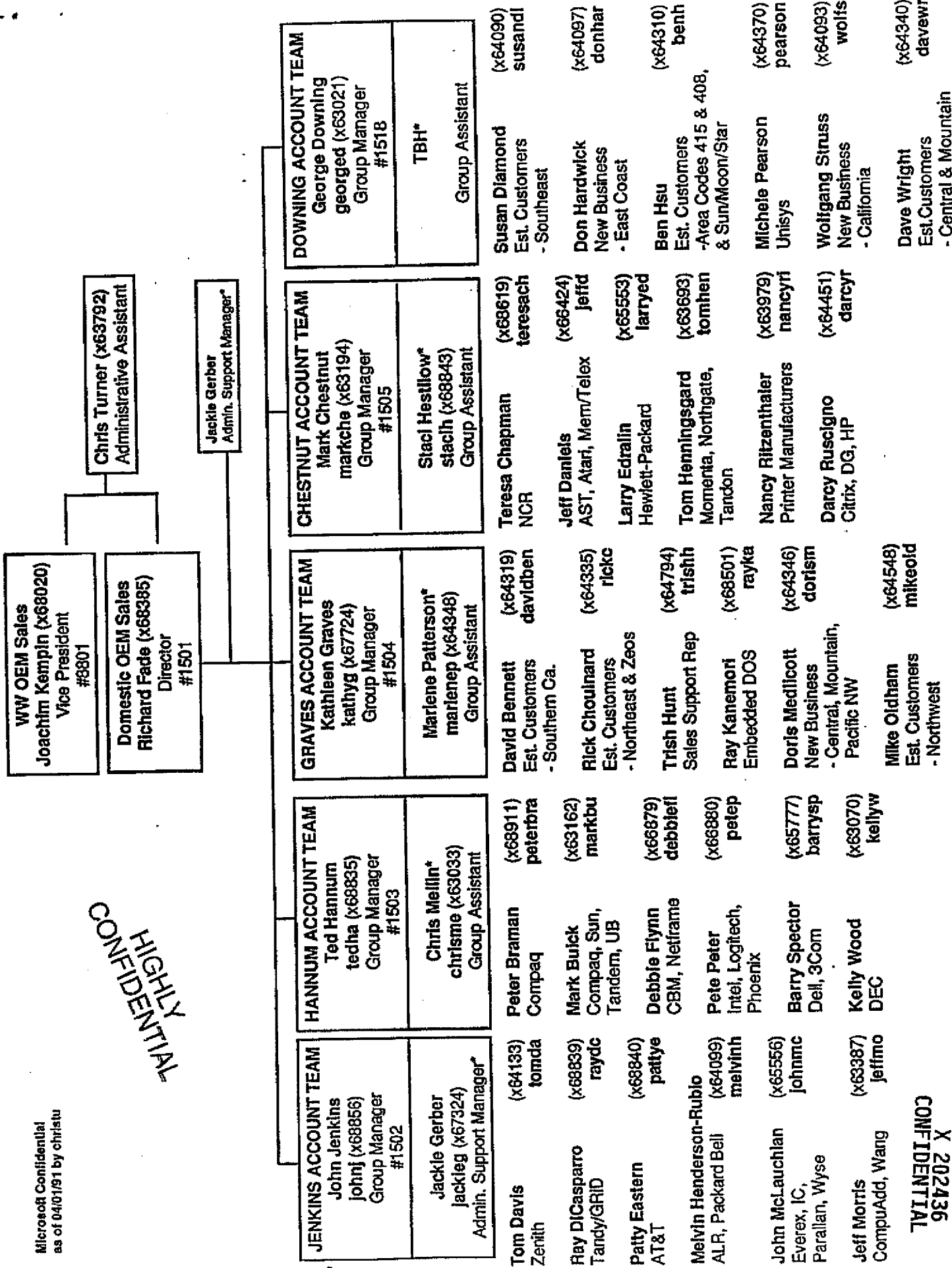
* INCLUDES BUNDLED PACKAGED PRODUCT MS-DOS/MS-DOS/MS-DOS OF \$1,437,595.00.
** INCLUDES IBM AND MISC.

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