

From: Christine Chang
Sent: Friday, February 09, 2001 8:54 AM
To: Tom Bailey; David Jaffe (OFFICE); Giovanni Mezgec; Lisa Gurry
Cc: John Vail; Joseph Krawczak
Subject: FW: Timeline

Here are the draft letters. Thx.

-----Original Message-----

From: David Lasky
Sent: Friday, February 09, 2001 8:47 AM
To: Christine Chang; Josh Kriesberg
Subject: RE: Timeline

Here are the current drafts that I circulated last night and this morning for review.



Office XP TG.doc



UA & TG Cover
Letter.doc

David Lasky

-----Original Message-----

From: Christine Chang
Sent: Friday, February 09, 2001 8:28 AM
To: Josh Kriesberg; David Lasky
Subject: FW: Timeline
Importance: High

Hi there - can you guys send over your latest draft of the customer letter asap? We are trying to pull together a quick briefing mail to the analysts. Thanks.

-----Original Message-----

From: Lisa Gurry
Sent: Friday, February 09, 2001 8:10 AM
To: Christine Chang; Joseph Krawczak; Tom Bailey; David Jaffe (OFFICE); Giovanni Mezgec
Cc: John Vail
Subject: RE: Timeline
Importance: High

It would be great to see the contents of the letter - even in draft form. Given that they are disclosing important information (removal of tech guarantee, push for UA licenses) to volume licensing customers, we will need to pre-brief analysts asap. With this short of a timeframe, our best hope is to send the analysts an email today, outlining the information customers will receive and offering to speak with them in more detail next week. This pushes our hand before we're really prepared with content, but we can probably pull it together.

One downside is that we're not verbally briefing them and Tom isn't here to leverage his relationships. It would be really difficult to get the key analysts on the phone for a quick meeting today (and it would make it look like we're really rushing this out the door - it would have been better to arrange these meetings in advance), plus I'm concerned we won't have the content we need since this pushes our timeline up 1 week.

Christine, could you ask Josh for the letter? I'll drop by to discuss content. Thanks!

Lisa

-----Original Message-----

From: Christine Chang
Sent: Thursday, February 08, 2001 6:37 PM
To: Joseph Krawczak; Tom Bailey; Lisa Gurry; David Jaffe (OFFICE)
Cc: John Vail
Subject: FW: Timeline
Importance: High

Plaintiff's Exhibit

9390

Comes V. Microsoft

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Plan of record is for the licensing team to send the CMO a customer ready letter **tomorrow** (described below) that they can send to VL customers. I spoke further with Josh about this, and he believes that it is likely that customers will receive this letter **by this Monday**. Josh will send me the email before it is finalized.

Tom/Lisa/David: how would you recommend we notify analysts of the contents of this letter?

Thanks.

-----Original Message-----

From: Josh Kriesberg
Sent: Thursday, February 08, 2001 6:27 PM
To: Christine Chang; Rebecca Lawson; Lisa Gurry; David Jaffe (OFFICE)
Subject: RE: Timeline
Importance: High

Billhe has already told GM's that the letter is going out this week. Joe and Kevinjo were also on the call, and Joe was cc'd on the email from Billhe. So I'm concerned that the train has left on this. You'd need to escalate this now with Joe to hold this back. I think we should try to drive sales now, and would prefer not to stall that process because of analyst briefings.

-----Original Message-----

From: Christine Chang
Sent: Thursday, February 08, 2001 6:17 PM
To: Josh Kriesberg; Rebecca Lawson; Lisa Gurry; David Jaffe (OFFICE)
Subject: RE: Timeline

We still need to notify Office analysts about these issues prior to the letter going out. When were you planning to send it out?

-----Original Message-----

From: Josh Kriesberg
Sent: Thursday, February 08, 2001 6:15 PM
To: Christine Chang; Rebecca Lawson; Lisa Gurry; David Jaffe (OFFICE)
Subject: RE: Timeline

The letter will not talk about the pricing changes, it will simply talk about the benefits of UA--e.g. the removal of TG, the fact that Office 95 will not qualify for OfficeXP VUPs.

-----Original Message-----

From: Christine Chang
Sent: Thursday, February 08, 2001 6:11 PM
To: Josh Kriesberg; Rebecca Lawson; Lisa Gurry; David Jaffe (OFFICE)
Subject: FW: Timeline
Importance: High

Josh - can you help clarify when you were planning to send out this letter to volume licensing customers?

Based on our conversation this AM, I was under the impression that we wouldn't be communicating pricing to customers until 3/1.

Thanks.
Christine

-----Original Message-----

From: Josh Kriesberg
Sent: Tuesday, February 06, 2001 9:20 AM
To: Bill Henningsgaard; Peter Cray; Joseph Krawczak; Kevin Johnson
Subject: Timeline

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Here's the timeline that we discussed on the con-call yesterday. Our group has an action item to create a licensing bulletin for the CMO to use in their letter of notification to customers. Office product team has an action item to ensure that OfficeXP prices move to the May 1 price list.

February: Notification of VL Customers on Office Price Changes, TG removal, recommendation for them to purchase UA.

Late Feb/Mar: - Train field on Office pricing changes & UA recommendation

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April: Detailed Training for Channel & Field on L/SC changes

April 15:--OfficeXP shipped on Select CDs

May 1:--OfficeXP on VL Price Lists

May 10: Announce L/SC--customers should "get current" by 10/1

October 1: VUPs & UA disappear; Customers should enroll in SC by 1/31 in order to participate in SC program. SC coverage back-dated to 10/1.

1/31/02: SC enrollment--to enroll current licenses bought prior to October 1---ends.

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**Upgrade Advantage & The Removal of Technology Guarantees
From Microsoft® Volume Licensing Programs**

Executive Summary

Upgrade Advantage (UA) is a license that is offered through the Microsoft® Open and Select volume license programs. It has a term of 24 months or until the end of the Open License Authorization Number or the Select Enrollment through which it is purchased; whichever of those comes first. During the term of the UA it allows you to "Get Current and Stay Current" for the product to which it applies. To be eligible to purchase UA for a specific product, you must have an existing license for that same type of product. So if you are currently running Office Standard version 4.2 you could buy Office Standard UA and be able to upgrade to Office 2000 Standard and be eligible for any new version of Office Standard that is released during the term of your UA.

Technology Guarantees

Technology Guarantees have traditionally been focused on our packaged product business to ease the burden on retailers who would have to return inventory on older versions of products after new versions are released. The Technology Guarantee allowed retailers to continue to sell previous versions of products while allowing consumers the right to receive the newly released version at no cost. As this is the true intent, Technology Guarantees will no longer be available in Microsoft's volume licensing programs. We will continue to offer Technology Guarantees to customers who have purchased their licenses through the at retail channel. For our volume licensing customers, we recommend that you purchase maintenance achieve the same results through Upgrade Advantage or Enterprise Agreements.

Q&A

QUESTION: Do I need to purchase a Version Upgrade to the current version of the product before I am able to purchase UA?

ANSWER: As long as you have an older version of the same edition of the product, you qualify to purchase UA. UA "Gets you current" from an old version to the current one and then "keeps you current" through the term of the UA. With UA, customers using older versions may advance any number of upgrades to use the most current product commercially available. For example, if customers are using Office 95, they are entitled to advance past Office 97 and Office 2000 to use Office XP if that product is commercially available during the term of their agreement or authorization number. These customers also benefit by having up to two years of upgrade protection if future versions are released during the term of their UA.

QUESTION: If I have Office 95 Standard can I just purchase Office Professional UA and get to Office XP Pro?

ANSWER: UA has to match the product you have and will only get you new versions of that type of product. So if you have Office Standard you are only able to buy Office Standard UA and will only be eligible for new versions of Office Standard. If you want to move to Office Professional from Office Standard you would need to buy the proper upgrade product. Consult the Volume License Product List for the proper products that would qualify you for this type of upgrade.

QUESTION: I know that we will want to deploy Office XP and future releases of Office later, but we need to keep Office 97 on our desktops right now. Do we have to deploy the upgrade now if we buy Office UA today?

ANSWER: UA grants you the rights to the most current version released during the term of the UA, but when and how you deploy that new version are entirely up to you. At the expiration of the UA term you have the rights to the most current version of the covered product. That is a perpetual license and can be installed at any time, even after the UA term has expired.

QUESTION: I have a Select 4.1 enrollment that ends on 10/31/01. If I buy UA through my existing Select enrollment today is that UA good for 24 months (i.e.: past the end of the term of my enrollment)?

ANSWER: UA and its benefits expire with the end of the Open authorization number or Select enrollment under which it was purchased. If you were to buy UA today, the "get current, stay current" features would end on 10/31/01 with the expiration of your current Select enrollment. An option would be to start a new Select 5.0 agreement with the UA purchase. If that purchase meets the initial level requirements you may also qualify for an additional upfront discount

Question: All my Office 97 licenses are OEM versions that came with the machine. Can I purchase UA for products that were not purchased through a volume license program?

Answer: Yes, UA is only available through Select and Open licensing, but the underlying license could have been purchased through retail, OEM, Select, Open License, or an Enterprise Agreement.

Notes

Microsoft does not proactively notify Upgrade Advantage customers when new product versions are released nor does it guarantee future product upgrades or feature set enhancements.

More Information

For more information, see the UA Licensing Brief at
<http://www.microsoft.com/business/licensing>

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Microsoft

Microsoft Corporation Tel 425 882 8080
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Microsoft

Dear <Customer Name or Company>

With the many inquiries about the next version of Office and its release date, we are notifying our customers that we will release the next version later this summer with the name Office XP. If you are an Office user interested in staying current with the latest technology and productivity enhancements offered in this next release while challenged by budgetary constraints, then the Microsoft Upgrade Advantage (UA) license is the solution.

UA is a licensing option offered through the Microsoft Open and Select licensing programs. During the two year term of UA, the program allows you to "Get Current and Stay Current" for the product to which it applies. To be eligible to purchase UA for a specific product, you must have an existing license for the same type of product. For example, if you are currently running Office 97 Professional, you could purchase Office Professional Upgrade Advantage and be able to upgrade to Office XP Professional and also be eligible for any new versions of Office Professional that may be released during the term of your Select License agreement or Open License authorization number.

We encourage anyone who is thinking of upgrading to Office XP to consider the UA program. UA saves you money by helping to reduce administrative, training and support costs by providing an effective means of version standardization for your corporation. UA is also a great way to acquire and be entitled to run future software releases. The two-year UA license allows you to plan for fiscal year spending to acquire the next version of Office.

If you are interested in more information about the Microsoft Upgrade Advantage program, please contact (xxxxx CAS Rep) or your preferred reseller.

Sincerely,

District GM
Contact email/phone number