

From: Nick Vicars-Harris
Sent: Monday, February 19, 2001 9:32 AM
To: Kurt Buecheler
Cc: Brad Brunell
Subject: RE: your vmail re Sonic Foundry

i guess the bottom line is finance, either direct or indirect through visible increases in revenue. since i've been at ms such a short time, it's good to see my thinking is in line with bus. dev. :)

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

From: Kurt Buecheler
Sent: Monday, February 19, 2001 7:53 AM
To: Nick Vicars-Harris
Cc: Brad Brunell
Subject: RE: your vmail re Sonic Foundry
Importance: High

First question, what do they want from us? (that said, I agree with your assessment)

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

From: Nick Vicars-Harris
Sent: Friday, February 16, 2001 6:21 PM
To: Kurt Buecheler
Cc: Brad Brunell
Subject: RE: your vmail re Sonic Foundry

Brad and I are synchronized. I'll give you my 2c worth on the basis that what shakes out is useful.

Longer term, the value to MS in developing UI based applications as opposed to an SDK is almost zero. The only caveat to this is the Server and it's SDK which along with codecs is key to strategy. The remaining applications we should support through the unified SDK program of work that is ongoing. What we end up delivering is the underlying architecture (and then platform dependencies) that serve our customers needs. The Encoder is my first attempt at looking at the problem, and Brad and I touched base more than once on this issue - maybe Sonic are not the right partner, Media 100 maybe a better choice - what I would like to progress is having 1+ ISV's compete with our Encoder team - if nothing else we will have a better product. To do this we need to create an agreement to deliver a free WM only tool (with up sell if relevant) that enables live encoding of WM out to the internet. We need to do this asap, and deliver v8 codecs and their newer features. Offline encoding is already covered by others (Media 100 etc.) and I believe Will's point about removing these offline features from our encoder was taken on board by Platform. What we never want to do is compete with our ISV's in the tool market?

This is a set of high level goals that perhaps I am not qualified to drive, but Amir, for the time being seems confident in the approach.

1

Plaintiff's Exhibit

9403

Comes V. Microsoft

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It's good getting your feedback on these thoughts.

Nick

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

From: Kurt Buecheler
Sent: Thursday, February 15, 2001 5:36 PM
To: Nick Vicars-Harris
Subject: RE: your vmail re Sonic Foundry
Importance: High

On #2, I have little faith in Remus for any loyalty and am thus hesitant to make a bet on them. He is not a partnership oriented person in my opinion/experience.

That said, we do need tools. You are closest to the specific need and the value to MSFT. Any insights? Bradbr has been involved yes?

Kurtb

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

From: Nick Vicars-Harris
Sent: Thursday, February 15, 2001 10:29 AM
To: Kurt Buecheler
Subject: RE: your vmail re Sonic Foundry

1. I agree and am progressing.
2. How is this relevant to my comments?

The direction Real take should be the opposite to ours when it comes to ISV's - unless we go into the tools business? I suspect we won't and that what we should concentrate on is creating tools that do the best for the platform with as little overhead as possible for MS but with a delivery time that meets market demands. Our platform does not currently meet any of these objectives with the exception of the server and the codecs (inc. wmpak). Brad and I have spoken about partnering in whatever way is suitable to have ISV's produce Live Encoding solutions. Terran are part way there, and Sonic are a second option - I would like to see, and I speak for Amir here also, our ISV's build our Encoder and offer these for free to our customers, pro. prosumer and consumer based tools.

I know Amir has spoke with Will on this subject and Brad and I have since synchronized to make some progress. Simply put, we spec. a live encoder, and ask, bribe or pay ISV's to go build this tool for us.

nick

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

From: Kurt Buecheler
Sent: Thursday, February 15, 2001 10:20 AM
To: Nick Vicars-Harris
Subject: RE: your vmail re Sonic Foundry
Importance: High

But the issues are not "a deal" Issues are based on:

- 1) technical concerns
- 2) we have not cow-towed to their egos (market correction has been an ego correction)

What deal do you have in mind? What needs to be done?

Kurt

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

From: Nick Vicars-Harris
Sent: Wednesday, February 14, 2001 5:27 PM
To: Will Poole; Kurt Buecheler
Subject: RE: your vmail re Sonic Foundry

Will /Kurt,

FYI, I have visited Sonic 4 times in the last few months to try and grow our relationship there, we did a poor job (according to them) in the past. They currently will not source Windows media files until we deliver a new SDK that improves performance (these features I have driven into Zeus). We are also evaluating opportunities in a technical way with a possible release of wmpak on win32 platform. We have also asked them to look at some other projects and see what value we can bring to the table. They would be interested in Biz. Dev. deals since Curtis was quite frank two weeks ago about finance - they laid off, as you know, and fixed spending well below planned level for the coming year, they are dropping out of trade shows for almost the entire year.

Strategically, a partnership or bus dev. deal with Sonic would work well for us all.

nick

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

From: Will Poole
Sent: Wednesday, February 14, 2001 5:16 PM
To: 'david enzer'; Kurt Buecheler
Cc: Nick Vicars-Harris
Subject: RE: your vmail re Sonic Foundry

Got it. Kurt is director of bizdev and can point you to the manager who's been working with them in the past.

Regards,

Will

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

From: david enzer [mailto:denzer@earthlink.net]
Sent: Wednesday, February 14, 2001 4:23 PM
To: Will Poole
Subject: Re: your vmail

sonic is interested in broadening their strategic relationships given some of their movement into digital media solutions and infrastructure. content management is also an effort, and they have some traction there as well. A stronger relation w MSFT is a great fit.
regards
david enzer

Will Poole wrote:

David, thanks for getting in touch. Could you be more specific on what you want to discuss? Then I'll figure out how to best address things.

Will