

**PLAINTIFF'S  
EXHIBIT**  
3112  
Comes v. Microsoft

From: Bill Gates  
Sent: Monday, August 14, 2000 2:17 PM  
To: Steve Ballmer, Brian Valentine  
Subject: FW: Intel

FYI...

—Original Message—

From: Joachim Kempia  
Sent: Monday, August 14, 2000 1:57 PM  
To: Bill Gates  
Cc: Mika Porter, Carl Stork  
Subject: Intel

I have been trying to gather some background info. The more I dig in it becomes clear that Intel is connecting with all the UNIX groups inside the large OEMs who are not MS friendly in the first place and are encouraging them to go to Linux- which they call a unified UNIX(which seems stupid even to me) they throw promotional funds at them to develop new devices based on this OS and are encouraging them to work by asking the OEMs to adopt their own apps(middle ware) and encourage some of their key ISVs to do so. Some of the money is INTEL inside money- the just go beyond the normal rates or quality Linux adds under the same scheme.

Some OEMs are telling me that the total outlay for Intel is between 100-200 M\$ year- but there is no hard data for the total amount. Siemens told me they were offered 5-6MS for this 6 month ago and I know that they funded a netdevice in NEC and made approx. 10MS available.

I have been sending for some time mail with this info and mentioned it during our exec retreat. The hard part is the answer- in one way we are married to them on the other hand they are destroying the basis for the marriage. To play this the hard way would prob cause more damage than we need and get more attention than we need. On the OEM side I am thinking of putting hitting the OEM harder than in the past with anti Linux actions, in addition I will stop any go-to-market activities with Intel and only work with their competitors ( something which is easy to do because they normally put crazy demands on us). For the rest of the company this is harder. I have been complaining that we have no real Linux watch-dog group in MS, a lot of people have some ideas and actions around this but nobody is really responsible- I will establish this for OEM, may be we should do it for the company as well. I do not think you can do more than explaining what that Linux is bad for Intel, let's leave it there and do as they do- work underground with the clear understanding to promote and advantage the guys with less market share without declaring this our strategy. I would further try to restrict source code deliveries where possible and be less gracious when interpreting agreements- again without being obvious about it. The last thing we need need is them shutting us down- so this will have to be a delicate dance. But openness with them and sharing our real plans should not longer being done- they are not doing it either.

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