From: Chad Gibson
Sent: Monday, May 05, 2003 2:46 PM
To: Troy Batterberry
Subject: FW: Longhorn and Service - Entertainment
Attachments: FW: Apple's Jobs again... and time to have a great Windows download service...; RE: Apple's music store

Can we discuss this, I'd like to participate since I've worked on all different sides of the fence on this (services, platform, etc.).

From: Hadi Partovi
Sent: Monday, May 05, 2003 1:09 PM
To: Chad Gibson
Subject: FW: Longhorn and Service - Entertainment

brent suggested you should be part of the alias and mtgs I'm setting up for this. If you want to be, pls email jenmck

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From: Hadi Partovi
Sent: Monday, May 05, 2003 1:03 PM
To: Mike Beckerman; John Martin; Linda Averett; Oliver Roup; Kenneth Goto; Geoff Harris; Tony Chor; Craig Beilinson; Gary Schare; Christina Calio; Dean Hachamovitch; Jeremy Hinman; David Kaill; Brent Ingraham; Hillel Cooperman; Piero Sierra; Brian Crites
Cc: Jennifer McKibbin

I've attached 2 emails to hilight exec thinking on LH/service integration esp in Entertainment.

In general bill + steve want msn and windows to work together to make our client-side software and server-side services work really great together, to deliver end-end integrated experiences, and to enable scenarios that drive consumers to pay us additional recurring $ for software value.

ChrisJo specifically guided us to *first design the ideal integrated consumer experience*, and then afterwards figure out balancing business priorities vis-a-vis partners, branding, and making sure we're doing the right thing for the windows ecosystem. Chris also specifically asked that we itemize our collective business priorities in this area, and he suggested we make the first priority great consumer experience in consuming (finding, buying, downloading, streaming) digital media. (I asked CCalio to put together a list of non-consumer priorities - ie partnerships)

We need to quickly (4 wks) complete a plan in the area of Entertainment (I'm scoping this as music, movies, tv shows). JeremyHi is driving the pre-LH plan for shipping stuff this fall and next spring, but we need enough of a LH plan at the same time so we know that we're on the same trajectory.

JenMck will set up an alias "LHENT" as well as a 2 hr mtg this week to talk about plans for this.

If you want to be part of the longhorn timeframe planning on this, email jenmck to get added to the alias. (if you want to be involved in the pre-LH planning, email jeremyhi)

3/1/2005

Plaintiff's Exhibit

7219

Comes V. Microsoft

From: Mike Beckerman
Sent: Friday, May 02, 2003 8:27 PM
To: Hadi Partovi; John Martin; Linda Averett; Oliver Roup; Kenneth Goto; Geoff Harris; Tony Chor; Craig Beilinson; Gary Schare; Christina Calio; Dean Hachamovitch; Jeremy Hinman; David Kaill; Brent Ingraham; Hillel Cooperman; Piero Sierra; Brian Crites
Importance: High

Some questions

1. What do shared MSN / Windows biz policies look like?
2. What redundencies do we see, assuming #1?
3. Who builds/sells/markets what?
4. What are our objectives for UX, MSN & Windows businesses, and other ICPs?
5. Based on #4, what guidelines fall out?
6. How do we best proceed to make traction on both the LH "Service" vision and the pre-LH opportunities?

Comments:

- Hillel: Would like to be sure that Windows has input into the selection and prioritization of services that are exposed in LH as "Service"
- Need teams and schedules
    - LH "Service" (MikeBeck / HadiP for now)
    - Pre-LH (JeremyHi)
    - LH Entertainment (Hadi)
    - Team deliverables
        - Answer #1 - #5 (priority is #4)
        - Team leads need to get teams together 2 times before next Friday's sync-up
        - Everyone that wants to be involved on a given team and/or knows of someone else that should, should send mail to the team lead ASAP with names

        Actions:

        - MikeBeck. set up weekly sync-up meeting through end of May
        - MikeBeck: set up ChrisJo / CPayne / AmirM "blockers" meeting for 2 weeks from now
        - HadiP: Send out overall-goals mail, with BillG and other relevant background threads attached

3/1/2005

From: Christopher Payne
Sent: Wednesday, April 30, 2003 10:52 PM
To: Hadi Partovi
Subject: FW: Apple's Jobs again... and time to have a great Windows download service...

FYI.

Thanks,
Christopher

        Original Message ----

From: Bill Gates

Sent: Wed 4/30/2003 10:46 PM

To: Amir Majidimehr; Dave Fester

Cc: Will Poole; Christopher Payne; Yusuf Mehdi; David Cole; Hank Vigil

Subject: Apple's Jobs again... and time to have a great Windows download service...

Steve Jobs ability to focus in on a few things that count, get people who get user
interface right and market things as revolutionary are amazing things.

This time somehow he has applied his talents in getting a better licensing deal than
anyone else has gotten for music.

This is very strange to me. The music companies own operations offer a service that is
truly unfriendly to the user and has been reviewed that way consistently.

Somehow they decide to give Apple the ability to do something pretty good.

I remember discussing EMusic and us saying that model was better than subscription because
you would know what you are getting.

With the subscription who can promise you that the cool new stuff you want (or old stuff)
will be there?

I am not saying this strangeness means we messed up - at least if we did so did Real and
Pressplay and Musicnet and basically everyone else.

1

Now that Jobs has done it we need to move fast to get something where the UI and Rights are as good.

I am not sure whether we should do this through one of these JVs or not. I am not sure what the problems are.

However I think we need some plan to prove that even though Jobs has us a bit flat footed again we move quick and both match and do stuff better.

I'm sure people have a lot of thoughts on this. If the plan is clear no meeting is needed. I want to make sure we are coordinated between Windows DMD, MSN and other groups.

From: Chris Jones (WINDOWS)

Sent: Thursday, May 01, 2003 3:23 PM

To: David Cole, Jim Allchin, Amir Majidimehr; Will Poole

Cc: Christopher Payne; Hadi Partovi

Subject: RE: Apple's music store

I agree with David that there are two issues:
=> First, how do we get a great client/service experience across Windows/MSN for music that consumers love. We'll talk about that on Friday.
=> Second, how do we make sure that we deliver the client/service solutions end to end the next time there is an opportunity? Both teams on both sides wanted to have this come together, but it takes Apple to make the move for us to break through the communication issues to get something done. David, I know that you/Will have exchanged mail about this and I am excited to spend time on it. I think that there is a big opportunity in storage, IM, email, etc and we should get it done.

– Chris

From: David Cole
Sent: Wednesday, April 30, 2003 6:30 PM
To: Jim Allchin; Amir Majidimehr; Chris Jones (WINDOWS); Will Poole
Cc: Christopher Payne; Hadi Partovi

I am assuming they went along because of the 70 cents per song is better than zero, even for the smaller Mac market. When Apple brings this to Windows (I assume they won't make the mistake of not bring it to Windows, we will really be smoked.)

We (MSN + Windows) need to bring this kind of solution to market. We need a super nice client/services experience to do this. That will require focus and goal alignment around an end-to-end service which delivers direct user value, something we don't have today. It happened with .MAC around communications and storage, music should not have surprised us. Unless both teams align goals differently, it will continue to happen.

---- Original Message ----
From: Jim Allchin
Sent: Wednesday, April 30, 2003 4:58 PM
To: Amir Majidimehr; Chris Jones (WINDOWS); Will Poole; David Cole
Subject: Apple's music store

1. How did they get the music companies to go along?

2. We were smoked.

jim

3/1/2005