From: Ken Glass
Sent: Thursday, April 09, 1998 9:31 AM
To: OEM Personnel Sales Communication; OEM Personnel Sales Communication - Intl.
Subject: NEW OEM - Windows 98 / IE4 Channel Bar Default Display Option

Importance: High

MS CONFIDENTIAL - TO BE SHARED VERBALLY ONLY UNDER NDA NO SOONER THAN 10:00 AM PDT.

SUMMARY:

Today, we announced that OEMs will have the option to either enable or disable the default display of the desktop Channel Bar in new systems that are based on Windows 98 with Internet Explorer 4 technology. This change:

- Applies to Windows 98 systems only - **NOT** to Windows 95 systems
- Does not delay Windows 98 shipment.
- Requires no new amendment required.

DETAILS:

- Simultaneously, Microsoft is amending ICP agreements to eliminate certain promotional or distribution preferences. We are making this announcement to set aside any lingering questions regarding the entirely legal business relationships between Microsoft and our ICPs and ISPs. A similar ISP announcement was made last month.
- The next version of Internet Explorer technology will simplify the user interface to streamline access to frequently used web sites. It will combine "channels" and "favorites" and not include the Channel Bar. However, Active Channel technology is fully supported. These changes result from massive usability testing and feedback from current Windows 95 users who are running the version 4.0 level of functionality of Internet Explorer technologies.
- We are giving this new choice to OEMs to give them the ability to closer match future Internet Explorer technology within the initial Windows 98 availability timeframe.
- OEMs investment and commitment to Active Channel development will be protected and users who like the Channel Bar will be able to continue to use it.
- Regardless of whether an OEM enables or disables the Channel Bar on the default desktop , Windows 98 will ship with premier ICP Active Channel content and these channels will be available from within the IE interface via the "channels" button.

ACTION:

- **PHONE ONLY - DO NOT FORWARD THIS EMAIL. Do not call until 10:00 AM Pacific Time, April 9, 1998.** This timing is critical to coincide with our informing ICPs.
- Inform your account(s) on a **confidential** basis that they will have the choice to either enable or disable the desktop Channel Bar in new systems that are based on Windows 98 with Internet Explorer 4 technology.
- Let Ken Glass (mailto:kenglass) know if your account is willing to take press calls saying that they are happy with this change and their overall relationship with Microsoft.

Q&A (I'm sure there will be more)

- Can OEMs turn off the Channel Bar for Windows 95 shipments?
  - No. This announcement applies only to Windows 98.
- Does this delay Windows 98?
  - No.
- Are new amendments required for this change?
  - No.
- Is this all about trying to avoid an Antritrust suit?
  - No. This is about improving the customer experience and responding to customer requests.

GOVERNMENT EXHIBIT 231

QUESTIONS

Ken Glass or Kurt Kolb.