From: Bob Visse
Sent: Tuesday, October 14, 1997 11:51 AM
To: Bill Koszewski; Mauricio Gonzalez de la Fuente; IE Partners Extended Team; Nancy Ritzenthaler
Cc: Christopher Lye; Lora Shiner
Subject: Re: Netscape: (WSJ) AOL Are Expected to Launch A New Alliance in Messaging Services

One problem with telling IE4 users to go to IE4 now is that it screws up the AOL experience: I downloaded the new AOL client with the IE chrome and IE4 on the same machine. I can use the IE4 client, but it will not allow me to use the AOL imbedded IE (control) client for Internet Access.

Chris Lye also told me he had similar problems with this. In fact, Chris is warning AOL users not to download IE4 on his contest web site. If Nav 4 is working well with AOL this could be a real problem for us.

-----Original Message-----
From: Bill Koszewski < billk@MICROSOFT.com <mailto:billk@MICROSOFT.com>>
To: Mauricio Gonzalez de la Fuente < maurigo@microsoft.com <mailto:maurigo@microsoft.com>>; IE Partners Extended Team < iepet@microsoft.com <mailto:iepet@microsoft.com>>; Nancy Ritzenthaler < nancyri@microsoft.com <mailto:nancyri@microsoft.com>>
Date: Tuesday, October 14, 1997 11:19 AM
Subject: RE: Netscape: (WSJ) AOL Are Expected to Launch A New Alliance in Messaging Services

Do we have any idea how long it will take AOL and Netscape to implement this? Based on our experience with them, my guess is "a long time." If it turns out to be a short time, then we really worry. If no action comes of this announcement, we should continue to tell users "go to IE4 now and get these features now" -- work the delay to our advantage.

-----Original Message-----
From: Mauricio Gonzalez de la Fuente
Sent: Tuesday, October 14, 1997 11:05 AM
To: Bill Koszewski; IE Partners Extended Team; Nancy Ritzenthaler
Subject: RE: Netscape: (WSJ) AOL Are Expected to Launch A New Alliance in Messaging Services

Any AOL/Netscape visibility is not good for us in general terms. Buddy lists are an open door for Netscape into the AOL user base. The ideal scenario would be one in which contacting Mom, Dad or friends through buddy lists would require IE. Bill is correct, net/net IE is in the same shape within AOL (default and only being distributed).

-----Original Message-----
From: Bill Koszewski
Sent: Tuesday, October 14, 1997 10:29 AM
To: IE Partners Extended Team; Nancy Ritzenthaler
Cc: Mauricio Gonzalez de la Fuente
Subject: FW: Netscape: (WSJ) AOL Are Expected to Launch A New Alliance in Messaging Services

OK, nothing major here. This does not involve email. AOL/NS have announced two things:

1. AOL is going to do content for Netcaster.
2. AOL is going to provide a "buddy list" for Navigator users.

Neither of these should be seen as overly threatening to IE. AOL is just hedging their bets, trying to cover as many bases as they can.

On point (1), AOL is also developing content for IE4. Their content is already shipping, while this announcement with Netscape is just that -- an announcement. AOL is in part a content company, and part of being a successful content company is getting your stuff visible to as many eyeballs as possible. No big surprise here. It will actually be interesting to see whether the IE or the Netcaster content looks better...

On point (2), AOL users have had this capability for awhile as part of the AOL client, which includes IE as browser. So AOL is "catching up" the Navigator client to the same functionality IE users have had. If you

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want buddy lists today, use the AOL client with IE in it.

Clearly, we would have preferred that AOL not contribute this momentum to our competitors. However, AOL are after their own best interests, and we all know that they never let relationships stand in the way of that. Net/net, IE is no less advantaged with AOL today than we were yesterday. We're still their default client, new AOL users still get IE, old AOL users still get upgraded to IE.

Mauricio, what are your thoughts?

—Original Message—
From: Library News Service
Sent: Tuesday, October 14, 1997 8:24 AM
To: Daily Newswire Subscribers
Subject: Netscape: (WSJ) AOL Are Expected to Launch A New Alliance in Messaging Services

Netscape, AOL Are Expected to Launch A New Alliance in Messaging Services

By Don Clark The Wall Street Journal 10/14/97

Netscape Communications Corp. and America Online Inc. are expected today to announce a new alliance in messaging services, the first rapprochement between the companies since AOL jilted Netscape in a deal with Microsoft Corp. last year.

The two companies will launch a jointly branded service that will tell users of Netscape's World Wide Web software when friends or associates are on line, and make it possible to start a dialogue with them by sending them messages that quickly pop up on their computer screens. The instant messaging capability is already available to AOL's nine million members, but the agreement will allow them set up the new connections with Netscape users and vice versa.

In addition, AOL agreed to supply information as part of Netscape's initiative to deliver information to personal-computer users through a product called Netcaster. Netscape is in a fierce competition with Microsoft to set standards for the emerging technology dubbed push, and AOL recently signed a similar deal to appear on the opening screen of Microsoft's competing browser.

The deal is the latest evidence of the fluid allegiances between technology companies, especially on the Internet. AOL, once a vocal critic of Microsoft's moves to start a competing on-line service, jolted Netscape in March 1996 by choosing Microsoft's browser software over Netscape to offer to AOL customers. That pact was the biggest in a series of reversals by Netscape in the consumer market, and the company gradually shifted its focus to emphasize corporate customers.

Analysts suggested that AOL seems determined to hedge its bets, while seeking ways to popularize its service among Netscape's business customers. "There are places where all of us are collaborators and competitors," said Bob Pittman, president in charge of AOL's networks division.

Mike Homer, Netscape's executive vice president of sales and marketing, said the deal also helps Netscape build an audience for Netcenter, a portion of the company's popular Web site that it is trying to restyle as something of an on-line service. The new messaging service may be accessed from a portion of Netcenter, he said. Netscape and AOL will share revenue from selling advertisements

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that will appear on pop-up messages that are displayed on PC users' screens, Mr. Homer said.

Gene DeRose, chief executive officer of the market research firm Jupiter Communications, said the deal illustrates Netscape's determination to reinvigorate an attention to the consumer market, which it was "thumbing its nose at" for two years. It also illustrates the growing clout that AOL's large audience gives the company in cutting attractive deals with partners.

"For AOL to be viewed as an independent entity it is going to have to" make deals with a variety of companies, added Allen Weiner, an analyst at Dataquest Inc. "AOL is a strong company in the consumer space, and it would like to add a fairly substantial business presence to what it does."

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