From: Cameron Myhrvold
Sent: Wednesday, April 23, 1997 9:38 AM
To: Rick Segal (Exchange); Ajay Sikka; Jeff Lum; Brad Chase; Yusuf Mehdi; Will Poole
Cc: Laura Torina; William Vablais; Brad Silverberg
Subject: RE: Lycos

This is fucking great! Talk about pulling one out of the fire... 49 million IE-only CDs - you got to love that! AT&T told me before they expected a 5% hit rate from the Blockbuster promotion, which would be something like 2.5M IE users from this!!!

Brad, Will, FINALLY I can send you some **GOOD news**! I sure hope we can accomodate Lycos on the channel guide.

Cam

----Original Message----
From: Ajay Sikka
Sent: Tuesday, April 22, 1997 3:59 PM
To: Rick Segal (Exchange); Jeff Lum
Cc: Laura Torina; William Vablais; Cameron Myhrvold
Subject: RE: Lycos
Importance: High

5 very important things -

1. Lycos helps us in shipping 49 million IE disks (NSCP gets 1 million) as part of the Blockbuster deal - highlighted in Lycos CEO's mail down below..
2. Lycos helps in moving Macmillan to IE
3. Lycos is moving MCIS to production this week
4. They drop the NSCP relationship next year
5. They convert Bertelsmann to IE (something AOL has not done for us).

ACTION : I think it would be extremely important to recognize this effort that Lycos has put in, and give them a significant reward. They are very interested in developing the IE 4.0 channel guide for us.....should we recommend to Bradc's team that they give it to Lycos ????

-----Original Message-----
From: William Vablais
Sent: Monday, April 21, 1997 8:13 PM
To: Laura Torina; Rick Segal (Exchange)
Cc: Jeff Lum; Ken Goetsch
Subject: TR: Lycos

WHO: Bob Davis - CEO
David Andre - Director of Technology
Mark Simmer - VP online publishing
Ajay Sikka

WHERE: Lycos corporate office - Boston

SUMMARY:
Since we have engaged with Lycos at the MCIS level, there has been a steady flow of initiatives which are expanding our ability to move IE into general use and acceptance and BackOffice MCIS implementations on one of the largest online dB on the internet.

Their future vision is simple: Move towards using MCIS,NT and Microsoft...drop Netscape and Unix over the next year or when appropriate. They are using some serious UNIX machines (64bit address space, 2-3Gb RAM; 500Gb disk) They are currently spidering 7M new pages per day onto a catalog builder. They also use 2x DS3 connections provided by MCI and Uunet and are expecting a 3rd provided by SPRINT.

Bob is in the final process of completing a deal with Macmillan Publishing to co-develop and publish ALL (CD based) books that Macmillan currently create. What this means in hard numbers is some 20M books into the channel per year (see below). There is a possibility that we could have the IE browser as well as other "lite" versions of product added to the CDs (if appropriate). Included is an e-mail that was sent to Anthony Bay and Will Poole

PENGAD-Bayonne, N.J.
GOVERNMENT EXHIBIT
868A

Ken's e-mail today about GTE picking IE was great since it shows that ISPs (hardened to Netscape) are now moving to IE with ICPs pushing for this decision from behind the scenes.

I think that Lycos will provide MS with unique feedback on performance and scalability. They are very pro MS and we should work with them on our own projects: channel guide, MSN search engine etc...

ACTIONS: see if a high level meeting may be appropriate and arrange for Bob Davis and Cameron to expand on the affinity deals in the works.

Lycos need a couple of copies of internet studio
They neet to talk to someone in the "text search" development/research group.
Also need an org chart of MS (it was helpful for Ajay to go though our current org)

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

From: **Bob Davis [SMTP:bdavis@lycos.com] <mailto:[SMTP:bdavis@lycos.com]>**
Sent: Monday, April 21, 1997 11:10 AM
To: William Vablais
Subject: Lycos

It was nice speaking with you today. Attached is the note we discussed. As a minor point of clarification, the Blockbuster CD's that include IE do not hit the stores until June. I look forward to continuing to work together.

Bob

Thanks for the time this morning. I appreciate the candor and fairness with

>which both you and Paul have treated all of our discussions and opportunities.
>
>I assure you that the full resources of this company are committed to
>expanding the Lycos/Microsoft partnership. It is very important to our
>company and we will do everything necessary to make it work. As I mentioned
>on the phone, we have been working hard behind the scenes to demonstrate our
>ability to perform as a Microsoft partner. As requested, I have listed
below a sample of

>the initiatives that are either complete or underway. I would be
>appreciative if those listed as underway be treated as Lycos/Microsoft
>confidential.
>
>Completed
>
>1. Lycos Press, A Viacom imprint - Simon and Schuster's Macmillan Computer
>Publishing group will ship over 1 Million copies of various Lycos Press
>books during 1997. The first of 20 books for 97 distribution included a
>Netscape browser at the decision of Macmillan. Lycos, then exercised its
>veto right as it pertains to the CD enclosures and, as a result, all
>remaining books have/will be shipping with MSIE.
>
>2. Blockbuster Entertainment, A Viacom Company - Lycos reached agreement
>with Blockbuster in 1996 to manage its internet presence as it pertains to
>CD-ROM's distributed in the 3,200 company owned stores to over 50 Million
>members. The initial group of less than 1 million CD's included a Netscape
>browser (feel free to visit the site at www-blockbuster@lycos.com). We have
>since obtained Blockbuster's agreement to ship the remaining CD's with MSIE.
>2.5 Million of these are presently in Blockbuster stores with the remaining
47 Million

>to follow.
>
>3. GTE - As a very strategic Lycos partner we have completed a number of
>projects with GTE. Separate from this success, GTE's internet access
>business has been shipping Netscape browsers exclusively. We recently
>reached agreement with GTE, however, to ship, for the first time, an MSIE

>browser with their access product. Under separate cover I have sent you a
>copy of the Lycos Find Machine (a Windows 95 application) that includes MSIE
>with GTE access.
>
>4. Microsoft products - Lycos has aggressively endorsed MCIS, ActiveX, and
>MSIE for our own development efforts. We presently offer products that
>utilize your personalization server (Lycos Top 5%, as demonstrated at
>Microsoft's Internet World exhibit), Office 97 suite (which include active
>search from word, excel or powerpoint), and numerous other Microsoft technologies.

>Each of these is available in the market and is specified as required product to

>our licensing base of over 25 partners. For instance, we managed a project for Compuserve

>which converted components of their shop to NT for the purposes of operating Lycos services.

>
>
>
>Underway
>
>"Company Confidential"
>
>1. Lycos is in the final stages of negotiation with MacMillan Computer
>Publishing to replace Netscape with MSIE on each of the 20 Million CD ROMS's
>that they include with their books sold each year. MacMillan is the largest computer

>book publisher in the world and this agreement is for 100% of their distribution.
>
>2. Lycos is in the final stages of an agreement with Bertelsmann's Telemedia
>Division (Bertelsmann is our German partner and the 3rd largest media
>company in the world - their site can be visited on www.lycos.de) to replace
>Netscape with MSIE (on the server and browser fronts) in their widely
>publicized Internet Commerce Center. This will include the distribution of
>over 30 Million copies of MSIE throughout Europe (during the next 6 months)
>from Bertelsmann's BMG group.
>
>The above represents some of the highlights of our activities. There are
>many others that are in various stages of development. If you should find it
>of value, I would be happy to accompany you or the appropriate Microsoft
>personnel on a visit to any of these partners. In total they represent over
>100 Million Browsers in 1997 alone. Again, we are committed to Microsoft in
>every way and will continue to work hard in demonstrating this dedication.
>
>Please give me a call if you would like any further detail.
>
>Thanks
>
>Bob
>
>

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