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[biography](#)

Thanks very much and I've got to say it's a real pleasure to be here and thanks very much for people turning out at such an early time on a rainy Seattle morning.

What I'm going to talk about is the success we've had to date, why we've had that success, where we're at today, and some of the major investments our company is making for the long term.

Everybody in this room, I'm sure, is familiar with our financial success and the track record has been relatively remarkable. If you think about the long term investment that Microsoft has made in research and development, that has really fueled our success in revenues and our success in profits. You should take away from today's talk that our view of investing long term in R&D remains unchanged. At the end of today's presentation I'll talk just a little bit about what we anticipate spending on R&D and where we're at with respect to the investments in R&D.

But at the end of the day, what's really happened is we have built a much broader product line than we had several years ago and as a result, the markets have given us a relatively high valuation. What I think is interesting is if you look at this chart of the top 10 market cap companies as of March 3rd, the number of companies represented in the top 10 that are technology-related is really quite astounding. If you look at number three, General Electric and listen to Jack Welch talk, they basically have embraced the Internet and technology as one of the fundamental growth drivers for General Electric in the years to come. If you compared this top 10 market cap chart with a chart from 1995, 1985, or 1975 the profile of the top 10 market cap companies around the world has really been transformed by the technology revolution.

When you think about Microsoft, I think we've had several phases of success with respect to our role in the technology industry. Initially, we built our large company and our franchise on the PC software revolution. As hardware advances drove prices down, you saw a large volume increase in shipments of both servers, PCs, and lastly software. As a result of that volume, we were able to create a software development platform that literally resulted in thousands of applications being used by consumers and businesses around the world. But again, it was the first phase of our growth--the

PC software revolution. It continues to be a very fundamental part of the economics of our company, but it was really driven by advances in hardware, software, and large volume all taking advantage of a common software platform for developers around the world.

A second key phase in our growth was the client server revolution. That was the era when companies moved from monolithic mainframe applications and kind of command and control IT departments to a more distributed computing where solutions were built at a department level, or you extended the solutions of the mainframe out to the enterprise. Again, it was a similar story from an economic perspective as the PC software revolution. Things became easier to manage and administer. The price performance ratio of both software and the server fabric drove to much larger volumes. As a result of the larger volumes, there was the opportunity to build a software platform for client server applications. This phase is one that still continues, but we believe we're entering a third phase of our growth in terms of computing and long term for Microsoft,

The third phase is really driven by the evolution of the Internet. If you think about the profound affects of the Internet, I don't think we can really capture that simply today. The effects long term over the next 10 to 15 years are probably so profound that it's difficult to capture them in a PowerPoint presentation or to talk about how they'll affect every single business and every single consumer worldwide. If you think about the evolution of the Internet, it's really fairly straightforward. The first phase where it was used for communications, primarily in the scientific community and by people that were what I would describe as advanced IT users, was principally communication--email, file transfer, Gopher services between people that really didn't use it for business use.

The second phase of the Internet was really driven by the introduction of the browser. For the first time, people could actually read things and share things over this common network. That second phase of the browser has led to an enormous increase in the number of companies trying to gain a foothold in the business-to-consumer space or the business-to-business space. Today it's probably best described as a pretty simple world, that is, companies trying to get share, trying to get revenue, doing relatively simple things on the Internet today, but the next phase is one that is really going to transform the way business and consumers work and I think the markets are going to demand that people make money from their Internet ventures.

I think the days of business-to-consumer sites that don't have profitability forecast in the relatively near term are narrowing and more importantly, businesses around the world now view the Internet as fundamental to reducing their costs, improving their customer contacts, and most importantly, making their companies more efficient and more customer-focused. That third phase is just really beginning.

We look at the third phase that is just beginning as another opportunity for Microsoft to create a platform at volume for pervasive use. It's really about Web services that help consumers and help businesses run their businesses. XML, that I'll talk a little bit more about in the next couple of moments, is one of the key building blocks of that next generation. But make no mistake about it, people will begin to make money on their Internet ventures and more importantly, businesses in the business-to-business space will drive enormous efficiencies in costs out of their current business models and become much closer to consumers than they've ever been before, because of this broad-based deployment of this network called the Internet.

This Internet revolution has caused Microsoft to really reinvent itself and in some

ways adopt a revolutionary vision for ourselves. The original vision that Bill Gates and Paul Allen created in 1975 for Microsoft was a PC on every desk and in every home. It's probably safe to say in developing countries taking this side, but in countries where the economies are relatively strong and the gross national product is high per person, that that vision is either realized or it's on the path to being realized. It isn't revolutionary now to think of a PC in every home and at every desk. It's happened or happening. But the Internet has caused us to really rethink what's the role of our company in this Internet revolution, and last summer we adopted a new vision that for us is really revolutionary. We've been one of the primary beneficiaries of the PC era, but we expect to be a leader in the software industry for many years to come. It's caused us to reinvent ourselves. The vision we have today that permeates all of our thoughts throughout our company is empower people through great software, anytime, anyplace, on any device. The personal computer will be central to that vision, but it also means that a whole host of non-personal computer devices that can be addressed on the Internet will require software, will require a development platform, and we think we have an enormous opportunity over the next 10 years to lead with this vision as companies and consumers change the way they work and live.

At the foundation of this company for the next several years and for our vision is Windows 2000. Make no mistake about it, Windows 2000 is a 'bet the ranch' product for our company, and in today's talk I'll explain why. We are really enthused about this product. We've seen very, very great reviews from the technology press. We've seen very, very good rates of adoption and enthusiasm from corporate customers on the desktop, and we feel we have made enormous strides on the server side with Windows 2000 Server, with Windows Advanced Server, and we'll make even further strides with the Datacenter Server that will ship in the upcoming year.

There are really four key things that are important from a Windows 2000 perspective. The first is reliability. It's critically important we change both the real and perceived view of Windows 2000 and Windows NT reliability versus UNIX and we think we have a very, very rock solid story and great progress with reliability.

Secondly, because of the number of devices that people will connect to their server fabric around the world, it has to be easier to manage and it has to be easier to administer. What that means is the directory services for Windows 2000 will become building blocks for how you keep track of the rights people have, the usage they have, security, and giving them the profile they need to have access to information anytime, anywhere, on any device. We also have some new technology we call IntelliMirror that will really fundamentally change the way software is distributed, particularly in large corporations.

Windows 2000 was built from an Internet perspective at it's core. We have a built-in app server, XML, which is a language that will become lingua franca of computing, is pervasive in the schema for Windows 2000. Additionally, we feel very good about the ability of Windows 2000 to scale up as a very large server on a stand alone basis, or to scale out to support a distributed computing environment that allows people to extend what they've already invested in- in a DB2 environment, in a UNIX environment, in a mainframe environment.

Lastly, Windows 2000 is simply the best operating system in the world for new devices--for laptops, for integrated networking, and most importantly, for a broad range of peripherals and security frameworks.

Let's talk a little bit about Windows 2000 scalability. We actually believe that there is a combination of scale that is achieved both from hardware and from software. But we're at the point now where software scale is the best approach. That is, you want

to be able to distribute your applications and your information resources over a large number of inexpensive hardware products. Today, a large number of companies run on very expensive hardware. When they think about scaling their environment out, the hardware costs are extremely high. Working with Intel, working with our OEM partners, we feel we have the best approach in terms of allowing very efficient and fast scale out of existing environments as they grow, and most importantly, it will be a way that allows people to write programs to an environment they're familiar with that is broadly deployed.

Secondly, Windows 2000 will scale up quite well. Today, Intel and our OEM partners are beginning to ship multiprocessor systems. That number of systems and processors that Windows 2000 runs on will continue to grow exponentially over the next 18 months. Essentially what that means, is that Microsoft, Intel, and our OEM partners will absolutely beat Sun and Oracle in terms of price performance and in terms of raw computing. So we feel very, very good about scale plus farms of servers providing a similar large volume environment that the PC software evolution had, that the client server revolution had, that the Internet revolution will have.

I said that Windows 2000 is a 'bet the ranch' product for the company. Let me explain why. If you look at this chart, this shows you a series of technologies, some of which will be sold as server products, some of which will be incorporated into individual products, but what this chart shows is a host of technology that we will ship over the next year. But it's all based on Windows 2000 being adopted. We'll ship a new version of Microsoft Exchange that will have a really revolutionary way in which you store information for email and for collaboration. We feel very, very good about our competitive position with Exchange versus Lotus. In the next year we'll ship SQL Server 2000. We feel that we'll have the same type of incredible advance with SQL Server 2000 that we had with SQL Server 7.0. Most importantly, at it's core, SQL Server will support XML which will allow companies to communicate between systems they have today and most importantly to communicate outside of their firewall to other organizations.

The next three products that I want to talk about are the Application Center Server, the Host Integration Server, and the BizTalk Server. These are really best described as middleware technologies that we will ship in the next year that are critical to us gaining more share in large enterprises and gaining more share in the dot com world. Essentially, these middlewares are the fit and finish and glue that allow our Windows NT-based products to communicate with existing systems people have already developed and deployed. If you think about a large or medium sized company that has a billing system, that has a customer care system, that has an inventory supply chain system--they've invested literally millions of dollars and thousands of man hours in that legacy transaction environment. Today what they want to do is open that up either for their supply chain partners or to open it up to consumers. What it means to those companies is that instead of having hundreds or perhaps at most, thousands of internal users, they will not have potentially hundreds of thousands of users from outside of their company, or even millions. What it means is you have to be able to extend what you've got and you've got to be able to manage it very efficiently.

BizTalk Server is something that will allow communication and data information to be shared between systems in the company or outside the company. Basic things like what does a customer mean. Today, if you try to communicate with a system outside of your company, it requires a great deal of expensive programming and analysis. With XML, people will use a common term for what a customer means, what a purchase order means, what a sales order means. So we feel very, very good that the middleware technologies that we'll ship will give us a great opportunity to scale out existing environments, and give us over the next several years, a larger share of the

enterprise IT spend than we've ever had in the past.

There are two other products that are critical to the next generation of our Windows 2000 push. Commerce Server is something that will ship in the next year that is the next version of our existing commerce platform. Essentially, we want to make it extremely easy for people to buy off-the-shelf server software and to make their storefronts and their commerce sites easy to setup and easy to run. It will take advantage of the directory from Windows 2000, the scalability of Windows 2000, but most importantly, it will be a low cost, fast time-to-market way for people to get commerce solutions up and running. Then lastly, Office 2000 is really the core of computing for most people and most organizations worldwide. We've invested a great deal of effort and money the last several years to make Office 2000 the preeminent knowledge worker desktop, whether that's something you're going to use internally on your intranet, whether it's something you're going to use stand alone as an individual user, but the next generation is to make Office 2000 available anywhere, anytime, on any device. I'll talk a little bit about that.

When you think about Microsoft and our heritage, we've really had two enormously successful franchises. The Windows franchise and the knowledge worker franchise. If you think about computing today, what really revolutionized the world was Microsoft Office--that is, the components of Office that allowed people to do deep analysis, that allowed people to publish regardless of the industry you're in, that allowed people to think about small form factor databases and most recently, the advances we've made in personal information management with Outlook and our scheduling technology. We feel we have the deepest, richest and best engineering talent in the world for analysis, for publishing and for communications. That has been an enormous asset for us in the PC world and in the client server world.

The next generation of challenge for our Office development organization is to take Office to the Web. Allow you to share documents seamlessly over the Internet outside of your company. Be able to publish information broadly to thousands and millions of users and most importantly, allow very effective communication, scheduling and collaboration between users in an organization, between people in a family, and lastly between consumers around the world that set up communities or share information. So the knowledge worker franchise is one that we must extend to the Internet and have a high degree of success with and we feel good that in the next several years you will see some incredible revolutionary advances in the way people think about analysis, publishing and communication based on the efforts of our R&D people in Redmond.

I want to talk a little bit now about our MSN business. We have, I think, made tremendous progress with our MSN franchise over the last several years. Some statistics here give you some insight into the assets we have and the assets we can build upon for the future.

First and foremost is basically the Hotmail property that we acquired several years ago. As you can see, we have a large number of users and the growth has been great. Hotmail is generally regarded as the single best Web-based email service in the world and is the largest in volume. If you look at our MoneyCentral asset, that asset has grown dramatically over the last several years in terms of the number of users that use that as one of their primary portals for financial information. MSNBC continues to be the number one news site on the Web. Microsoft CarPoint continues to grow fairly dramatically in the volume of purchases done through dealers based on having a transaction set up through CarPoint. So we've made a lot of progress in a number of areas, but we also have a lot of work to do and some critical success stories that we have to continue to build upon.

First of all, we've got to grow our subscriber base. You've seen some of the announcements we've done with Radio Shack, with Best Buy, and with other distribution companies. Essentially what we're doing is very similar to what we did for our original retail software products and our server products. We are working with leading distributors around the world to get distribution for Internet access, to allow consumers to go into a Best Buy or a Radio Shack and see examples of how to use MSN, how to use instant messengers, how to set up a community and most importantly, get them to sign up for the service.

Secondly, Web communities. I think communities are probably going to be one of the most revolutionary things in the way we work as individuals and the way we share with other people of like interests. If I think of the grade school that my children go to, a community is something that will be in place for the fourth and fifth grade class within the next couple of years. You'll be able to know what the menu is. You'll be able to get the newsletter online; and most importantly, you'll be able to get the homework assignment that your kids forget to bring home or that they lost out of their backpack when they're playing on the way home from school. So you think about communities and how that will change the world.

We've had tremendous increase in our Messenger Service. We have over nine million users today. MSN Mobile is something we launched recently that will allow interactive services from our site and other sites. Microsoft Passport is a key technology to allow you to have secure, private, authentication and authorization over all the types of services you want to access on the Net. Today, if you think about the frustration of having to set up a large number of user identifications, a large number of passwords, Passport solves that by creating a unique ID and a secured way for you to get to whatever you want to get to on the everyday Web. Then lastly, we've had a number of key successes with MSN e Shop, as well as Search.

So if you look at these statistics of our success stories here, as well as some of our properties on the previous slide, we have a tremendous amount of momentum in our MSN business and we feel very, very good about where we're positioned for MSN in a go forward way over the next several years. Expect us to be very, very aggressive in doing joint ventures with companies like we announced with Telmex yesterday, with media companies, etc. in terms of driving traffic and collaborating with those companies so that they have a successful way to reach consumers and businesses with our MSN service.

I talked about our core franchise that we've built in the PC, the client server world, and now the Internet revolution. I talked about the Windows 2000 building block--the products that we'll build on top of Windows 2000, but most IT people buy and people in server farms know about. I talked about our knowledge worker investment and the importance of that to our long term success, and I've talked about MSN. But let's talk a little bit now about what this really means for the way people will work in the next several years and the way companies will transact.

We really will have a fundamental revolution in the way people think about getting at their information. You will expect to get at information anytime, anywhere, on any type of device. You'll expect those devices to collaborate. You'll expect Web farms around the world to know who you are and be able to profile you, regardless of whether you want to get at that information from a personal computer in your home, in your business, with a small non-PC device, a kiosk in a hotel, a TV from home or in a hotel, or any type of IP addressable device that can connect to the network. You will expect to be able to work the way you work a desktop. You will expect to have all different types of devices work seamlessly for you so you can share and collaborate. Lastly, you're going to expect all these different types of devices

whether it's a Smart Card, a pager, a cell phone to work collaboratively with the rest of the things that you commonly use in your day-to-day life. Our challenge is to build the platform so those devices can connect, so that people can build applications that can be published and subscribed on all different types of devices; and most importantly, that the PC revolution continues and extends to non-PC devices.

What this really means as the challenge for our company is to build the next generation platform. We call that the Next Generation Windows Services or NGWS. Now there's a possibility our marketing people will come up with something different, but right now we call it NGWS. In early May we will have a forum where we talk about what it is we're doing with the next generation of our platform to really change the world once again. To have our engineers so wildly enthused about what can they do that's revolutionary the way Windows was from a graphic user interface, that was revolutionary in the way Office changed the world, that was revolutionary in the way Windows NT Server changed the price performance of what people expected from a network operating system and from a server platform.

So essentially what we have to do is think through a number of very complicated and hard engineering challenges. We've categorized those into seven or eight key areas. In our company today we've assigned leaders from our Research and Development Group to take the ownership and the leadership cross company to think through billing. If you think about the challenges of billing in an Internet world, they're enormous. If you think about publishing to not only a personal computer, but to a non-PC device that has a very small screen, no memory and basically limited ability to transfer data, your publishing model is completely different. Today the Internet has the opportunity to really be highly secure if you're an expert in securing it. But if you think about you as consumers or if you think about the people that run your IT organizations in your businesses, a directory of knowing what rights people have, of knowing who they are, of knowing what resources they should get access to, and knowing how frequently they should get updates based on their profile is critical.

Relationship management is another area. How do you share information between systems based on a user and based on that experience a user requires, as opposed to the way the system was built. Today, one of the biggest challenges in IT and one of the biggest areas that people spend money is figuring out how to share data between systems. If you actually break down where people spend money, an enormous amount is spent analyzing, parsing, and batching data between systems because there isn't a common schema that people share.

Communication--it will be critical that communications advance very, very rapidly on all different forms of transport. If you think about the challenge of building the operating system platform so that you can communicate on a Local Area Network that has broadband access; if you think about satellite; if you think about wireless--the challenges of creating a platform to support multiple communication protocols is one that is going to take some very clever work and a lot of investment.

Personalization is a similar thing. How do you capture attributes of people and companies that can be accessed easily by that company, by your partners, and most importantly, how do people ensure that the information that they have that is shared out on a data center somewhere is something that is secure, that they have control over?

Lastly, there's storage. The storage implications of allowing everyone of us in this room to get at information anytime, anywhere, on any device is a very complicated one. The schema for making that easy to access is one that is going to take a great deal of investment in thinking. If you think about just the size of storage that it will require I would say companies like EMC are probably going to do pretty well for a

while. But essentially what the Next Generation Windows Services is about is us investing enormous amounts of high IQ R&D talent, enormous amounts of money, and enormous passion in creating the Internet platform of the future and really creating from Microsoft, the next generation of growth and the next generation of changing the world. We feel that there's a handful of companies in the world that could even think or dream as broadly about this as us. If you think of the number of software engineers it will take to do this, this is not something that's going to happen by a dot com or five guys in a garage. This is going to take enormous investment, enormous clarity, and enormous focus. This is the principle reason Bill Gates became our Chief Software Architect- to lead this effort- because it will require thinking very broadly across our company, broadly across our industry, and seeing great progress on each of these areas, something that we'll talk about in the early May timeframe at what we're calling Forum 2000.

Okay, that's all great, all that technical stuff about batch jobs and directories and personalization, but what does it really mean to people that call customers that write you checks? I mean at the end of the day we are a company that likes to have people write us more checks than checks we write. I think that's one that the market likes about us as well. So what does this mean to customers?

Well what it really means is think about some scenarios. If you're a consumer in the financial space, the ability for a consumer and us working with banks and insurance companies on this common platform, the ability for you as a consumer to easily integrate banking information, broker information and insurance information in a personalized way is an enormous opportunity. We are not getting in the banking business. We are not getting in the insurance business. We are not getting into the brokerage business. We want to build a platform that allows those vertical industries to be very, very successful reaching their consumers.

For devices, for mobility what does it mean? It means your ability to have a calendar that you can access from any type of device; and that people that you give rights to access your calendar can do so. It also means the ability to have instant messaging on any type of device. If your kids or your wife or some other significant person in your life from a business perspective needs to get a hold of you, you want to allow them to contact you unfettered. On the other hand, you want to block people that you don't want to get information from. So if you think about the opportunity to make a mobile device one that you control, versus a hodgepodge of things that you have to manage today, it's a great opportunity.

On the business side, the opportunities are tremendous. You've probably read a lot about the exchanges being created today and in reality, more of the exchanges are press releases than they are anything that's actually happened. I mean, it takes some time to get Ford and Chrysler and GM to all work on a common project. Similarly in the chemical industry. Similarly in the oil supply industry. But at the end of the day, these companies will collaborate on common exchanges and common supply chain technologies and platforms basically to do two things--to do a better job with taking orders and a better job with fulfilling orders. But most importantly, what they'll want to do is be closer to their customers. If you look at the ambition that Ford and GM have with build-to-order for cars, that's all dependent on revolutionizing their existing systems and their supply chain with Internet technology.

The last area and one that is critically important to us, is developers. If you look at the PC revolution, if you look at the client server revolution, our great success has been a function of building a platform, evangelizing that to third-party developers, and seeing a large number of applications developed for that platform. When you get to volume it's an enormous asset. In this Internet revolution in Next Generation Windows Services, we have to do a similar thing. A key difference will be a lot of



the building blocks won't be stand alone applications you will buy, they will be things that are components of Web services that developers create. Things like calculating taxes, things like credit card objects, authentication, building blocks for data transfer. So the key thing for us is we've got to think of scenarios for consumers that we have to make more efficient, for devices, for businesses; and we have to capture the hearts and minds and passion of developers around the world for this platform.

We're spending a lot of money to get there. When you think about software as a service, for us what that means is the ability to deliver software over this Internet over the next several years, either by Microsoft, by our partners or by our customers as they adopt our platform. Whether that's in the knowledge worker space, the consumer space, in the home etc., at the end of the day we're spending money-- \$3.8 billion to really create an Internet-focused company whose job it is to reach the consumer, the businesses, and the developers of the world; and also continue to make the PC a highly relevant part of the computing fabric.

From the PC perspective, if you think about the Internet revolution, the Internet revolution was enabled by the large installed base of personal computers. If there were not hundreds of millions of computers out there to connect to each other, the Internet revolution simply would not have happened. The Internet business will continue to thrive because of the PC industry. Any industry that ships over a hundred million units a year at an average price of close to \$2,000, you've got to look at that and say that's a pretty darn healthy industry. That will continue to be an important franchise for the technology industry. People will still want to use a PC as their primary device. It's the best for offline, it's the best for synchronizing. It has more applications available than any other platform, and it has a rich user interface that allows you to expand and add a lot of devices--printers, scanners, cameras, etc.

But under the Internet revolution of the future, people will expect more from a PC in a service world. They're going to expect that you don't have to manage the thing, that you don't have to reboot the thing, that the applications you use on your PC will work on other devices. They'll also expect that they can move around to any type of device and roam quite easily because of wireless technology. Lastly, they will expect the partners that have built the PC and client server revolution to work to lead the Internet revolution. So the PC will continue to be an incredible building block for the Internet and it will be supplemented by literally billions of devices over the next several years that will connect to the Net as well as the personal computer. So when you think about our company, you should think about us operating on a number of fronts.

The first front is the desktop PC. We continue to be a company that is incredibly enthusiastic about the desktop PC and we have a tremendous franchise there. In the enterprise, we expect to improve the percentage share we have in server sales, and we expect over the next several years to get a larger share of IT budgets in the enterprise because of servers than we've never gotten in the past. We also have a very clear focus on extending our Office, as well as our rich technology for PCs to the knowledge workers of the future on any type of device. We're very focused in the mobile and wireless space. You'll see us make major investments in personnel, you'll see us make major investments in relationships, and you should expect to see us make major investments in both client side software for devices, as well as the server side platform for the mobile industry. If you think about the number of mobile devices that are projected to ship over the next few years, it's an enormous number. The company that builds the most compelling platform for that is going to sell a great deal of servers.

Another area we're very focused on is small business. I invite you to go out to our

Microsoft.com site and traffic through our bCentral site. It's a site for small business. In our objective view, it's the best on the Net for small businesses by far. But expect us to be very aggressive, growing the revenue potential from small businesses over the next several years. Today there are 50 million companies that have fewer than 500 PCs, but more than two. Those companies spend on average per user, about one eighth of what large companies spend. When you move to a world that they can buy this software as a service, they will spend more. Today they don't have IT staffs and they don't have the sophistication to invest in ERP systems, in customer resource system, in email systems. In the future, they'll buy those as a service and working with our partners, we want to be there.

Another area we're very enthused about is home entertainment. You probably read about the announcement we made of our X-Box technology that basically is a commitment that by Christmas of 2001, we will be in the market competing with Sony and Nintendo for a game station position. We're very, very enthused about our platform and we're very enthused about the adoption of the technology that we expect from third-party developers. We also are investing fairly heavily in home networking, and that is the ability to connect all types of devices in your home with a small server product that is easy to install, easy to run.

MSN. I mentioned MSN and the criticality of that to our company. We continue to invest heavily. We don't have in the near term expectations for profits, but we do have expectations for good growth. But MSN is a key part of our company. If you look at this chart, basically what it's telling you is Microsoft has several key franchises today and we're investing heavily to build some key franchises for the future. You shouldn't expect a number of these businesses to have material revenue in the next year to eighteen months to two years; but three to five years out, they will be core franchises in our dreams the way the existing franchises we have today are a reality.

At the center of our strategy though, are developers. Winning the hearts and minds of developers in each of these areas is a critical thing we have to succeed at.

And lastly partners. We feel we have the strongest partner asset of any company in the world. There are over two million people that design, deploy and support our software solutions for businesses and consumers. It's probably the second biggest asset that doesn't show up on our balance sheet after the IQ that walks in and out of our buildings everyday. But the partner asset is one that we think is particularly unique in the Internet revolution that we're now entering.

To close, what I would like to say is, from our view, we're a company that is really reinventing itself, that is really going back to its roots. Our roots are software. We are a company that builds platform that we evangelize to have people build great applications and great services upon. We did it in the PC era, we did it in the client server era; we're now doing it in the Internet era. And I think in early May when you hear about the Next Generation Windows Services dream, we're going to do it in the Internet era as well. With that, thank you very much. Thank you to Piper and have a great conference.

Due to the varying sound quality and subject matter of tapes, the information in this transcript may contain inaccuracies.

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