

ATTACHMENT E

BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED

[To be printed on WebTV Networks, Inc., letterhead]

[date]

Dear [manufacturer]:

This letter is to inform you that WebTV Networks, Inc. has settled a civil dispute with the Federal Trade Commission regarding certain advertising claims for the WebTV set-top boxes ("WebTV") and the accompanying WebTV Network Internet service ("WebTV service"). As part of that settlement, we have agreed to send this letter to advise manufacturers not to use or distribute any advertisements or promotional materials containing any of the claims challenged as deceptive by the FTC, and to clearly and conspicuously place certain information on all packaging for WebTV, and in advertisements and promotional materials for WebTV and the WebTV service, that you distribute that states or describes the price of WebTV or the WebTV service.

The advertising claims challenged by the FTC

The FTC challenged as deceptive certain claims we made in our advertising regarding access to Internet content through the WebTV service. More specifically, the FTC charged that WNI made the following deceptive claims:

- WebTV and a computer are equivalent in their ability to provide access to content available on the Internet;
- WebTV or the WebTV service provide access to all of the Internet's content, including all of the entertainment and information available on the Internet; and
- WNI's upgrades to WebTV or the WebTV service keep users current with the latest Internet technology.

Examples of the advertising language that the FTC challenged include the following:

- "WebTV service offers complete and affordable Internet access."
- "WebTV brings all the incredible entertainment and information of the Internet right to your TV."
- "With WebTV [to access] the Internet . . . You don't need a computer. There is no software to install. . . . For entertainment, information, communication, and help just getting things done, WebTV is all you need."

- “WebTV's free periodic service upgrades keep the WebTV Network current with Internet standards.”

The FTC also alleged that, in advertising the cost of using WebTV, we failed to provide sufficient information regarding long distance telephone toll charges some consumers might incur in connecting to the Internet via the WebTV service.

The Consent Order prohibits WNI from making the claims listed above unless they are true. It also requires WNI to make clear and conspicuous disclosures in advertisements and on the log-on screen that using the WebTV service to access the Internet may result in long distance charges, and how consumers can determine whether they would incur such charges.

Compliance with the FTC order

We deny the FTC's allegations, but in order to avoid protracted litigation we entered into the settlement agreement with the FTC. We request your assistance by asking you to not use or distribute any WebTV or WebTV service advertising or promotional materials (including point of sale material) currently in your possession, or in the future, that make any of the claims the FTC challenged. We also request that you place the following information, in a clear and conspicuous manner, on the principal display panel of all packaging for WebTV:

- Connecting to the Internet through the WebTV Internet service may result in long distance telephone charges; and
- Consumers may contact WebTV's toll-free 800 number (or other similar WebTV mechanism that is free to consumers) for further information.

Finally, if you distribute any advertisement or promotional material that states or describes the price of WebTV or the WebTV service, you should include the same information, in a clear and conspicuous manner.

Thank you for your assistance. If you have any questions about this letter, please call 1-800-____-_____.

Sincerely,

[_____]
WebTV Networks, Inc.