

Microsoft Settlement to Provide Millions of Dollars to New York Consumers and Businesses

A Settlement has been reached in a class action lawsuit against Microsoft on behalf of consumers and businesses that acquired Microsoft software from May 18, 1994 through December 31, 2004 for use in New York State. The lawsuit, *Cox v. Microsoft Corporation*, Index No. 105193/00, is pending in the Supreme Court of the State of New York, New York County.

If the Settlement is approved, Microsoft will distribute vouchers, redeemable for cash to eligible consumers and businesses, as outlined below. The potential value of the Settlement, if all eligible Class Members made a claim, is estimated to be approximately \$350 million.

What Is This Case About?

The Plaintiffs in the lawsuit claimed that Microsoft violated New York State antitrust and unfair competition laws and thereby overcharged consumers for some of its software. Microsoft denies these claims and contends that it developed and sold high quality and innovative software at fair and reasonable prices. The Court did not decide in favor of the Plaintiffs or Microsoft. Instead, both sides agreed to a settlement.

Who Can File Claims?

All persons or entities who, from and including May 18, 1994 through December 31, 2004, indirectly acquired (purchased) a license for use in New York and not resale for:

- Microsoft Windows, MS-DOS, Office, Word or Excel.

Most personal computers sold during this period included operating system software. If you purchased a computer during this period with a Microsoft operating system already installed, you are eligible to receive Settlement benefits. Certain entities and individuals are excluded from the Class as detailed in the notice on the Web site listed below.

What Does the Settlement Provide?

If approved by the Court, the Settlement will provide vouchers to be redeemed for cash upon the purchase of computers, peripheral computer hardware (like printers or scanners) or computer software made by any manufacturer, including Microsoft's competitors. The vouchers are worth:

- \$12 for each Microsoft Windows 95, Windows 98, Windows 98 Second Edition or Windows Millennium operating system software license;
- \$5 for each Microsoft's MS-DOS and Windows versions 1.0 to 3.11, Windows for Workgroups, Windows NT Workstation, Windows 2000 Professional, Windows XP Professional and Windows XP Home Edition license; and
- \$5 for each Microsoft's Office, Word and Excel software license.

Software purchased for server computers and Apple computers is not eligible.

You are entitled to claim the specified amounts for each copy of the computer software you lawfully acquired. Businesses who licensed their software on a "volume" basis may submit claims for each computer their volume license authorizes them to use in conjunction with the software listed above. Software upgrades count as a separate purchase unless you are a business with an "Enterprise" license.

Businesses headquartered outside the State of New York that acquired Microsoft software for use at any of their New York locations are eligible. See the detailed notice at the Web site listed below for more information.

If filed claims amount to less than \$225 million, half of the difference between \$225 million and the vouchers actually claimed will be distributed as vouchers to New York public schools that serve students from low-income households. The other half will be retained by Microsoft.

How Do You Get Benefits?

A detailed Notice and all the claim forms are available at www.microsoftNYsettlement.com or by calling 1-877-867-6133 toll-free. Your claim form must be postmarked no later than October 18, 2006 to get benefits.

If you acquired up to five copies of qualifying Microsoft products you can use a Standard Claim Form and you do not have to provide any additional documents or proof of purchase. You may also submit a claim online on or before October 18, 2006.

If you are not a volume licensee and have more than 5 licenses, you can also use a Standard Claim Form but you will need to provide some limited additional information. If you are a volume licensee (e.g., "Open," "Select" or "Enterprise"), you need a Volume License Claim Form. **Claims may be audited and penalties apply for false claims.**

Selling Or Donating Your Benefits.

You may donate or sell up to \$650 of vouchers to other persons or organizations for their personal or business use and not for resale. Transferred vouchers may be redeemed up to \$10,000. Vouchers can be transferred only once.

What are Your Options?

- If you do not want to be legally bound by the Settlement, you must exclude yourself in writing by May 18, 2006. If you exclude yourself, you keep the right to sue Microsoft about the claims in this case but you will not receive any vouchers.
- If you don't exclude yourself, you have the right to object to any aspect of the Settlement. Your objection must be filed in writing by May 18, 2006.

The Court has appointed attorneys to represent you. They will seek attorneys' fees of \$23.5 million plus reasonable costs. The amount paid to Class Counsel will be paid separately and will not affect the value of the vouchers available to the Class. You may also hire your own attorney at your own expense.

The Court will hold a Hearing at 10:00 a.m., on June 13, 2006 at the New York State Supreme Court, 60 Centre Street, Room 248, New York, New York 10007, to decide whether the Settlement is fair, reasonable and adequate. Objections also will be heard. You may write the Court for permission to speak at the Fairness Hearing. Your request must be received no later than May 18, 2006. The detailed notice explains how to object, exclude yourself or request permission to speak at the Hearing. If the Settlement is approved Microsoft will be released from liability for all claims associated with the litigation.

To Get A Claim Form and a Detailed Notice,

Call: 1-877-867-6133 or Visit: www.microsoftNYsettlement.com