

To: Windows Customers

From: Bill Veghte

Re: An Update on the Windows Roadmap

Today, more than 1 billion personal computers around the world run Windows. Over the years, Windows has been the catalyst for innovations that have transformed the way people communicate, access information, create and share content, and much more, at work and at home. Windows is the platform that most people use to get the greatest value and benefit from their personal computers. Windows is also the platform that brings together the broadest array of choices across PCs, devices and applications. To all of our Windows customers, thank you! To the hundreds of thousands of partners that develop millions of solutions for Windows, thank you.

Your experience and satisfaction are Microsoft's top priorities. I wanted to take this opportunity to share some thoughts about Windows and to answer some questions you may have about Windows XP and Windows Vista.

There are three things I want to give you an update on:

1. Our plans for Windows XP
2. Our progress with Windows Vista
3. Our view on Windows 7

The Future of Windows XP

With the June 30, 2008, "end of sales" date for Windows XP approaching, many people have asked me if they will still be able to get support for Windows XP. The answer is an emphatic "yes, you will continue to be supported." We recently released Service Pack 3 for Windows XP and we will continue to provide security updates and other critical updates for Windows XP until April, 2014. Our ongoing support for Windows XP is the result of our recognition that people keep their Windows-based PCs for many years and a reflection of our commitment to provide the highest level of support for all our customers.

The other question people ask is whether they will be able to buy PCs with Windows XP after June 30. The answer again is "yes." It's true that we will stop selling Windows XP as a retail packaged product and stop licensing it directly to major PC manufacturers. But customers who still need Windows XP will be able to get it. For example:

1. For businesses small to large, buying Windows Vista Business or Windows Vista Ultimate provides the option to use Windows XP Professional through a customer benefit known as "downgrade rights." Downgrade rights are also available to all business customers that license Windows, such as Windows Vista Enterprise, through our Microsoft Volume Licensing programs. In addition, some of our OEM partners are planning to offer services designed to help business customers that buy these versions of Windows Vista on new PCs to exercise their downgrade rights. This is a great value because it lets you use Windows XP on new PCs today if you need it and then make the move to take advantage of the additional capabilities of Windows Vista when you are ready, without having to pay for an

upgrade.

If you're interested in learning more about how to get Windows XP Professional through downgrade rights, contact your favorite PC maker.

2. As our next generation PC platform, Windows Vista has many advantages that make it the best choice for people who are buying a new Windows-based PC to use at home or in a small business. However, some small business customers may have applications that aren't compatible with Windows Vista. In most cases, your software vendor should have an updated version of these applications. In the case that you still need Windows XP Professional as noted above, you can purchase Windows Vista Business or Windows Vista Ultimate on a new PC and then use downgrade rights until you are ready to upgrade to Windows Vista. When you are ready, you are "future proofed" since you already have a license for Windows Vista.
3. For customers interested in buying a low-end personal computer (often referred to as a "NetBook" or "NetTop"), we are making Windows XP Home and Windows XP Starter available for use on these budget systems. Additionally, System Builders (sometimes referred to as "local OEMs"), may continue to purchase Windows XP through Authorized Distributors through January 31, 2009. All OEMs, including major OEMs, have this option.

Important Progress with Windows Vista

Windows Vista was a very ambitious release. It contains significant advances in many areas, ranging from enhanced security and lower total cost of ownership to support for the next generation of hardware, to better audio and video experiences, to improvements that make it much easier to find all kinds of information, content, and data on your PC and on the Web.

When we began designing Windows Vista, we started with feedback from customers indicating that we needed to improve the security of Windows. To respond, we made significant changes in Windows Vista to improve the security and resiliency of the system. The good news is that these changes have resulted in significant security improvements for customers who are using Windows Vista. During 2007, Windows Vista had half the number of critical vulnerabilities as Windows XP Service Pack 2 did during the same time period. PCs running Windows Vista were 60 percent less likely to be infected by malware than those running Windows XP Service Pack 2. The phishing filter in Internet Explorer 7—which is included with Windows Vista—stops about 1 million phishing attempts every week.

Our Focus on Compatibility

The architectural changes that improved security and resilience in Windows Vista led to compatibility issues with existing hardware and applications. Many hardware drivers and applications needed to be updated, and while the majority worked well when we launched Windows Vista, some key applications and drivers were not yet available. Since then, Microsoft and its industry partners have been hard at work to address compatibility issues and now the situation is fundamentally different. Today Windows Vista supports about 77,000 components and devices, which is more than twice as many as we supported at launch. As a result, most devices work on most systems, and in most cases where the latest driver is not available on Windows Update, we are able to provide a link to the device vendor's Web site where the latest driver can be found.

Today, 98 of the top 100 applications for Windows sold at retail in US in the last year in the categories of Finance, Business, System Utilities, Imaging/Graphics, Personal Productivity, and Education, are compatible with Windows Vista. But what about gaming? We are happy to report we now have Application Compatibility Updates for more than 125 popular PC games to enable them to work on Windows Vista. These updates are installed automatically using Windows Update.

Free downloads like Adobe Reader and iTunes have versions that are optimized for Windows Vista. With the exception of devices that are very old, the vast majority of compatibility and driver issues have been addressed and customers are seeing a much improved user experience.

Quality and performance improvements to Windows Vista with Service Pack 1

One of the key investments we made in Windows Vista was to create a comprehensive “telemetry system” that lets us gather anonymous information about how real customers are using Windows Vista, and what their experiences are with real applications and devices running on real systems. This has helped us prioritize the work of our development teams and of our hardware and software partners to make sure we have support for devices and applications. It also guided our work in Windows Vista Service Pack 1 (SP1).

Windows Vista SP1 didn’t introduce a lot of new features but it was a very important milestone because it enabled us to incorporate telemetry data to improve Windows Vista performance, compatibility, and reliability. There are hundreds of small improvements that combine to deliver a significantly better overall experience. For example, Windows Vista SP1 copies files up to 50 percent more quickly, improves the time it takes to decompress contents of a large folder by as much as 71 percent, and provides diagnostic system enhancements that make Windows Vista easier for IT organizations to support.

Partnering to deliver great Windows Vista-based PCs

The telemetry data we collect has also helped our partners that make Windows-based PCs to identify, diagnose and fix the top issues that affect the customer experience.

For example, by identifying third party software that causes performance issues, we helped our partners shorten the amount of time it takes to startup and shutdown Windows Vista. One major OEM we worked with reduced system boot times by almost half, and system resume time from 15 seconds to 2 seconds. By improving driver quality, we also helped OEM partners extend battery life by an average of 10 percent, and in one case we were able to gain 30 minutes additional battery life with a single driver change.

Many of these improvements are the result of basic steps like using the latest drivers and making sure that the right software is installed on the system.

The Bottom Line

Windows Vista is a very significant step forward, but our customers have made it clear to us that they want broader support for devices and applications in order to enjoy the overall experience. During the last year, we have worked diligently with our hardware and software partners to improve compatibility

to remove the barriers that prevent users from taking advantage of the important advancements Windows Vista delivers. It has been a year of exciting and critical progress.

Beyond Windows Vista

Some of you may have heard about “Windows 7”, which is the working name for the next release of Microsoft Windows. We have learned a great deal through the feedback you have shared with us about Windows Vista and that feedback is playing an important role in our work on Windows 7. You have told us you want a more regular, predictable Windows release schedule. To this end, our plan is to deliver Windows 7 approximately 3 years after the January 2007 general availability launch date of Windows Vista.

You’ve also let us know you don’t want to face the kinds of incompatibility challenges with the next version of Windows you might have experienced early with Windows Vista. As a result, our approach with Windows 7 is to build off the same core architecture as Windows Vista so the investments you and our partners have made in Windows Vista will continue to pay off with Windows 7. Our goal is to ensure the migration process from Windows Vista to Windows 7 is straightforward.

So What Should You Do?

The other question I often get when I have a conversation about Windows with customers is “what should I do now?” The answer depends a little bit on who you are:

1. **For customers using Windows in enterprises:** Windows Vista offers significant advances in security and productivity and we recommend that enterprises that have not yet deployed it should absolutely evaluate its benefits. If you looked at Windows Vista previously and had concerns, the combination of Service Pack 1 and improvements made by our partners probably fixed many of the issues you were worried about and we encourage you to take a second look. We designed our management tools to support a mixed environment of Windows XP and Windows Vista, so a strategy that puts Windows Vista on newer PCs that have the hardware capability for Windows Vista, while leaving Windows XP on older systems may be best. Since many of you are using Windows XP, rest assured we will continue to support Windows XP and that you can deploy new PCs with Windows XP if you choose. You should also deploy Windows XP Service Pack 3 and Internet Explorer 7 for an improved, more secure experience.
2. **For customers using Windows at home or in a small business:** A new PC with Windows Vista will provide the best experience, deliver the best results from today’s hardware, and work well with the vast majority of hardware and software solutions available today. So there is no reason not to choose the best version of Windows, which is Windows Vista. If you use an application that isn’t available for Windows Vista or if you just aren’t ready to upgrade, you should get a new PC with Windows Vista Business or Windows Vista Ultimate, and then take advantage of downgrade rights to use Windows XP Professional for as long as is necessary. If you have existing PCs running Windows XP, then you can use Windows XP for as long as you need. If you do stay on Windows XP, we recommend you install Service Pack 3 and Internet Explorer 7.

For more information about Windows Vista, I encourage you to visit:

<http://www.microsoft.com/windows/products/windowsvista/whynow.msp>

Additionally, I hope this clarifies questions and issues you may have about Windows XP availability and support. For more detailed information, please visit:

<http://www.microsoft.com/windows/products/windowsxp/future.msp>

I want to thank you for your continued business and partnership. We value your feedback and want to continue to be a long-term partner with you. We stand behind our products and will continue to focus on providing excellent support so that your experience with Windows is optimized for you.

Regards,

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