To: Claudia Toth – Senior Communications Manager
Derrick Fennell – Corporate Communications Manager

From: Mike Morrison - Dep. CEO - FBC
John Deffterios – Group Vice President, Content - FBC

Date: March 2, 2004

Re: Microsoft EMEA Video News Release & Launch Video Project

Summary

Following the meeting February 25th in London with Microsoft EMEA and FBC, please find a proposal outlining the broadcast/production strategy and costs for the following:

1) EMIC: The European Microsoft Innovation Centre in Aachen, Nordrhein-Westfalen, Germany - Video News Release Coverage and Placement
2) EMIC Innovation Launch Video
3) UNHCR-Red Cross-Microsoft Community Investment Project – Video News Release Coverage and Placement
4) EMIC & UNHCR/Red Cross report repackaging for internal use within Microsoft
5) Project Team
1) EMIC Video News Release Coverage April 26th Aachen, Nordrhein-Westfalen, Germany

Objective
To illustrate how Microsoft EMEA is at the forefront of innovation and job creation within the region by building a comprehensive news story utilising the opening of Microsoft's research and development facility in Aachen. The Aachen Innovation Centre is an illustration of Microsoft's commitment to both investment and technology development in Europe.

Story Strategy
The facility opening in Aachen will be used as a springboard to tell a much bigger story for Microsoft within EMEA. Microsoft has made a commitment in Europe to foster innovation and job creation – two crucial goals outlined in the Lisbon strategy by the European Union. The Microsoft “ripple effect” is substantial. The company employs 12 thousand workers in Europe alone, which has fostered the creation of 1.6 million jobs within the region. The R&D facility in Aachen is at the crossroads of Europe and symbolically frames Microsoft as an innovator and creator, not an acquirer of companies and facilities. Of equal importance, Microsoft is partnering with European universities to enhance the competitiveness of the European workforce, creating technology clusters, which drive research, provide access to technology and train workforces.

FBC Media Services will package the facility opening in Aachen as a fully integrated, edited 4-minute news report with voiceover. The report will stress the immediacy of “the event” itself while illustrating how Microsoft’s facility serves as a prime example of “created in Europe for Europe” – highlighting Microsoft’s corporate messaging on Enabling Opportunity, Responsible Leadership, Corporate Citizenship and Investment in local communities and economies.

It is our experience and this was proven with the “Partners in Learning” same day coverage from Rome by FBC in September, that a comprehensive, well-structured complete report, with sound bites and voiceover track, provides a clear road map for news organisations.

We strongly believe this strategy along with FBC’s distribution relationships with the broadcasters will secure placement of the story, framing Microsoft as a leader of innovation and job creation on the Continent.
Distribution Strategy

The EMIC facility opening in Aachen structured in the wider context outlined above will greatly enhance interest on the part of Pan-European and national broadcasters.

Beyond a core effort to target the major Pan European news groups such as BBC World, Euronews, CNN International, CNBC Europe, Sky TV and Bloomberg, we will target the leading national broadcasters in Germany, Belgium, Holland, France, Britain and Italy – core markets for Microsoft EMEA, but also markets that will understand the worthiness of the Aachen investment.

The satellite distribution will be conducted by FBC via APTN and Reuters Television with two sets of feeds timed for optimal placement. The first set of feeds will be placed at mid-afternoon on April 26th to target prime evening broadcasts in Europe. A second, later feed will take place in the evening, specifically targeted at morning programme producers and a second broadcast airing.

Due to our distribution relationships and our extensive contacts in the news arena, FBC will engage in extensive pre-planning with the distribution of a media alert, direct phone contact with assignment editors and planners and direct phone follow up to measure placement of this special report.

FBC would plan with Microsoft and APCO the drafting of a media alert which would be distributed to broadcasters on Friday, April 23rd and again on Monday morning, the 26th outlining our coverage and the offering of the video news release. We would recommend that this be sent out under the FBC banner as a third party provider of this coverage, which offers a level of neutrality of the planned report.

FBC Guaranteed Distribution Placement

As you are aware, FBC is a leading producer and distributor of programmes with international broadcast placement.

Our flagship programme, World Business, is a weekly half-hour business news magazine, which covers the trends shaping business, particularly from a European perspective. We can foresee placing coverage of the Aachen opening within the programme the weekend of May 1 & 2, which means guaranteed placement on CNBC Europe, PBS-TV in the U.S., Star World Asia and 12 national broadcast markets in Western and Eastern Europe. It is worth noting that in those dozen markets, World Business is aired on major news outlets such as N24 in Germany.
In addition, Euronews, the Pan-European news broadcaster, takes up to three segments of *World Business* each week and the report from Aachen could be one of the features selected that week as well.

Due to our distribution agreements with each of the broadcasters, FBC maintains final editorial control over the reports featured within any of its broadcast programmes.
2) **EMIC Innovation Launch Video**

**Objective**

To produce a 4-minute video which will be shown at the opening of the Aachen R&D facility on April 26th in the presence of up to 75 guests comprising senior executives, European and local governmental officials and journalists attending the event.

**Strategy**

As outlined in our strategy surrounding the opening of the facility in Aachen, there is a much bigger story to be told about Microsoft’s commitment to Europe as an innovator and job creator in the region.

We strongly believe that a brief, but highly produced video telling the story of Microsoft’s commitment to job creation and its role of enhancing Europe’s competitiveness should not be lost at this milestone event in Germany.

We would recommend a 4-minute video that as a central theme places Microsoft as “Europe’s Innovator” while weaving in the corporate messaging of Enabling Opportunity, Responsible Leadership, Corporate Citizenship and Investment in local communities and economies.

Specifically, the video would home in on Microsoft EMEA’s role in research and development in Europe coupling a strategy that visually shows the work being done at the MSR facility in Cambridge by the 75 researchers on the Continent and the innovations they are fostering.

This video would also incorporate how Microsoft supports local IT development through its three technology centres (MTCs), which provide hubs to create and develop technology solutions. The launch video is also a great opportunity to highlight to this audience an example of a successful customer pilot project as well.

CD Rom copies of the launch video can also be made available to those attending the event April 26th.
3) **UNHCR-Red Cross-Microsoft Community Investment Project – Video News Release Coverage and Placement**

**Objective**
To illustrate how Microsoft EMEA is playing a vital role in providing access to technology and learning to those less fortunate, in particular immigrants and refugees.

**Story Strategy**
The UNHCR-Red Cross-Microsoft Community Investment Project incorporates all of the corporate messaging themes of Enabling Opportunity, Responsible Leadership, Corporate Citizenship and Investment in local communities and economies.

The project event April 15th in St. Petersburg tells a wonderful story of how technology can enhance the everyday lives of those who need it the most, immigrants and refugees trying to establish a foothold in society after economic and social displacement or upheaval. The UNHCR-Red Cross initiative is a perfect example of public-private partnership, which often goes unnoticed within the daily news flow of any given day.

FBC Media Services would use the visit of Jean-Philippe Courtois and his team from the region to provide a “daily news hook” to what in essence is a rich feature story linked to one of the most pressing issues today: how to help those in need make a fresh start.

We believe this story, enhanced by similar project partnerships by Microsoft in the region, can be of particular interest.

We would highly recommend incorporating existing video that has been done by Microsoft already as well shooting on location in other parts of the region to illustrate the work performed by the company in this arena.

**Distribution Strategy**
The UNHCR-Red Cross-Microsoft Project should incorporate a two-pronged strategy for placement on April 15th.

FBC would deliver “same day” coverage of the event from St. Petersburg and couple that effort with feature story placement on the major Pan-European and national broadcasters who have specialised programming highlighting technology and economic development.
BBC’s Click On-line and CNN’s Global Challenges are two examples of feature related programming platforms that FBC would devote particular energies to.

As outlined in our strategy for the Aachen launch, FBC has extensive distribution relationships with the major broadcasters in the region and we would mobilise these contacts for daily and feature story placement.

A media alert would be drafted and placed on Tuesday, April 13th, with follow up distribution and phone calls on Thursday, April 15th.

**FBC Guaranteed Distribution Placement**

Within our menu of FBC programming is a monthly technology programme *Tech Watch*, which is distributed on 12 airlines each month.

The UNHCR-Red Cross-Microsoft Project is an ideal story for this programming platform and can be placed on *Tech Watch*.

The programme reaches 2.5 million passengers in first, business and economy classes on airlines which include: Alitalia, Emirates, Finnair, Malaysia Airlines, Qantas, Royal Jordanian, SAS and United Airlines.
4) EMIC & UNHCR/Red Cross report repackaging for internal use within Microsoft

The two reports will be designed specifically for news placement on the major Pan-European and key national markets, with the objective of reaching key decision makers in government, the NGO community and business.

Having produced and placed the "Partners in Learning" project in September 2003, it is clear the language and objectives differ greatly from the internal communication goals for Microsoft EMEA.

FBC will work with the team from Microsoft EMEA to reversion the two video news reports in the style required for internal usage in the language familiar to employees within the region, incorporating graphics producing internally at FBC.

Again, CD ROMs and Internet ready versions will be produced and developed on behalf of Microsoft EMEA.
5) Project Team

FBC will utilise our core team of full-time broadcast and new media professionals across this project on behalf of Microsoft EMEA. This team includes the following individuals:

John Deferios – Group Vice President, Content - FBC

Mr. Deferios oversees broadcast and media services content on behalf of FBC. A 20 year veteran of business journalism, he joined FBC from CNN where he was managing editor, anchor and correspondent in London and New York. Prior to his 8 years at CNN, he was a correspondent and producer in London, Washington and Los Angeles with Reuters Television in a joint venture with Nightly Business Report of PBS-TV in the United States.

Eckart Sager - Executive Producer – FBC

Mr. Sager is responsible as team leader within Media Services and has travelled around the world on behalf of FBC's clients, providing same day coverage on location of video news releases. Mr. Sager joined FBC from CNN, where he was an award winning senior producer for “Moneyline with Lou Dobbs”, “Pinnacle Europe” and “Business Unusual”.

June Decter – Distribution Manager – FBC

Ms. Decter is in charge of distribution and client relations for FBC’s network of broadcast affiliates internationally. Ms. Decter joined the group after more than 20 years in news and corporate affairs, most notably as senior producer for NBC News in Europe.

Andy Wagner – New Media Development- FBC

Mr. Wagner manages New Media Development activities. He joined FBC after a successful career with Internet consulting company Framfab, where he was initially Program Manager for telecom portal development projects and then later Senior Technical Officer for launching operations in Italy. Prior to Framfab, Mr. Wagner worked for TetraPak of Sweden as their Application Services Manager.