

Microsoft Corporation

One Microsoft Way
Redmond, WA 98052-6399
USA
Phone: +1 425 882 8080
www.microsoft.com

Microsoft EMEA

Coeur Défense, Tour B - 37e étage
100, Esplanade du Général de Gaulle
92932 Paris La Defense Cedex
France
Phone: +33 01 70 99 10 00
www.microsoft.com/emea

Eastern Europe

Microsoft Deutschland GmbH
Konrad-Zuse-Strasse 1
85716 Unterschleissheim (Munich)
Germany
Phone: +49 89 3176 0
Fax: +49 89 3176 1000

North Africa and Middle East

Microsoft Bilgisayar Yazilim (Turkey)
Hizmetleri Limited Sirketi
Barbaros Plaza Is Merkezi
145-C, Kat 21
Emirhan Caddesi
Dikilitas, Besiktas 80700
Istanbul
Turkey
Phone: +90 212 258 5998
Fax: +90 212 258 5954

Sub Sahara Africa

Microsoft (S.A.) Limited

Mailing Address:
PO Box 5817
Rivonia 2128
South Africa

Physical Address:
7 Naivasha Road
Sunninghill 2157
South Africa

Local phone: 0860 22 5567
International phone:
+27 11 257 0000
Fax: +27 11 257 0257

Partner organisations:

UNHCR

www.unhcr.ch

European Year of People with Disabilities

www.eypd2003.org

CSR Europe

www.csreurope.org

Business in the Community

www.bitc.org.uk

European Academy of Business in Society

www.eabis.org

The Prince of Wales International Business Leaders Forum

www.iblf.org



Citizenship Report Europe, Middle East and Africa

Responsible Leadership | Customers and Partners | People | Environment | Communities

2004



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Microsoft
Your potential. Our passion.™

“It takes more than great products to make a great company”

Bill Gates, Chairman of the Board and Chief Software Architect, Microsoft

“Amazing things happen when skills and resources are shared
in partnership to empower people to realise their potential”

Jean-Philippe Courtois, Chief Executive Officer, Microsoft EMEA
Senior Vice President, Microsoft Corporation

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An online version of this report is available for download at:
www.microsoft.com/emea

We see this report as an opportunity to share how we view our roles and responsibilities as a global industry leader and corporate citizen, and to enhance our communication with our many stakeholders about the way we fulfil them. In this overview, you may discover things you never knew about Microsoft – from how we create innovative new technologies to how we empower people who have disabilities, and from how we support and advance open technology standards to how we strengthen communities worldwide.

Microsoft’s mission is to enable people and businesses throughout the world to realise their full potential. It is grounded in six core values that are the foundation of our business, and expresses our conviction that it takes more than great products to make a great company. We believe that our mission, although ambitious, is achievable. But we also know that we can’t do it alone.

Our business is built on relationships – with our customers, partners, investors, and employees, and with the many countries and communities around the world where we live and work. These relationships are crucial to us, and they depend on the choices we make and the actions we take every day – as a company and as individuals. We are committed to keeping those relationships strong and healthy by communicating openly about our business practices, being transparent about our performance, and remaining accountable for our conduct.

As Microsoft has grown as a company, we have learned a lot about what it takes to build trust and keep it, to earn respect and return it, and to create the kind of business environment that inspires successful partnerships and collaboration. We know that our decisions have significant ramifications for other companies and for people and communities worldwide. We take that responsibility very seriously.

Global citizenship, like the rest of our business, is a work in progress. This overview simply provides a snapshot of where we stand today, because every

programme and activity highlighted here is active and on-going. We look forward to continuing to make a lasting difference in the lives we touch and the communities where we do business, and to empowering more people who – because of age, geography, physical disability, or economic barriers – could not otherwise reap the benefits of technology. We also aim to do even more to deliver the best value for our customers and partners; to increase our transparency as a company; to make the Internet a safe and trustworthy environment for everyone; to limit our environmental impact and conserve natural resources; and to provide an outstanding work environment for our employees.

We are unceasingly optimistic about the future of technology and the positive things it can do for people worldwide. And while we’re proud of what we’ve accomplished, we’re even more excited about the opportunities that lie ahead for our company and, in partnership with others, for the global community.



Steve Ballmer

Steve Ballmer
Chief Executive Officer

Bill Gates

Bill Gates
Chairman and Chief Software Architect

Microsoft operates in over 55 countries across Europe, Middle East and Africa – the EMEA region, working with local partners in the government, industry and society at large to empower people, businesses and communities to realise their potential. Our presence in EMEA since 1982 has shown us the importance to our business of local partnership and collaboration, especially as a key means to learn from the region’s rich cultural, linguistic, geographical and business diversity.

We are proud to work in EMEA as a group of companies employing more than 12,000 people and a partnership channel for 400,000 software developers, 280,000 resellers and millions of small and medium sized enterprise customers. We are convinced that when the company aligns its efforts to respond to shareholders’ expectations with its commitment to deliver societal value, the net result is a strong strategy for sustainable growth and innovation.

We believe that corporate citizenship can be an asset for shared efforts to address the big challenges and opportunities of our times. In EMEA these include the enlargement of the European Union (EU) and the EU Lisbon goals for enhancing European competitiveness and inclusiveness; the New African Partnership for Development (NEPAD); and the development goals of the Middle East under the broader banner of the United Nations Millennium Development Goals. Education, IT life-long learning and participation in the information society are key enablers of these development goals. As a company that recognises its role in society we want to contribute to the evolution of the Corporate and Social Responsibility (CSR) debate in the region and welcome platforms for dialogue such as the EU Multi-Stakeholder Forum, to which we aim to contribute.

In this report you will find examples of how we are putting our values and mission into practice in the EMEA region and how we envision doing so in the future. From our work with children in Lebanon and public education authorities in Jordan and Namibia, to disabled adults in the Czech Republic and the United Kingdom, with the United Nations High Commission for Refugees internationally and NEPAD in Africa, our partnerships demonstrate the empowering nature of technology both economically and socially for the communities, and for Microsoft employees.

Corporate citizenship is a journey not a destination. This report on our activities in EMEA, like our global report, is a marker on our journey. We are committed to continue our initial efforts in an open, inclusive and transparent way. We look forward to your views and comments to help us shape Microsoft’s citizenship programmes in EMEA in the years to come.

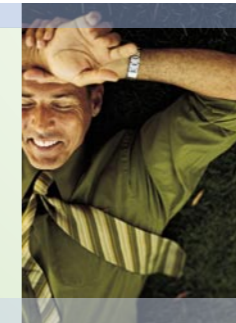
Jean-Philippe Courtois
Chief Executive Officer, Microsoft EMEA
Senior Vice President, Microsoft Corporation



At Microsoft our approach to citizenship encompasses four major areas:

- Integrity in our own business policies, practises and processes
- Responsible IT leadership in contributing to a sustainable information society for all
- Mutual engagement with our staff on workplace issues and our environmental impact
- Partnerships for sustainable IT solutions with educational institutions, civil society, and local communities.

Company Overview



Microsoft is still a young, innovative company in an extremely dynamic industry. We've come a long way in a short time, but the global business environment in which we operate is evolving rapidly, too. Companies worldwide are being challenged in new ways – not only to offer better products and services, but also to enhance their corporate governance and provide greater transparency in how they conduct their business. At Microsoft, we have made changes in our organisation that are designed to provide better customer service, create more opportunities for partners, and enhance our contributions as a responsible industry leader.

The Journey So Far

In 1975, most people had never heard of personal computers. You couldn't even buy one – unless you wanted to buy a kit and build it yourself. Collaborating with co-workers meant poring over photocopies or, worse, carbon copies of documents. And for communication, we relied entirely on telephones or the mail.

Microsoft co-founders Bill Gates and Paul Allen saw the potential to turn a hobbyist's toy into something more. They wrote a version of the BASIC software language that would work on the first *personal computer*, the MITS Altair 8800. Microsoft® BASIC, and the many software programmes that soon followed from our developers and

partners, helped spark a worldwide technology revolution that has transformed the way people live, work, learn, and are entertained.

Bill's and Paul's early vision of a computer on every desk and in every home seemed like a fantasy to most people when the two friends founded what was then called Micro-Soft. Today, it's almost a reality. More than one billion personal computers have now been sold around the world, along with billions of other digital devices, all able to share information in amazing ways.

What fuelled this revolution was the belief that software – if made affordable

and accessible to more people – would remove barriers and transform technology into an extraordinary tool that would empower millions of people around the world.

Today, Microsoft employs more than 55,000 people in over 80 countries. In Europe, the Middle East and Africa (EMEA) we have 12,000 employees working in over 55 offices, delivering products and services in more than 139 countries.

From programming languages and operating systems to Internet services and games, we've created a huge range of computer programmes. And we've never lost our passion for developing great software that enables people and businesses throughout the world to realise their full potential.

As Microsoft has grown, so have our responsibilities as a global industry leader. Those responsibilities require us not only to compete, but also to collaborate. We make investments that help build the communities where we do business, and create opportunities for people who are disadvantaged. To ensure that the way we operate our business limits our impact on the

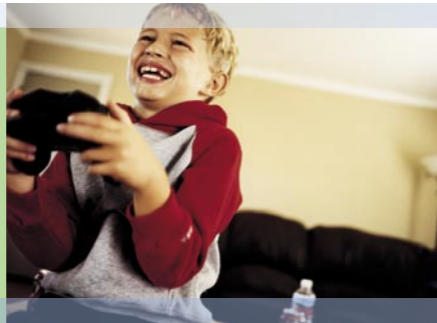
environment, we recycle and reuse many materials to conserve natural resources. We work hard to maintain a positive work environment for our employees and vendors. And, underlying it all, we create innovative software that helps change the world by empowering people to transform their lives and open the door to their individual dreams.

Our Core Values

Six core values guide Microsoft and serve as the foundation for everything we do. More than a corporate philosophy, our values are as fundamental to our business as an operating system is to a personal computer. They are:

- Integrity and honesty
- Passion for customers, partners, and technology
- Open and respectful with others, and dedicated to making them better
- Willingness to take on big challenges and see them through
- Self-critical, questioning, and committed to personal excellence and self-improvement
- Accountable for commitments, results, and quality to customers, shareholders, partners, and employees





Our Mission

Our mission grew out of our core values and remains closely aligned with them. It is to enable people and businesses throughout the world to realise their full potential.

Organised for Service

We have organised Microsoft around seven core business groups because we believe this structure offers us the best opportunity to serve our customers – and to provide our investors and partners with a clearer view of how we operate our business and govern the company. Those business groups are:

- **Windows® Client** including the Microsoft Windows XP, Windows 2000, and Windows Embedded operating systems.

- **Information Worker** including Microsoft Office, Microsoft Publisher, Microsoft Visio®, Microsoft Project, and other stand-alone desktop applications.

- **Business Solutions** encompassing Great Plains® and Navision® business process applications, and bCentral™ business services.

- **Server Platforms** including the Microsoft Windows Server™ System integrated server software, software developer tools, and MSDN®.

- **Mobile and Embedded Devices** including the Pocket PC, the Mobile Explorer microbrowser, and the Smartphone software platform.

- **MSN®** including the MSN network, MSN Internet Access, MSN TV, MSN Hotmail®, and other Web-based services.

- **Home and Entertainment** including Microsoft Xbox®, consumer hardware and software, online games, and our TV platform.

Just as we constantly update and improve our products, we want to continually evolve our company to ensure that we are always in the best position to create innovative new technologies – and to provide outstanding service to our customers.

Business Operations

Responsible corporate citizenship is defined by good behaviour, not good intentions. At Microsoft, we're proud of the way we operate every aspect of our business, and maintaining that high standard is the responsibility of every Microsoft employee, contractor, and vendor. That's why we have codes of conduct, environmental policies, and other guidelines that spell out exactly what we expect from the people who work at, and with, Microsoft.

Board of Directors

In September 2003, Microsoft Corporation named Dr. Helmut Panke, Chairman of the Board of Management of Bayerische Motoren Werke (BMW), as a member of its Board of Directors. As the first member of the Board from outside the United States, the move represents a significant step in reinforcing Microsoft's commitment to a global approach and its focus on the EMEA region. The Corporate Governance guidelines and the Standards of Business Conduct adopted by the Board are available at:

www.microsoft.com/msft/corpinfo.mspx

Office of Legal Compliance

We created an Office of Legal Compliance at Microsoft as a resource to enhance ethical business practises and our ability to comply with a wide range of legal obligations and to help our employees and vendors understand their responsibilities under the law. We have established a comprehensive education and compliance assurance programme at Microsoft that addresses employment law, anti-discrimination statutes, privacy, civil rights, securities, international trade interactions, competition law and many other areas.

Employees who need guidance about a business practise or compliance issue, or who wish to report a compliance concern, can place a collect call, via the international operator, to the Business Conduct Line on +1 704 540 0139.

Partners, customers or others outside the company who have concerns about compliance can report them to the Office of Legal Compliance by calling the Business Conduct Line, e-mailing msft.buscond@alertline.com or buscond@microsoft.com, or by sending a confidential fax to the director of compliance at +1 425 705 2985. For more information please visit:

www.microsoft.com/mscorp/legal/buscond/



Codes of Conduct

Microsoft's Standards of Business Conduct apply to all our employees, and set clear guidelines for them to follow when they are conducting business on behalf of the company. Training is being conducted for employees to acquaint them with these standards and the company's high expectations. For more information please visit:

www.microsoft.com/mscorp/legal/buscond/

We also have codes of professional conduct that apply specifically to employees who are engaged in certain types of business activities. For example, the Procurement Code of Professional Conduct applies to anyone at Microsoft who is involved in procurement or supply-chain management activities, such as negotiating contracts, managing vendor relationships, and monitoring service delivery.

A further code of professional conduct applies to employees who work in Microsoft Finance and manage the company's financial affairs worldwide. Employees of our finance organisation hold an important and elevated role in

corporate governance because they are uniquely empowered to ensure that all stakeholders' interests are appropriately balanced, protected, and preserved. The Finance Code of Professional Conduct sets out principles and rules regarding individual and peer responsibilities, as well as responsibilities to fellow employees, the public, and other stakeholders. If you have a concern regarding a questionable accounting or auditing matter and wish to submit the concern confidentially or anonymously, you may do so by sending an e-mail, calling the Business Conduct Line, or sending a letter or fax to the director of compliance as outlined above.

As a global company we recognise the need to respect the local languages, laws, regulations and business practises of the diverse communities in which we operate. Consequently, we localise some of our Codes of Conduct to reflect better those local requirements, and to communicate more clearly with our stakeholders.

Vendor Code of Conduct

As part of our commitment to provide a positive work environment at Microsoft, we require our vendors and their representatives to adhere to the same professional standards of behaviour that we expect from our employees. The Microsoft Vendor Code of Conduct covers everything from harassment to the use of e-mail and online resources, and makes it clear that we expect our vendors to share our support of cultural and ethnic diversity, and our equal opportunity employment policies. Partners, customers, or others outside the company who have concerns about Microsoft's procurement practises should contact the director of compliance. For information on our procurement practises and policies, please visit:

www.microsoft.com/mscorp/procurement/process/contracting.asp

Corporate Social Responsibility

To co-ordinate and build on its commitment to corporate responsibility, Microsoft has created a virtual CSR team, made up of representatives from various departments from across the company and around the world.

At the start of 2003, Microsoft EMEA created the position of Director of Community Affairs and CSR to co-ordinate these activities across all of our EMEA subsidiaries, working closely with Microsoft Corporate headquarters in the United States and Microsoft colleagues from Canada, Latin America and Asia-Pacific.

EMEA CSR director Elena Bonfiglioli says: 'We are committed to listen and connect deeper, to foster social innovation and sustainable growth internally and with our communities, and to keep learning and contributing in this emerging area.'

As part of its commitment to further its activities and practises on CSR, Microsoft is pleased to play its role alongside other companies committed

to promote the CSR agenda. Business-to-business dialogue as well as business-to-stakeholder dialogue enriches our understanding of the growing role of business in society. The exchange of best practices and the work we undertake jointly is an invaluable source of learning, innovation and inspiration.

For these reasons we are grateful to be members of business networks such as CSR Europe (www.csreurope.org), the International Business Leaders' Forum (www.iblff.org), Business for Social Responsibility (www.bsr.org), and Business in The Community (www.bitc.org.uk). We are also very proud to work with reference stakeholders for example, the academic community through the European Academy of Business in Society (EABiS) of which Microsoft is a founding member alongside IBM, Shell, Unilever and Johnson & Johnson; and with the Information Society Partnership for African Development, part of the New Partnership for African Development (NEPAD), which we recently joined as a foundation member to jointly work on promoting digital inclusion across Africa.

Responsible Leadership

Part 1

As an industry leader, Microsoft recognises its responsibility to set and maintain exceptionally high standards of product quality and support, and to deliver excellent customer service. Our customers and partners expect this of us, and we demand it of ourselves.

As part of our renewed commitment to our customers, partners, and developers, we have built new leadership teams for each of our businesses and increased leadership accountability throughout our company, while also expanding and nurturing our next generation of leaders. Along with creating this new management structure at Microsoft, we reaffirmed our core values and made living up to them a part of every employee's performance review.

We're doing more industry outreach, forming more alliances, and working more closely with governments. Emerging problems like security and identity theft are too big and complex for either industry or government to solve alone. We need more public/private alliances to address these challenges, which will help the technology industry to continue to drive global economic growth.

It comes down to this: Microsoft is totally committed to working with our partners and developers to provide innovative technologies that will continue to empower people worldwide and transform the way we live, work, and learn.

"At the end of the day, our job is not done unless we have provided great opportunities for others to build world-class software, and helped make them successful in building it."

Eric Rudder, Senior Vice President, Servers and Tools, Microsoft Corporation

Creating New Opportunity for Developers

Developers are the foundation of our business – our most critical audience and our greatest asset.

Microsoft has always had a healthy, interdependent relationship with software developers. Our first products were PC programming languages, so we have deep roots in the developer community. From the beginning, the idea behind the Microsoft business model has been that we ensure our own success by attracting developers to our platform and doing whatever we can to help them succeed.

The success of Windows is due in no small part to the creativity and innovation of developers who write programs that run on the Windows platform. Our ability to attract developers can be attributed largely to our decision to make our application programming interfaces (APIs) available to all developers, even potential competitors. Our open-API model allows developers to call features of the Windows operating system into their own programs, which eliminates the need to create those features from scratch, saves time and money, and makes their applications run efficiently.

As a result of these APIs, plus the tools and support we provide, more developers – approximately seven million worldwide – write software for the Windows platform, which in turn makes it the most compelling platform

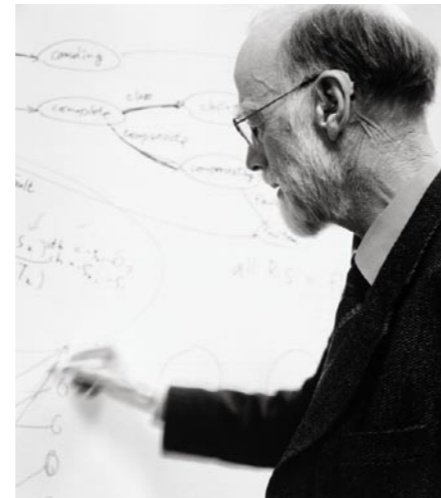
EMEA today

Today in EMEA, we estimate that 40,000 employees within the IT hardware industry are focused on providing solutions to their clients using Microsoft technology. Independent Software Vendor jobs related to Microsoft technologies have doubled between 1997 and 2001 to 51,000 in EMEA and this is projected to increase to over 80,000 by 2006. In terms of those employed in software development, over 400,000 developers are registered on the Microsoft Developers Network. These are EMEA based developers working within the EMEA IT industry and directly contributing to the growth of the industry and EMEA economy.

It is also estimated that 205,000 consultants and systems integrators in EMEA are doing business on Microsoft platforms and technology. This figure is set to grow with estimates for 2006 exceeding 350,000 people representing one third of the IT specialists working for IT services companies in EMEA.

In terms of technology resellers, almost 1,300,000 people are engaged in reselling solutions that incorporate Microsoft technology, which equates to two-thirds of the total 1,800,000 people in all reseller channels.

for users. Today, using eXtensible Markup Language (XML) and Microsoft .NET technologies, we're making it just as easy for developers to write rich, interconnected Web services as it is to write traditional applications and Web sites – a change that is creating exciting new opportunities for developers.



Creating New Opportunities for Partners

Microsoft has a longstanding, unwavering commitment to its partners. Our products and solutions have always been sold and deployed through partner channels, and we have never strayed from our promise to enable our partners to develop, sell, and support great technology solutions.

Microsoft partners with roughly 750,000 companies worldwide, and more than 350,000 of those are outside the United States. These affiliations help our partners increase revenues, lower costs, bring new products to market faster, and improve their recognition in the marketplace by linking their own products with the Microsoft brand. In addition, partnership can help fuel local employment. While Microsoft employs over 12,000 people across the EMEA region, research by International Data Corp. (IDC) shows that Microsoft's contribution to employment across the EMEA region goes far beyond direct employment. Through its open partnership approach, Microsoft helps to generate an estimated eight independent jobs for every Microsoft job, making

Microsoft a small part of a broader industry that develops, implements, trains and provides services related to, or powered by, Microsoft-innovated technology.

A strong partner model will be even more critical in the times ahead. To realise new growth opportunities, we need to look at how our technology can enable businesses to become more agile. How we enable business agility will vary dramatically from one customer to another, and determining individual business needs is where our partners play a critical role. Microsoft can only succeed in this if our partners are successful, too.

To ensure this, we must provide the tools, training, and resources partners need, and keep communication flowing consistently in both directions. Microsoft is developing innovative new programmes to help our partners succeed, and we're making major end-to-end investments inside the company to create a framework that will enable our partner ecosystem to remain strong and vibrant.

Microsoft and Innovation

We live in an age where changes in computer technology are leading to increasingly dramatic innovations in the way we use computers and how technology enhances our daily lives. Breakthroughs in computing have led to exponential growth in processing power, graphics, storage, networking, and other areas, with capacity often doubling or quadrupling in a few months to a year. These technological advances have made possible a proliferation of new devices – digital cameras, Tablet PCs, Pocket PCs, and Smartphones – that offer new ways for us to stay connected.

In 1991, Microsoft recognised the approaching technology revolution and saw an opportunity to lead it. Microsoft made a strong commitment to basic computer science research by establishing the first software company research lab, and the company continues to invest heavily in research. In fiscal year 2003, Microsoft invested \$4.7 billion in research and development (R&D).

Industry Leadership through Innovation

The future of technology lies in innovation, and innovation occurs when information is shared. That's why in 1997 Microsoft Research (MSR) was set up in Cambridge, UK with the goal of providing academic communities with an environment that would help stimulate the creation of next generation technologies that have an impact on millions of people around the world. Today, MSR Cambridge has 75 researchers representing 16 nationalities who work with Cambridge University and Microsoft research labs in Beijing and Redmond to invent future technologies in areas as diverse as imaging, programming tools, home network management and human-technology interfaces.

Microsoft is continually working on ways to make powerful applications easier to use by all. This includes the latest revision of its Digital Image Suite of applications, where top scientists at MSR Cambridge developed unique technologies to automate many of the complex tasks needed to enhance or edit digital photos or images. Research work on projects such as *patchwork* and *blender* now enable all users to quickly identify and remove elements of a picture, while seamlessly filling the hole left behind with a convincing background – making it easy to remove unwanted figures and elements from photographs.

“Since the creation of the Cambridge lab, research done there has been applied to a wide range of products including the Tablet PC, Pocket PC, Picture It! and Visual Studio. By ensuring this technology transfer, customers and partners receive a constant supply of new products and technologies that help them realise their potential in a rapidly changing environment.”

Jean-Philippe Courtois, Chief Executive Officer, Microsoft EMEA Senior Vice President, Microsoft Corporation

The late Roger Needham, former Managing Director Microsoft Research, summed up the goals of the Cambridge lab as follows: ‘We’re constantly deepening our partnership with academia, and are jointly committed to developing ideas and solving many of the key challenges in computing’.

The European Microsoft Innovation Centre (EMIC) opened in May 2003 in Aachen, Nordrhein-Westfalen, Germany. It focuses on applied research and technology development for projects that are aligned with the established technology priorities of the European Union. Created to foster public-private partnerships throughout Europe, the work at EMIC contributes information technology expertise to public-private partnership-based projects. Working together with academic institutions and industry partners, EMIC will concentrate its efforts in security and privacy, mobility and wireless, Web services technologies and social concerns such as e-learning and e-health, where new technology solutions and discoveries can make a contribution and have a positive impact.

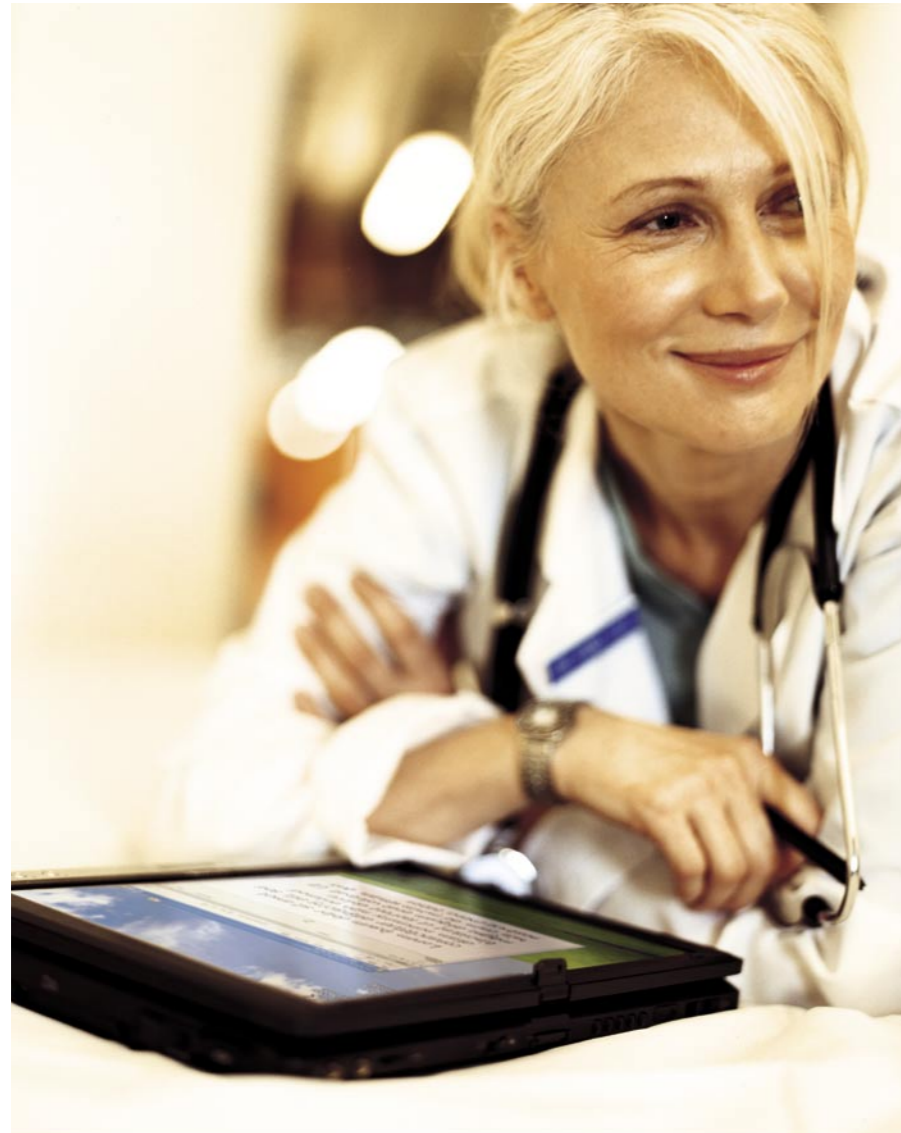
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Microsoft Research (MSR)

At Microsoft Research (MSR), we define tomorrow's technologies. Microsoft's Cambridge, UK, R&D centre and the recently opened European Microsoft Innovation Centre (EMIC) in Aachen, Germany are two examples of co-operation and knowledge exchange platforms between Microsoft and universities in EMEA.

Microsoft Research at Cambridge can be found at:

<http://research.microsoft.com/aboutmsr/labs/cambridge/>



Making Dreams Real

At its heart, MSR has two goals: driving innovations that can change the industry in areas such as natural language research and programmer productivity, and transferring those innovations from the lab into the hands of users. Today, MSR's work can be found in virtually every Microsoft product. For example:

- **Tablet PC** Handwriting-recognition technology that converts handwriting to digital text, digital ink technology that enables users to write on the Tablet as they would on paper, and ClearType® font technology that makes it easier to read on-screen text.
- **MSN 8** Spam control filters that offer a vast improvement over previous versions and enable the industry's best tools to combat spam.
- **Windows XP** Advanced multimedia technologies that enable more secure, reliable streaming transmissions and audio quality, improved search capabilities, and encryption and anti-piracy tools that make Windows XP the most secure Microsoft operating system to date.
- **Smart Personal Objects Technology (SPOT)** Smart technology that makes everyday devices such as watches, key chains, and alarm clocks more useful by enabling them to deliver a wide range of personalised information, such as news, traffic reports, stock quotes, weather information, and instant messages.

Microsoft Research University Relations

Microsoft Research University Relations is committed to supporting all aspects of the worldwide university computing environment. Its mission is to build world-class relationships with key universities, government agencies, and industry partners that enhance the teaching and learning experience, inspire innovation, and establish Microsoft as a leading technology partner for higher education.

We take our responsibility to the international academic community very seriously. We contribute more than \$75 million a year in cash and software to academic institutions around the world, and we're making more software available for teaching and research. For example, last year we announced an academic version of Microsoft Visual Studio® .NET to make it easy for university faculty and students to begin using Microsoft .NET technologies in the classroom. We also partner globally with academic institutions on curriculum development. Each year, we host faculty summits at Microsoft, bringing together hundreds of faculty members from all over the world. It's a chance for us to hear what's going on across the academic research community, to learn how we can help and participate, and to show educators and researchers what we're working on.

As part of Microsoft's commitment to promoting partnership with Higher Education, Microsoft has made investments in the Universities of Karlsruhe in



Germany and the University of Lyon in France to trial a new concept of *community self-help* for information technology. The first University Support Centres (USCs) have been established where students from computing and engineering schools provide technical helpdesk services to the broader education community. It is envisaged that this model will be made available to other universities providing low/no cost technical support services to the broader education community including primary/secondary schools.

In 2003, Microsoft was again a major sponsor of the global IEEE Computer Society International Design Competition (CSIDC). The CSIDC is an annual challenge that offers teams of under-graduate engineering students the opportunity to design, from inception to prototype, a special purpose computer-based device to solve a real-world problem.



Microsoft recognises that by working in partnership, education institutions will be able to harness the power of information technology and effectively use IT in teaching and learning.

“This is a momentous announcement and MSN should be congratulated on the leadership position it has taken ... I hope this move will give a huge boost to industry-wide efforts to achieve a safer experience for online users.”

John Carr, UK Director, Children & Technology Unit, National Children’s Homes Action For Children and Internet Adviser to the Children’s Charities’ Coalition for Internet Safety



In the UK, MSN is a core member of the Government’s Task Force on Child Protection on the Internet, which consists of industry members, government, charities such as the Internet Watch Foundation (IWF) and Child Net, hot-line operators and law enforcement. It has played a key role in producing best practice documents and educational campaigns. More information can be found on our dedicated child safety site:

www.msn.co.uk/staysafe

an educational tool intended to help parents to protect their children online. MSN UK and its dedicated child protection officer have been, and will continue, to work closely with Britain’s Home Office Task Force on Child Safety, the police, children’s charities and industry watchdogs on the best long term solutions to stamp out the industry-wide issue of child abuse online.

In France, MSN is involved in *Le Forum des droits sur L’internet*, a forum of industry and public bodies that is mandated by the Government (French Families Ministry) to deliver recommendations to improve online safety for children in France. More information can be found on our web site:

www.msn.fr/tech/internet/protection_parentale/default.asp

Online Consumer Safety

Last year Microsoft decided to close down its MSN Internet Chatrooms. As a responsible industry leader we felt it necessary to take this step to help safeguard children from inappropriate communications online and to protect users from unsolicited information such as Spam.

As one of the world’s most popular destinations on the Internet, attracting 350 million unique users each month, MSN takes the issue of child safety on the Internet very seriously. Its broad principles are to:

- Work with partners in the voluntary sector, child protection professionals, parent groups, governments and both local and international law enforcement agencies to find practical solutions to the many complex aspects of this issue.
- Provide users with innovative, accessible and effective tools and information to help protect themselves online.
- Educate, inform and deliver improved technology to empower parents by building controls to limit children’s exposure to inappropriate content and threats to their safety.

MSN has also created a *Safe Online Parents & Children* channel in the Netherlands and works with the police, the Dutch Government, De Kinderconsument (Child Consumer), Groep Veiliger Internet voor Kinderen (Safer Internet for Children Group), *The Music Factory* (TMF) and *MusicTeleVision* (MTV) on child safety online. For more information please visit our web site:

www.msn.nl/veiligonline

Microsoft supports online safety initiatives in a number of other countries, including sponsorship of the In-Hope conference in Berlin, and is a member of the European Internet Services Providers Association (EuroISPA).

In addition, Microsoft provides innovative tools such as MSN Premium Parental Controls, designed to help parents keep their children safe while online. They are built on advanced, patented Microsoft technology and incorporate new content-filtering technology. The Parental Controls provide broad coverage of areas in MSN such as e-mail, instant messaging and Web browsing, perform page-by-page evaluations of sites, and provide the flexibility to view appropriate pages within a site while preventing the viewing of pages that may not be appropriate for children.

MSN Premium delivers extensive features for remotely managing children’s experiences and includes features such as the easy-to-read and understand weekly Online Activity Report, which provides detailed information regarding how kids are spending time online, and the ability to review pending requests remotely. Additional features such as Ask Now and Instant Block also help parents interactively manage their kids’ online experience while they are near the family computer running MSN Premium.

After launching in the UK, US and Canada in January 2004, MSN Premium will be rolled out to over a dozen markets worldwide over the course of the year.


We’re Just Getting Started

This first decade of the 21st century, a time Bill Gates has called the *Digital Decade*, holds immense promise.

We believe that computers powered by advanced software will make Internet-based computing and communications easier, more personalised, and more productive for individuals and businesses around the world. We envision smart software continuing to weave technology into the fabric of our everyday lives – keeping us connected to the people and information that are meaningful to us. And we know that we will continue to be motivated and inspired by how innovative software empowers people worldwide to change their lives.

Our dedication to constant innovation is reflected in our on-going commitment to research and development. Over the past 10 years, we have invested more than \$23 billion in researching and developing innovative solutions to address the technology problems of today and tomorrow – and in solving our customers’ problems. It’s our belief that the true measure of our success is not in the power of our software, but the potential it unleashes in the people who use it.





Our Customers and Partners: Investing in Their Future

Part 2

At Microsoft, we're motivated and inspired every day by how our customers and partners use our software – finding creative solutions to business problems, developing breakthrough ideas, and staying connected to the people and information that are most important to them.

“Microsoft is 100 per cent committed to delivering new opportunities for our partners and enabling them to realise their potential. Our \$500 million investment in partner programmes and services underscores our commitment to partner satisfaction, and our focus on delivering the strongest technology platform through Microsoft .NET and XML Web services.”

Steve Ballmer, CEO Microsoft Corporation

We are focused on delivering great value to our customers and giving them an outstanding customer experience, based on exceptional service and state-of-the-art technical support. Our ability to achieve this depends on how we interact and engage with our customers, how we team up with partners to deliver great solutions, and how well our business groups collaborate to provide software and solutions that help our customers realise their potential.

The key is to continually strengthen our relationships with customers – from individual home users to the largest multinational corporations – and to ensure that their voices are heard and heeded in every aspect of our business.

Listening to Customers and Partners

Every year at Microsoft we conduct a comprehensive survey called the Microsoft Worldwide Customer and Partner Satisfaction Study. Our most recent study resulted in more than 30,000 completed customer and partner interviews in 70 locations around the world. As part of our commitment to be a highly customer-focused company, we make this information available to Microsoft employees worldwide through the Microsoft Customer Satisfaction Dashboard – a simple but powerful tool to help employees access customer satisfaction data and see for themselves what feedback our customers have on our products, services, and business policies.

The Microsoft Customer Satisfaction Dashboard is unique in our industry and an important breakthrough for our company, but it is only one part of our larger vision to bring the voices of our customers directly into Microsoft. In all of our contacts with customers – from sales and support services to focus groups and usability studies – we strive to strengthen the connection between our customers and employees. Our goal is to make sure the feedback we hear

from customers is factored into all of our products and programmes, and into the business decisions we make every day.

Microsoft Technology Centres (MTCs)

Following positive customer feedback and the success of our five Microsoft Technology Centres (MTCs) in North America, we brought the concept to the EMEA region and we now have two new centres at Microsoft in Reading, UK and Munich, Germany.

We work side by side with our customers' architects and developers to rapidly find solutions to their technology challenges. To aid this goal, the MTCs have formed alliances with industry leaders that provide comprehensive resources such as hardware, software and services to MTC customers to create a perfect environment for development.



Supporting Our Customers

Microsoft Product Support Services (PSS) provides worldwide customer service and technical support for Microsoft customers – from individual consumers to the largest multinational corporations. Support offerings include a vast array of self-help, assisted support, and managed support services to meet our customers’ needs. We deploy approximately 9,000 support professionals around the world as part of our on-going effort to reach more customers and keep our support teams close to them. PSS provides continuous technical support and customer service for more than 170 different products – 24 hours a day, 365 days a year – and handles more than six million support cases every year via telephone, Web, and on-site contact.

Our support Web sites receive more than 200 million customer visits annually, and provide a rich set of self-help tools and content tailored to specific customer segments and needs.

Customer Feedback

Another way we are supporting customers is by using feedback to improve customer experiences with our new error reporting tools. This lets customers choose to send us an error report whenever anything goes wrong with a Microsoft application or operating system, which helps us gather real-world data about the causes of customers’ problems. Error reporting is now built into Office, Windows, and most of our other major products.

One thing we’ve learned from these error reports is that about 20 per cent of software bugs cause 80 per cent of all errors. Even more incredible, one per cent of the bugs cause half of all errors. Knowing this allows us to prioritise debugging work on our software to achieve the biggest improvements for customers in the least time.

Error reports help identify bugs not only in our own software, but also in Windows-based applications made by independent hardware and software vendors. About 450 companies have accessed our shared database for error reports related to their products, and are using that information to make dramatic improvements. We’ve also created software that enables corporate customers to redirect error reports to their own servers, so that administrators can find and resolve the problems that are having the greatest effect on their systems.

Partnering with Customers

In the new economy, online technologies can make a real difference to the way in which governments interact with business and private citizens. At Microsoft, we are partnering with public authorities across the world to help develop and deliver their e-government objectives.

- One of these projects, the Romanian e-Government Gateway (National Electronic System), has been selected by the Grand Jury for a World Summit Award (WSA) highlighting the best in e-content and creativity in the context of the World Summit on the Information Society, which was held in Geneva during December 2003. Selected as one of the five best projects in the e-government category, the gateway lays the foundations for a transformation of Romanian public services online, providing a single access point to the services and information of local and central public institutions.

The gateway can be found at:
www.e-guvernare.ro

“Our government gateway is part of an ambitious process undertaken by the Romanian Government to enable better interaction with its citizens, in order to avoid time consumption and to reduce bureaucracy.”

Dan Nica, Romanian Minister of Communications and Information Technology

- In 2003, we signed a partnership agreement with the Maltese Government to help address their e-government and education objectives. Following that agreement, 7,000 Maltese students gathered to register for the latest versions of original Microsoft software. Austin Gatt, Malta’s Minister responsible for e-government, said that the deal would present Maltese students with opportunities for training in the latest technology to become the skilled workers necessary to attract international companies to the country. Malta, he continued, was being placed on the European Information and Communications Technology map.





“Technology has enabled me to train in a fashion that just a few years ago would have been impossible.”

Tanni Grey-Thompson, OBE
(Order of the British Empire)
Athlete

Our Commitment to Accessibility

A key example of Microsoft listening and responding to customers is our longstanding commitment to developing accessible technology that creates new opportunities for people with disabilities. Microsoft is continually exploring and evolving accessibility solutions that are integrated with our products.

Many commentators underestimate the number of people for whom a physical or mental impairment creates a substantial disadvantage when they seek employment or access to the wider benefits of citizenship. Disability is estimated to affect 10–20 per cent of every country’s population and this figure is expected to grow because of poor health care and nutrition early in life, growing elderly populations and

violent civil conflicts. In Europe alone there are 39 million disabled people and over 400 million disabled people in developing countries worldwide. Nearly 20 per cent of the working age population have a disability and, as the average working age rises, so the rate of disability will increase.

For more than a decade, Microsoft has been making accessibility a consideration at every phase of the software development process. It continues today with the unique accessibility features built into Office XP and Windows XP. Since our initial involvement with accessibility issues, we have continued our dedication to improving the accessibility of our products and creating new and better technologies that everyone can use. Many technology features that were originally designed to assist people with disabilities – such as adjustable font sizes and audible alerts – can help others tailor their work environment to their particular preferences and needs.

Our Accessible Technology Group (ATG) has approximately 40 people working with product developers, assistive technology companies, and disability advocates to help ensure that people with disabilities can use software developed by Microsoft and other companies. The overall mission of ATG is to make accessibility an integral part of all Microsoft platforms, products, programs, and services. In addition, ATG increases awareness of what is possible today with accessible technology. ATG also manages the *Microsoft Assistive*

Technology Vendor Programme, which includes an online catalogue that makes it easy for customers to locate and purchase Windows-compatible assistive technology products. To access the Assistive Technology Vendor Programme online catalogue, please visit:

www.microsoft.com/enable/at/search.asp

The real value of accessibility is reflected in the way thousands of people with disabilities have used technology to change their lives for the better – one of the clearest examples of how technology can empower people to realise their potential.

■ Microsoft has teamed with the Aristotelian University of Thessaloniki’s School of Technology to develop a localised version of the Microsoft Narrator program, enabling the sight-impaired to use computers in the Greek language.

■ Among the disabled athletes who competed at the Commonwealth Games held in the summer of 2002, was Tanni Grey-Thompson, the UK’s best-known gold medal winning Paralympic athlete. We provided Tanni with a range of online tools and mobile devices to help her communicate with Jenni, her Australia-based coach. Using our technology, Jenni could take over the roles of monitoring Tanni’s heart rate and blood levels, freeing up Tanni’s mind to concentrate on training and winning at the highest levels.

“Learning IT skills opened up a whole new world for me and showed me that cutting-edge technologies can be a precious aid to help people with disabilities create their own opportunities and regain access to the professional world.”

Martin Kovar
Co-founder, PCs Against Barriers

■ Dyslexia International Tools and Technologies (DITT) is an all-volunteer team of professionals working with young dyslexics and leading experts to create, promote and make accessible tools and technologies that will help dyslexic learners succeed in a competitive world. Microsoft shares DITT’s vision and grants financial support to increase IT literacy among the participants in programmes initiated by Dyslexia International.

■ When a serious accident left Martin Kovar disabled, he faced the difficulty of learning new, marketable skills that would enable him to continue to be active in society. He found new hope when he discovered a passion for IT and, wanting to offer others the same opportunity, he co-founded PCs Against Barriers, a re-skilling programme with a difference. Supported by the Czech Republic’s Charter 77 foundation, the programme combines extracurricular activities, such as physical rehabilitation activities, with computer instruction, a combination of physical and mental activity which enables people to overcome the barriers their disability presents. Since its inception, PCs Against Barriers has provided IT skills training to hundreds of people, many of whom have gone on to fulfilling second careers or to launch their own businesses.

■ AbilityNet is a leading UK charity offering professional expertise in adapting computers for use by people with all kinds of disabilities. Its services are provided through an expanding network of regional centres and consultants. Microsoft and AbilityNet are working together to help disabled people make the most of their talents through the use of information technology. For five years, Microsoft has provided funding for the AbilityNet centre located on the Microsoft UK campus in Reading and support for a new online service, My Computer My Way. The service provides free hints and guidelines to help people customise their computers to suit their individual needs.



Martin Kovar

“We value Microsoft as a partner because they share DITT’s vision to work with young dyslexics and leading experts to create, promote and make accessible tools and technologies that will enable dyslexic learners to succeed in a competitive world.”

Judith Sanson, Executive Director,
Dyslexia International Tools and Technologies (DITT)



■ As part of its contribution to the decade for Handicapped Children in Egypt, Microsoft is extending its community work to focus on visually impaired children and young adults by establishing an Internet Learning Centre in one of the branches of the Integrated Care Society. The Integrated Care Society is one of the first Non-Governmental Organisation (NGO)-established centres for children with special needs and is playing a major role in helping these children have a better life. The Khaled Ibn El Waleed, Imbaba branch of the Integrated Care Society, where the Internet Learning Centre will be located, receives more than 200 students and 100 adults daily.

■ Microsoft Ireland is active in a number of efforts to enhance the lives of the disabled through information technology. Some of those initiatives include support for Enable Ireland, a programme that helps those with disabilities acquire IT skills; and support for the Special Olympics, held in Dublin in 2003.

■ Microsoft South Africa is supporting the Witwatersrand University's Disabled Students' programme which provides IT skills training to students with disabilities and makes university degrees more accessible. The programme's goal is to establish a computer laboratory equipped to allow students with disabilities to sit for their examinations.

■ Although 13 per cent of the population in Israel (about 600,000 people) is either disabled or elderly, much remains to be done to increase awareness in the country of the special needs of those two groups. Accordingly, Microsoft Israel is partnering with Access Israel (an accessibility NGO) and with the Israeli Association for Community Centres to create accessible community centres, located near large disabled communities, providing them with assistive technology and software (Microsoft Office, internet) as well as on-going technical support.

For more information on some of our projects throughout the EMEA region, please visit:

www.microsoft.com/emea/accessibility

"The European Year of People with Disabilities is an historic opportunity to improve the situation of disabled people throughout Europe. Disabled people are citizens with equal rights. They are active as politicians, workers, consumers, tax payers. New measures and active involvement from all sectors should lead to a positive change in the way our societies include disabled people. 2003 shall be the start of a new era, a new way in which society will look at people with disabilities."

Yannis Vardakastanis, President of the European Disability Forum

"I think, for everyone concerned, the European Year of People with Disabilities has had great benefits in terms of awareness-raising and encouragement of open dialogue. It should be clear that this was never intended as an isolated initiative, but rather as an impetus towards further change. We have all heard recent calls from campaigners on the need to introduce further, concrete change going forward, and at Microsoft we intend to play our part in that."

Umberto Paolucci, Senior Chairman, Microsoft EMEA

Working with Governments on Accessibility

Microsoft works on accessibility issues with governments and other technology industry leaders across the region. In the U.S., Microsoft is fully engaged in Section 508 of the Rehabilitation Act, which took effect in June 2001 and requires federal agencies to ensure that any electronic or information technology they develop, procure, maintain, or use is accessible to people with disabilities. We are working closely with federal IT managers and industry leaders to help government agencies comply with the regulations and we are providing the tools companies need to develop accessible technologies that meet the standards.

In Europe, Microsoft was an official corporate partner for the 2003 European Year of People with Disabilities (EYPD), an initiative supported by the European Commission and the European Disability Forum. Other corporate

partners of the EYPD include Accor, Adecco, Fiat, Hewlett-Packard, IBM, Manpower, McDonalds, Schindler, Sony, UITP and Volkswagen.

The aim of the initiative is to drive progress towards equal rights and inclusion for people with disabilities across Europe, with attention focused on areas of society where barriers and discrimination remain.

Microsoft supported this campaign through a series of activities throughout Europe. Microsoft's support for the EYPD consisted of three primary pillars of action: internal awareness, outreach to policy makers and external activities. As part of the internal awareness campaign the Accessible Technology Group (ATG) designed and delivered an education programme to increase understanding and awareness of accessible technology and disability rights and legislation. As part of our collaboration with policy makers, we reached out to regulators and

government, co-ordinating closely on policy issues, and participated in leading industry-related activities. Finally, as part of our external activities, Microsoft hosted a variety of accessibility-related events, raising awareness around Microsoft accessible technologies among the disability community through speaking opportunities, technical events, and sponsorship of the EYPD tour bus.

Public Policy and Industry Issues

Some problems that affect our customers are simply too big or too complex for one company to solve alone. We are increasingly involved in alliances with industry colleagues and government agencies, and together are attempting to find solutions to some of the most difficult challenges facing businesses and consumers today.

Trustworthy Computing

The Internet has become an increasingly powerful tool for business and communication, but it has also created new security risks that can threaten the confidentiality, integrity, and availability of data and systems.

To help our customers address these concerns, in 2002 we established the Trustworthy Computing (TWC) Initiative to make computing as secure and reliable as possible for users. To meet our goal of creating products that combine the best of innovation and predictability, we are focusing on four specific goals: security, privacy, reliability, and business integrity. This is a long-term effort, but we have already made significant progress. Our continued work on security serves as an example of our commitment to this initiative.

Based on discussions with customers and our own internal reviews, it was clear that we needed to create a framework that would support the kind of innovation, state-of-the-art processes, and cultural shifts necessary to make a fundamental advance in the security of our software products. Since the beginning of the TWC Initiative, we have created new product-design methodologies, coding practises, test procedures, security-incident handling, and product-support processes that meet the objectives of this security framework.

In early 2002 we took the unprecedented step of stopping the development work of some 8,500 Windows engineers while the company conducted 10 weeks of intensive security training, analysed the Windows code base, and instituted a threat-modelling process that taught programme managers, architects, and testers to think like software attackers. We have now instituted a Trustworthy Computing release process that introduces security milestones through the development cycle for new products to help reduce the number of vulnerabilities prior to shipment.

In the past, a product feature was typically enabled by default if there was any possibility that a customer might want to use it. Today, the most secure option is usually the product default setting, which means that most features are now turned off by default to help prevent them from being used as a potential back door for attackers. To help customers deploy and maintain our products securely, we have also updated and expanded our security tools.

Protecting Your Privacy

At Microsoft, we are committed to helping you protect your privacy and personal information, and to developing technologies that enhance the safety and security of your computing experience. In June 2003, *Computerworld* ranked Microsoft as one of the top 10 privacy leaders among Fortune 100 companies, which the magazine defined as 'companies that have taken the most steps indicating a long-term, strategic commitment to data privacy.'

Microsoft offers a wide variety of products, Web sites, and services. Many of these have their own privacy statements that describe exactly how they collect and use information. We strongly encourage you to review the specific privacy statements that apply to your interaction with our company.

As a sign of our commitment to helping protect consumer privacy, Microsoft is a participant in the Safe Harbour Agreement between the United States and the European Union, and follows the Safe Harbour principles published by the U.S. Department of Commerce.

Microsoft adheres to two overarching privacy principles:

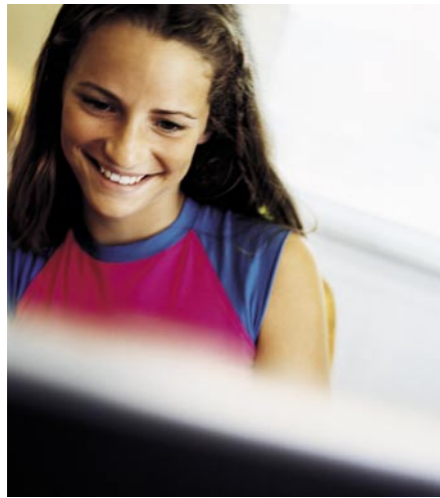
- Microsoft will not transfer your personal information to third parties without your consent.
- We believe that you should be able to exercise control over how your personal information will be used. We also believe that you should be able to access the personal information you have provided, so that you can update, correct, or amend the data.

Keeping Your Personal Information Secure

Microsoft is committed to keeping your personal information secure. We use a variety of advanced security technologies and procedures to help protect your personal information from unauthorised access, use, or disclosure. For example, we store the personal information you provide on computer servers located in controlled facilities. When we transmit sensitive personal information (such as a credit card number) over the Internet, we shield it with advanced encryption, such as the Secure Sockets Layer (SSL) protocol.

**Identity Theft**

Identity theft occurs when criminals illegally gain access to a consumer's personal information, make unauthorised purchases in their name, or divert funds from their bank accounts. In addition to causing financial and emotional trauma, identity theft may have a chilling effect on electronic commerce if consumers grow fearful that their identities may be stolen during online transactions. Microsoft is working with other industry leaders, legislators, and law enforcement officials to prevent and prosecute identity theft.



“Between what we’re doing with technology and what’s being done on the legal front, it makes the business proposition for spammers no longer attractive and we’ve got to keep working until we achieve that. And I believe very strongly, that’s an achievable goal.”

Bill Gates
at the Comdex trade show
Las Vegas 2003

Spam

Unsolicited commercial e-mail, or spam, is a growing problem. Several billion junk e-mails – many of them deceptive or pornographic – are sent over the Internet every day, frustrating consumers and law enforcement officials alike. Thanks to technology such as MSN 8, the spam that lands in inboxes today is a fraction of all that is sent. At MSN, messages are filtered twice, first by filters on e-mail servers and then again as subscribers use MSN 8 software. The MSN 8 filter becomes more effective as it learns the characteristics of mail that a subscriber designates as junk.

In a move to further tackle spammers, SmartScreen technology, already a feature of Microsoft Outlook® and MSN, will be ported to a new Exchange add-on called Microsoft Exchange Intelligent Message Filter. The move makes spam-blocking software developed in the Microsoft Web-based e-mail product, Hotmail, available on enterprise level applications. This technology has also been integrated into the new Microsoft Office® 2003 software suite.

Developed at Microsoft Research (MSR), SmartScreen identifies the frequency of words and the types of links used by spammers. Users can now report spam back to Microsoft to let the service automatically filter out senders at the gateway level.

Intellectual Property

Around the world, copyright and patent laws play a central role in fostering a diversity of cultural resources, and in promoting technological advances and economic growth. These laws are more important than ever in a global economy.

Since its inception, the world’s information technology sector has relied on strong intellectual property protection as the basis for creating sustainable and innovative businesses. The IT industry’s reliance on such protection is not unique. In fact, the industry shares a lot in common with other research-intensive industries, such as the consumer electronics, automotive, pharmaceutical, and biotechnology industries. The fact that the IT industry creates digital goods, which are more susceptible to copying, makes intellectual property laws particularly important in this sector.

International treaties and national laws generally provide a solid foundation for the protection of intellectual property. High levels of piracy continue to exist in many areas, however, because those laws are not adequately enforced. The software industry alone loses \$11 billion annually to piracy. Microsoft works with industry and governments worldwide to promote understanding of the importance of intellectual property laws and their improved enforcement.



Rights Management

Consumers are eager to access entertainment products and other digital content over the Internet, but producers of that content are understandably concerned about its susceptibility to piracy. Microsoft continues to be a leader in developing new rights management (RM) technologies that can be used to deliver digital content and safeguard it against unauthorised use. Typically, RM encrypts digital content and limits access to people who have acquired a proper licence to play that content. In addition to creating our own RM system, Microsoft is working with other industry leaders to promote a more secure online environment that will encourage content owners to make more available and provide consumers with exciting new choices.

Supporting Open Standards

Microsoft is committed to working with other companies and independent standards bodies to develop open technology standards that enable interoperability. The fundamental purpose of open standards is to promote interoperability across diverse hardware and software products, and to spark competition and innovation among vendors who want to differentiate their implementations of the standards.

Open standards are established through a consensus-based process. The main function of an independent standards body is to provide the forum in which consensus can be reached on specific issues and uniform technical specifications can be established. The open standards process is neutral concerning software development, welcoming all and favouring none in its quest for the best interoperability solutions.

Microsoft participates actively as a member of numerous international standards organisations, and frequently contributes directly to the development of individual standards. Among the most familiar standards bodies with which we work are the Internet Engineering Task Force (IETF), the World Wide Web Consortium (W3C), and the European Telecommunications Standards Institute (ETSI).

Microsoft has been instrumental in creating, supporting, and promoting open standards such as XML

(eXtensible Mark-up Language), SOAP (Simple Object Access Protocol), and UDDI (Universal Description, Discovery, and Integration). Each of these plays a key role in lowering the cost and complexity of sharing data over networks and across applications.

Commercial software developers, who rely on the sale of software licences for most of their revenue, devote substantial resources to developing software that is standards-compliant and interoperable. The reason is simple: the extent to which software interoperates with various hardware devices and other software influences customer demand for that product.

We’re finding new and creative ways to support industry co-operation, especially around technology standards like XML, which has become the new lingua franca for how computers talk to each other. And we’re collaborating more closely than ever with others in our industry, including our competitors, to enhance those standards so that everyone can use them to create innovative, easy-to-use software. For example, last year Microsoft and a broad coalition of other industry leaders formed the Web Services Interoperability (WS-I) Organisation to promote Web services interoperability across a variety of platforms, operating systems, and programming languages. To learn more about the Web Services Interoperability Organisation, visit :

www.ws-i.org



People at Microsoft

Part 3

We employ more than 55,000 people in over 80 countries. Our employees come from diverse backgrounds, but they share a common passion for exploring new ideas, overcoming challenges, and creating innovative software that can empower people to change their lives.

Our mission – to enable people and businesses throughout the world to realise their full potential – begins by enabling our own employees to realise their potential. Our ability to achieve our corporate mission depends on the individual decisions and actions of every Microsoft employee around the world, each of whom shares Microsoft’s core values and lives them every day.

Equal Employment, Anti-Harassment, and Anti-Discrimination Policies

Microsoft is committed to a policy of providing equal employment opportunity to all qualified employees and applicants. This commitment is reflected in all aspects of our daily operations. We do not discriminate on the basis of race, colour, sex, sexual orientation, religion, national origin, marital status, age, or disability in any personnel practise, including recruitment, hiring, training, compensation, promotion, and discipline.

We prohibit harassment, discrimination, retaliation, or intimidation on the basis of race, colour, sex, sexual orientation, religion, national origin, marital status, age, or disability toward another employee or any other person (including an agency temporary, independent contractor, vendor, or supplier).

“Diversity is important not only because it enriches the workplace and enhances the lives of our employees, but also because it enables Microsoft to better service the needs of customers and communities.”

Steve Ballmer, CEO Microsoft Corporation

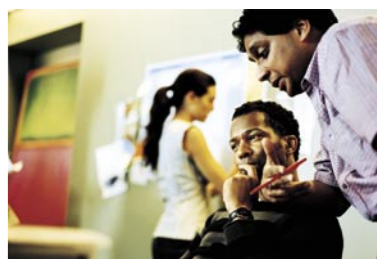
Microsoft Employee Development and Support

We strive to provide our employees with the skills, tools, and experiences that will enable them to unleash their talents and capabilities. Professional development is an on-going part of every employee’s experience at Microsoft. It includes mentoring, training, online tools and resources, and special programmes to develop managers and our next generation of leaders.

We also recognise the importance of personal and family support in our employees’ lives, and we offer opportunities for employees and their families to socialise and enjoy a wide variety of community events. We designed our benefits plan to keep our employees healthy, happy, and moving ahead in their careers. We provide a range of healthcare options, personal and professional resources, and financial incentives.

Microsoft EMEA: Facts and Figures

- Current headcount: 12,000
- Subsidiaries: over 55
- Business Groups: 7
- Sales of services and products in over 139 countries





Our Commitment to Diversity

Labour market demographics are undergoing a radical transformation, as are the needs and aspirations of workers. In Europe and globally, the labour market is being directly affected by the shift from a manufacturing economy to one based on services and information technology in which knowledge is becoming a primary product. There is a growing need for more educated and skilled workers and at the same time, the characteristics of the European labour force are drastically changing.

Management practice that does not build on the advantages offered by employee diversity is a high risk approach. In June 2003, Towers Perrin conducted a survey to help us understand how the male and female population is distributed among the main job families in EMEA high-tech companies.

Whilst globally, Microsoft's distribution matches that of the high-tech market as a whole, Microsoft EMEA has a higher percentage of female top managers than the rest of the market. Women make up a greater percentage of the workforce than the average in Israel, Germany, Greece, Norway, Bulgaria, Croatia and Poland.

Diversity within organisations better reflects the workforce and the market, creating the ability to capitalise on those markets more successfully. Diversity fosters creativity and innovation, increases understanding of local customers and improves retention and competitive advantage.

Listening to Our Employees

Listening and feedback mechanisms are really important at Microsoft. We want to get our employees' views on their experience at Microsoft so that we can better understand their attitudes. We have a range of initiatives to capture that information, including MS Poll, an annual employee attitude survey, key in assessing the health of the company:

- The 2003 survey scored an 86 per cent response rate with some 45,954 responses across the Microsoft organisation.
- The 2003 survey showed improvements in key areas of focus from the previous poll amongst managers, particularly on issues such as career development and communicating Microsoft strategy and corporate vision.
- The poll provides a unique insight into which areas of our working practices and environment we need to concentrate on and sustain continued improvement.

Microsoft EMEA has always made employee well-being its number one priority. But this counts for nothing unless everyone genuinely believes that they are realising their full potential.

We are proud of our results so far:

- In March 2003, the European Commission honoured the 100 best workplaces in recognition of the effort the companies had made to create truly high-quality working environments for their staff. The organisations were selected from among more than 1,000 private and public companies, government agencies and NGOs. We are proud that Microsoft Belgium, France, Germany and Ireland ranked in the top 10 highest scoring organisations.
- Earlier this year, Microsoft France was voted number one in *L'Expansion's* survey of *Great Places to Work*.

“At Microsoft our commitment to diversity goes beyond recruiting, developing and employing a diverse workforce. It's a vital component of our company culture and driven by our mission: to enable people and businesses throughout the world to realise their full potential.”

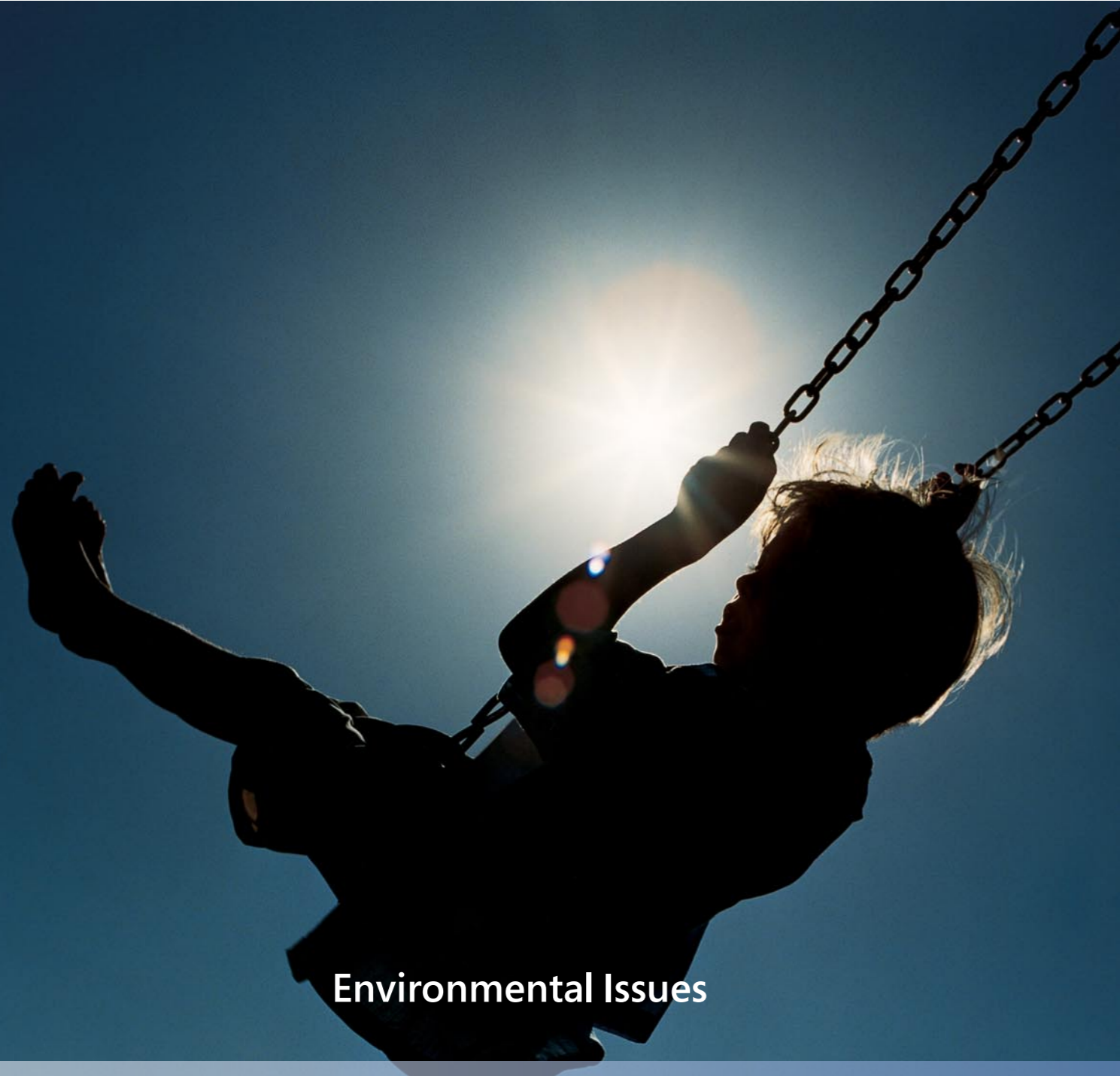
Ulrich Holtz, Senior Director, Human Relations, Microsoft EMEA

- Microsoft Slovenia was recently included in the country's *most respected companies* survey, which featured 224 organisations from a range of industries. The business public judged Microsoft one of the most respected companies in Slovenia and the best respected international corporation overall. In addition, Microsoft scored highest in terms of recognition and respect in the *computer services and products* category.
- Microsoft Turkey came top in several categories according to a survey carried out by the most prestigious business journal in Turkey, *Capital*. These include employee satisfaction, skills/quality of talent and career development.
- Microsoft South Africa received a top three ranking in Deloitte Human Capital's *Best Company to Work For* survey.

Microsoft EMEA People:

www.microsoft.com/emea/meetOurPeople





Environmental Issues

Part 4

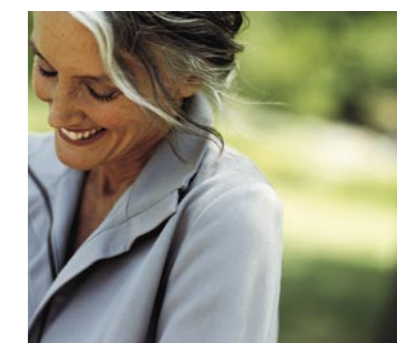
Microsoft respects the environment and protects our natural resources. We comply with all laws and regulations regarding the use and preservation of our land, air, and water. And we have specific policies and procedures that conserve environmental resources at our facilities and in our purchasing activities, supplier operations, and products.

By encouraging the use of environment-friendly technologies, our products enable people to work and play in the digital age whilst living in harmony with the needs of our natural world.

Recycling and Conservation at Our Facilities

Microsoft has several programmes in place at our facilities that allow us to significantly reduce waste and conserve resources. Examples include:

- Each day at our global headquarters in Redmond, USA, we recycle 24 tons of material including glass, plastic, aluminium, cardboard, paper, organic waste and copper wire: 36 per cent of our solid waste. To date we have saved 26,000 trees and, in Redmond alone, reduced waste by 70 per cent, recycling 7,060 tons of material that would otherwise have ended up in a landfill.
- We work with contractors to recycle our old PCs, monitors, servers, and other surplus technology from our office facilities. This ensures that our surplus equipment is recovered or recycled at an environmentally compliant facility. Approximately 90,000 technology assets are processed each year, representing 2,100 tons of equipment sold or demanufactured that did not end up in landfills – enough to fill more than 1,000 semi-trailer trucks.





Microsoft has made energy conservation a priority, both in new construction and in renovations of existing buildings, investing in construction methods that provide long-term energy savings. Conservation methods implemented recently during construction of buildings on our corporate campus – from efficient lighting that consumes 40 per cent less energy to adjustable-speed motors for our heating, ventilation, and air-conditioning systems – will result in electric energy savings of 2.5 million kWh each year. Over the past two years, we have reduced per-employee energy consumption at our Seattle-area headquarters by nearly 10 per cent.



Purchasing, Packaging, and Products

At Microsoft, we follow strict policies to ensure that we remain in full compliance with international environmental regulations and the environmental requirements of each country where we do business. All Microsoft divisions have specific responsibilities for compliance, as do our vendors.

We extend our environmental efforts by the use of recycled office products, as well as recycled paper in Microsoft brochures, software manuals, and other publications. We also purchase and use many new products that contain recycled content.

Packaging for our hardware and software products is also designed to reduce environmental impact, including the elimination of plastic shrink-wrap from Microsoft packages and software manuals, promoting the use of



compact discs (CDs) for computer programs, and using online paperless manuals. We also prohibit the use of old-growth trees in our packaging, for environmental and cost reasons.

At our European Operations Centre (EOC) our Home and Entertainment divisions are responsible for the distribution of software packages and associated hardware. Microsoft EOC is one of our three worldwide operational hubs and is responsible for compliance with relevant environmental legislation. Microsoft EOC conforms to the ISO 14001 Environmental Management Systems Standard, an internationally recognised environmental management system which provides a highly effective, globally accepted benchmark showing that a company operates in an environmentally responsible manner.

The EU has a number of directives relating to end-of-life obligations for items such as packaging, batteries and hardware which EU member states are in the process of implementing. Microsoft EOC takes its end-of-life obligations seriously and is a member of a number of schemes in the EU including those that use the voluntary European green dot recycling symbol, the most widely used such trademark in the world. Microsoft is a member of three in-country green dot schemes: DSD in Germany, ARA in Austria and Eco-Emballages in France, and is in the process of joining the remaining European schemes.

The EU's Waste Electrical and Electronic Equipment (WEEE) Directive, under which manufacturers and importers of IT hardware must arrange and fund the recovery, reuse and recycling of discarded products, will be fully implemented by member states by August 2005. Microsoft EOC is already a member of two compliant hardware take-back schemes, El-kresten in Sweden and El-retur in Norway, and will join schemes in other EU member states as existing schemes are harmonised with WEEE and new schemes become operable.

In the Community

Part 5

At Microsoft, we know that amazing things happen when people have access to the right resources to help them pursue their dreams. We've seen it again and again as our company, our software, and our employees have made a lasting difference in hundreds of communities and thousands of lives around the world.

“When skills and resources are shared in partnership, communities grow and people and businesses are empowered to realise their potential.”

Jean-Philippe Courtois, Chief Executive Officer, Microsoft EMEA
Senior Vice President, Microsoft Corporation

Our goal is to truly empower people and communities, by making sure they have the tools, skills, and resources to overcome not only today's challenges, but also those that will arise in the future.

Microsoft is a corporate citizen and neighbour in over 55 countries in EMEA and contributing to the communities in which we live and work is a fundamental part of the Microsoft culture. Over the years, we have tried to direct our community investment where we can make the most difference. Microsoft EMEA employees donate their time, energy and expertise as well as their money to help organisations that are doing good work in our communities.

Our on-going commitment to the many communities where we do business is to partner with educational institutions and non-profit organisations that work with the under-served – to share resources, innovative technology and ideas that can help counter some of the world's serious problems, awaken people to their own potential, and empower them to achieve it.

Microsoft EMEA Community Investment

In 1983, Microsoft established one of the first corporate community investment programmes in the high-tech industry. Our approach is to work with local communities and education partners throughout the EMEA region and to empower them through access to information technology solutions. We partner with NGOs, businesses, customers and governments to build technology skills, use technology training to create social and economic opportunities that can change lives, connect local economies and strengthen communities worldwide.

Many of these programmes are brought to life by project grants and donations, by offering technology solutions, by the delivery of refurbished PCs, and also by the support and dedication of our own employees who give their time and lend their expertise.

□

Mobile Electronic Library, Lebanon



Following the successful establishment of a Microsoft Electronic Library (MEL) in Jordan, Microsoft Lebanon went one step further and created a mobile MEL, an electronic library in a bus. Started in 2000 the mobile MEL can be driven throughout rural Lebanon, bringing educational resources and information to a broad group of people. This new MEL not only provides technology access, it also serves as a mobile classroom and learning centre, as well as a way to promote computer awareness in remote communities.

“Having data ready for analysis one day after entry is unheard of in survey projects especially in developing countries.”

Thomas Gabrielle, consultant, World Food Programme Vulnerability Analysis and Mapping Unit



Digital Villages, South Africa

Since 1997, Microsoft South Africa, with local and international partners, has established over 30 digital villages throughout South Africa. The digital villages provide community members with technology access and training that may help them obtain employment. Each digital village is equipped with computers, Internet access, and the latest Microsoft software and books. They are managed by community members trained in information technology (IT) and management skills. Partners include Hewlett-Packard, Intel, Mustek, Pinnacle, Ultra Technologies, Compucomp, Africare, SAPPI, Old Mutual, Kodak, Arivia.kom, and local governments and communities.

Microsoft’s Jean-Philippe Courtois (above left) and UNHCR’s Ruud Lubbers after signing the partnership agreement during the World Summit on the Information Society, Geneva, December 2003. ©UNHCR/S Hopper

We aim our community investment programmes at serious challenges such as: education; life-long learning; access for people with disabilities; the *digital divide*; disaster relief and humanitarian assistance. In 2003 we brought many Microsoft community projects under the umbrella of a new programme, Unlimited Potential (UP), which focuses on enabling life-long learning in the community. Together with Partners in Learning, our programme for partnerships on classroom education, it forms our Partners in Potential framework for investing in the emergence of a sustainable and vibrant information society. For more in-depth information on UP and Partners in Learning, please refer to pages 43-48 of this report.

In addition to our local community focus, Microsoft works with international agencies to support humanitarian assistance to people coping with natural disasters or uprooted lives as refugees. We are honoured and humbled by the experience of working with the United Nations High Commission for Refugees (UNHCR) and the World Food Programme (WFP) in their vital work.

■ The WFP delivers more than four million tonnes of food to approximately 77 million people every year. Microsoft helped streamline the relief process by creating a Pocket PC based solution to collect and analyse data from field surveys more accurately and quickly than existing practices in rural regions. Without accurate data, planning the distribution and volume of food to the rural victims of droughts, floods and economic crises is difficult. WFP and Microsoft working together have used these IT solutions in Zimbabwe, the Sudan and Indonesia.

■ During the 1999 Kosovo refugee crisis, almost 100 Microsoft employees from 12 countries volunteered to work with UNHCR to develop portable IT systems, logistics and training solutions. The portable IT-based refugee registration system developed by Microsoft, UNHCR and partners including Hewlett-Packard, Kodak, Screen Check BV and Security UK Limited, assisted half a million refugees to regain identification. Since the Kosovo crisis, UNHCR and Microsoft employees have continued to work together improving the system. Under the terms of a Memorandum of Understanding between Microsoft and UNHCR, signed in December 2003, we will work with UNHCR to test the new version of the refugee registration system, *Project Profile*, in 20 countries over the next year. We are also working with UNHCR on pilot programmes to establish Community Technology Learning Centres in refugee camps in Kenya and the Russian Federation, to enable access to life skills and employment training, education and connectivity to their home cultures.

IT Roadshow, Turkey

With the support of the Turkish Ministry of Education, Microsoft Turkey organised a technology tour roadshow to bring computing technology to 165,000 children in 32 towns and cities who had no access to computers before. The roadshow was part of Microsoft Turkey’s tenth year celebrations and consisted of a specially designed bus and trailer which was used as a discovery park in which children were given hands-on PC training and discovered different applications and games. A crew specially trained in education, computing and animation travelled with the bus to help the children.



Disaster relief

Microsoft's Disaster Relief Programme is intended to provide needed IT and cash support to humanitarian relief agencies working in selected emergency situations.

- In May 2003, 800 people were killed and 6,000 injured in the Algerian earthquake, which measured 6.7 on the Richter scale. Microsoft donated \$50,000 in cash to the Red Crescent, partner to the International Red Cross. This money was used to provide shelter and distribute food and other relief items for at least 10,000 people, as well as providing psychological support to the traumatised population; and for search and rescue efforts, to provide first aid, transport the injured to hospital and mobilise people to donate blood.
- In 2002, Microsoft gave about \$10,000 to the same fund in Algeria to aid victims of a flood.
- In 2002 following the disastrous flooding in some areas of the Czech Republic, Microsoft donated \$50,000 in cash and \$15,000 in software; and Microsoft staff volunteered to assist people with disabilities who suffered as a result of the flood.
- In 2003, Microsoft provided Phraselators, a handheld translation device, to female physicians who were treating Afghani women. This allowed female physicians to treat Afghani women, who would otherwise not agree to medical examinations with a male translator present. Other recent humanitarian donations to Afghanistan include a \$50,000 donation (teaming up with Mercy Corps and Evergreen Humanitarian Services) for infants and school kits.

Partners in Potential

For the past 20 years Microsoft's wide range of community investment projects have been energised by donations, employee involvement and, increasingly, assistance with PC refurbishment at the service of IT education and life-long learning. In the past year we've brought most of these projects together under the umbrella of our new worldwide Partners in Potential programme which focuses on:

- Classroom education and teacher training through our Partners in Learning programme.
- Community IT skills training through our Unlimited Potential (UP) programme.

We're committed to putting to work the resources and partnership spirit of both UP and Partners in Learning in the EMEA region and already have several projects underway.

Unlimited Potential

Technology is a potent force that can empower millions of people to reach their goals and realise their dreams – but for many people around the world, the *digital divide* keeps that power out of reach. In many developing countries, for example, less than one per cent of the population has Internet access. In some of the poorest countries, the cost of establishing an Internet connection could feed a family for a year. However, we recognise that access to technology is only part of the answer. It is equally critical to provide IT skills training to help people participate in the new information-based global economy and to realise their full potential.

www.microsoft.com/emea/inthecommunity



Unlimited Potential
A Microsoft community learning program



In 2003, Microsoft refocused its giving initiatives to promote computer literacy and foster life-long learning among underserved young people and adults worldwide. The goal of Unlimited Potential (UP) is to go beyond merely providing access to technology, by combining enhanced access with support for Community Technology and Learning Centres (CTLCs), local curriculum development and the IT skills training that people need to transform technology into powerful tools for change. To date Microsoft has awarded worldwide UP grants totalling \$18.1 million and will commit \$1 billion to UP over the next five years.

Ultimately, Microsoft seeks to remove the limits to individual potential around the world by helping to eliminate technology illiteracy and exclusion. We do so by supporting existing learning centres – such as libraries, schools, and community centres – where people already gather to gain skills, share information, and use technology.

Our Unlimited Potential Programme achieves its goals in four ways:

- Through UP, Microsoft partners with community groups worldwide to provide technology, curriculum and training that can transform a community centre that currently provides only basic access to technology into a technology-enabled centre for learning and collaboration. Through UP, Microsoft is providing the tools CTLCs need to build basic and advanced technology training programmes.
- We offer CTLCs on-going access to a rich set of resources that can help them become sustainable technology-enabled centres of life-long learning and collaboration. UP provides curriculum for the community learner with beginning computer and information literacy, internet, digital media, and productivity application skills. The advanced curriculum will be paired with additional skills training to help information workers meet international certification requirements.



- Through UP, Microsoft is creating an online Global Support Network for CTLCs, to provide assistance such as donations, IT skills training and local curriculum development.
- And through a programme of cash awards and recognition, we support scalable technology solutions that provide social benefits in communities worldwide.

By focusing our resources on UP, we hope to empower many of the world's underserved people to help themselves, strengthen their communities, and improve their local economies. In 2003, we provided funding for 53 new Unlimited Potential programmes in 22 countries across the EMEA region, involving over 100 local partners and over 200 CTLCs.

- Microsoft Middle East and Africa has joined hands with Arab and International non-governmental organisations to build and manage CTLCs across the Middle East region, giving free access to technology education to more than a half million underserved individuals around the region.

- The Emmaüs Association for homeless people in Paris offers free and open access to technology and computer learning. Their daily care centre, the *Agora* has four computers but there is always a queue of people waiting to use them. Microsoft, through its UP programme, is working with Emmaüs to provide a dozen new machines, eight in the *Agora* and four in two other centres around Paris, fully equipped with free unlimited access to the Internet and to a printer.

Microsoft Authorised Refurbishing (MAR) Programme

The EMEA Microsoft Authorised Refurbishing programme refurbishes and recycles PCs so that they can be donated to educational institutions and non-profit organisations. This prolongs the life of the hardware, reduces waste and ensures that more people have cost-effective access to technology.

We are also working with industry and NGOs to ensure that charities and schools can take

full advantage of PCs they receive from other donors.

When a leading pharmaceutical company in France donated 900 laptops to the Red Cross, Microsoft stepped in and donated free licenses for Windows and Office.

In June 2000 in response to calls from refurbishers in the UK, the Microsoft Authorised

Refurbisher scheme was launched. PCs that companies no longer require are refurbished by professional refurbishment organisations and then used by charities, educational establishments and others. There are approximately 20 refurbishers in the UK, a mix of commercial and non-commercial organisations of varying sizes.

www.microsoft.com/emea/refurbishers



“Microsoft in Eastern Europe is committed to addressing the digital divide, assisting governments in their tasks, fostering educational systems, and taking action for the disadvantaged in society. By deploying innovative, secure and partner-led solutions, Microsoft helps communities grow as technology-driven and socially inclusive societies.”

Jan Muehlfeit, VP Eastern Europe, Microsoft EMEA



■ Microsoft has donated skills training and financial support for the SeniorNet NGO in Sweden, started in 1997 to confront problems of the *digital divide* among senior citizens (over 55). By January 2003 there were 53 regional clubs spread over the country with a total of about 6,000 members. Local SeniorNet clubs act as social learning centres focusing on IT-competence, and IT tools are developed to improve user friendliness especially related to the needs of seniors in society.

■ The partnership between Age Concern and Microsoft in the UK also aims to tackle the digital isolation of older people and encourage them to use technology to enrich their lives. Age Concern and Microsoft are providing mobile IT training sessions to introduce IT to older people who would not otherwise have access to it. The project is run in venues such as day centres, residential and care homes. Small groups take part in sessions on basic PC skills and the Internet.

For more information (in English) please visit:

www.seniornet.se



■ Microsoft Israel is working with the non-profit association, *Yeladim*, the Council for the Child in Placement, to help provide opportunities for children living in care develop their skills and enhance their lives. Microsoft has adopted a dormitory dedicated to developing artistic potential in its residents, 60 youths aged 14–18 years who have a wealth of untapped artistic talent. Plans are also afoot to establish a computer classroom, where Microsoft employees will provide technical education and help the children to bridge the *digital divide*.

■ Deca Sveta is a local, humanitarian, non-profit organisation located in Belgrade for the territory of Serbia and Montenegro. Deca Sveta has launched a project, called *My Window the World* to increase access to available educational services with systematic computer training for children with physical handicaps. Microsoft Serbia supports this initiative by providing technical expertise, funding and free software to enable the project to reach its full potential.

■ Microsoft Egypt is supporting a project to grow the Small and Medium Enterprise (SME) industry with a special focus on empowering women. The project was created by the Regional Information Technology and Software Engineering Centre (RITSEC), in partnership with the Government of Egypt, MCIT, ICS and industry partners. The aim is to empower SMEs through the use of ICT to enhance their productivity, increase market share and open up new markets both locally and internationally. The project will focus on IT training programs to meet SME needs through incremental approaches, starting with 250 young graduates. The project has a special focus on empowering unemployed women through IT skills training and qualifications to create new job opportunities in the SME industry.



with the integration of ICT into the curriculum. Funding will support the establishment of local Microsoft® IT Academy Centres through joint partnerships with local advisory boards, education institutions and training providers. This global education initiative is implemented in partnership with governments through the signing of Memoranda of Understanding (MOUs). The MOUs adapt the programme components to local educational needs and challenges. To date in the EMEA region, Bulgaria, Estonia, France, Germany, Hungary, Italy, Jordan, Lithuania, Namibia, Poland and Spain are participating in Partners in Learning programmes, with several more countries close to reaching agreement.

Partners in Learning

Despite many improvements in the availability of information and communication technology (ICT) around the world, many students and teachers still lack basic access to computers and training. The result is a widening skills gap that contributes to disparities in quality of life, economic development and competitiveness.

At Microsoft we are working with governments and educational establishments across EMEA to help bridge this divide. In September, 2003, this effort was given new impetus through the launch of our Partners in Learning initiative. At the heart of this initiative is the Learning Grants programme. This programme provides a significant investment including more than \$253 million worldwide over a five year period to deliver technology skills training to students and teachers and also assist

■ Microsoft® Fresh Start for Donated PCs

The Fresh Start for Donated Computers programme is designed to remove the licensing barriers that prevent schools from utilising donated computers. Many donated computers are delivered to schools without the appropriate paperwork, CDs or license documentation for the original Windows operating system. The Fresh Start programme provides the proper documentation and Windows installation CDs to all Primary and Secondary (K-12) schools at no cost and with minimal paperwork.

■ Partners in Learning:

School Agreement

Microsoft School Agreement subscription is a clear expression of Microsoft's commitment to education in all countries worldwide. Microsoft's School Agreement offers reduced pricing to academic institutions for most of Microsoft's desktop and server products. In addition to this, through Partners in Learning, Microsoft® Windows® XP Pro Upgrade and Microsoft Office XP Pro are available at special Partners in Learning pricing, reducing prices of the core desktop even further for schools with greatest economic need.

■ Partners in Learning Grants

Learning grants provide cash investments over five years to help schools take advantage of their technology investments by developing school leader and teacher skills, student certification, courseware, content, and research. Funding will support the establishment of local Microsoft IT Academy Centres through alliances with local community organisations, education institutions, and training providers. The grants programme will facilitate the training of educators, the building of teacher communities and delivery of locally tailored curriculum and certifications. In addition, learning grants will provide incentives for teacher and student participation, recognition programmes for schools, and digital literacy assessments to encourage and reward participation.

www.microsoft.com/emea/education

"During a refugee crisis, the first thing a refugee focuses on is his own survival: life and death. After they are safe, they focus on making sure their loved ones are safe. This is where Microsoft employees literally came to the rescue."

Frederick Barton, Former Deputy High Commissioner, United Nations High Commissioner for Refugees

"The International Business Leaders Forum is pleased to be partnering with Microsoft, through the IBLF Digital Partnership, in innovative approaches through multi-sectoral partnerships that bring affordable access and recognised software systems to poor communities in Africa."

Robert Davies, CEO, International Business Leaders Forum