06062012 COMPUTEX Steve Guggenheimer

**COMPUTEX**

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**ANNOUNCER:** Ladies and gentlemen, let's welcome Mr. Steven Guggenheimer. (Applause.)

**STEVE GUGGENHEIMER:** Thank you, and good afternoon. Welcome to what I hope is an exciting afternoon of an innovation walkthrough for the work going on in our ecosystem.

On behalf of my colleagues here in Taiwan, our partners that are here joining us today and around the world, I want to thank you for spending an hour or half or so with us, maybe about an hour and twenty, and really spending the time to participate.

As we get started, I first and foremost just want to say thank you. We're going to show off a lot of technology today. We're really trying to highlight the innovation that truly is a joint effort that occurs across the Windows, Microsoft and broader ecosystem. We have tremendous partners both here today and around the world who really support us in this effort. I'd say we work collectively together extremely well, and at COMPUTEX we're seeing a lot of the highlights of how well that goes.

This is my fourth year doing this. I want to again give a deep personal thank-you. I see many of our partners in the audience, and they help pull this together with us and for us. So, again just a thank-you for your time and a thank-you for your support.

As we get started, I thought I'd just start with a conversation on the ecosystem. I think each year it's worth reflecting on where we've been and where we're going.

As I look at the ecosystem it's interesting. If you go back five years, sort of Windows Vista to Windows 7 timeframe and maybe a little before, we really had separate ecosystems by device type. The PC ecosystem was unique, the phone ecosystem was unique, TV, and embedded.

In today's world we're moving from I'll say a device-oriented ecosystem towards a platform-oriented ecosystem. So, in the PC space we used to have primarily a set of chips, X86-based, Intel, AMD and others, we had machines built by ODMs that were primarily all the computers, a set of OEMs that focused primarily on computers, and then a set of distributors that shipped those out, and most of them were sold in retail. That ecosystem was unique.

The phone was a separate standalone. The chips that were used in the phone were different, the ODMs in some cases were the same but some cases different. Some of the OEMs were the same but many were different. You know, an HTC here in Taiwan or a Nokia or an Ericsson in those days built phones specifically, and they didn't build other devices. The distributors or the open distribution market was primarily different, and we sold most of those through retail operators or different retail stores. So, it was unique.

I could say the same for TV. While chips isn't the primarily component, glass would be, and TVs were yet another ecosystem.

And if you went to call on a major retailer, if you were talking to the buyer for PCs, you were talking to a different buyer than somebody who was buying TVs, and phones likely weren't there at all.

Now, embedded is yet a fourth ecosystem, and it is again unique.

And so that was the way the world looked if you go back five or 10 years. In today's world as we sort of blow this out it's all coming together, and our ecosystem is now one of many screens where we have chips that are used both in phones and PCs, we see the extension of the silicon technology across both platforms and heading towards many other devices, our ODMs continue to deliver great innovation across all the platforms -- PCs, TVs, phones. If you look at the multinationals we have phone providers like HTC and Nokia thinking about where they want to go. We have traditional PC partners -- ASUS, Acer and MCI in Taiwan -- thinking about how they extend their portfolio. You have folks that originated in sort of client-server computing looking more broadly at what they do. You have folks from Japan who traditionally come from consumer electronics and have multiple screens, or from Korea.

So, you have an ecosystem where everybody is looking across the screens and distribution is coming together, you have retailers selling phones, you have operators selling PCs; you have a very different world. You actually have a convergence of ecosystems as opposed to a convergence of technologies now.

That creates tremendous opportunity. It definitely creates an era and a time of innovation that is unlike any we've ever had before, and again a tremendous opportunity for us as an ecosystem to work together.

As we think about it then, our partners think about making ecosystem choices: What is the best platform to build on across all these screens and devices?

At Microsoft we work hard to build a platform or a set of platforms that enable our partners to leverage what we do both from a technology perspective but also a brand perspective when we go to market, and at the same time create their own differentiation and innovation, make money on top of that platform, and build their own brands. So, our partners can leverage the best of the Microsoft and Windows brand and the best of their unique brands to go to market, and they have the benefit of the money that we spend in marketing and the benefit of the money they spend and engineering on both sides to create differentiation.

There are other ecosystems. Obviously Apple is a large ecosystem. On one hand it provides technology or opportunities for component vendors but there's no ability for brand differentiation for our hardware partners that are here in Taiwan and around the world, and it's very hard to sort of break out and have the ability to build an ecosystem or truly a brand on top of that ecosystem. Components are fine but from a brand perspective and an ability to monetize it's very different.

There's yet a third, of course. There's a lot of discussion around Android. Now, Android does allow partners to create their own brand but there's a challenge in that there's no sort of brand, overarching brand, from Android for end users. So, if you think about the consistency for developers that Windows brings, consistency for the hardware ecosystem that Windows brings, the consistency for end users, none of that exists there. So, if you want to create a device in that particular ecosystem, you take on the onus for sort of building the category yourself. And if you look, the largest-selling device that's not a phone in that ecosystem is actually Amazon's device, and that turns out because they can create the ecosystem and they have the brand for that, but they have to do all the heavy lifting themselves.

So, we think as we look at our partnership and working with the ecosystem we provide the best opportunities for partners to both differentiate and monetize their unique value and work together to help us collectively drive the innovation forward.

So, with that, I wanted to spend a little time today talking about our contribution into this discussion and the technology areas we're working on for the next year and beyond that I think will provide us all the opportunities to continue to grow.

This is a big year for Microsoft and for the industry. We have a launch wave of Windows 8 technologies that include Windows 8 for the PC, Windows 8 on the Embedded front, Windows 8 Server and the next generation of our Windows Phone.

In addition, we're taking our services, things like Skype, things like Office 365, we just did a new release of our Bing applications, we're working on the next-generation Office with Office 15, we're bringing a rich, rich set of services and applications in conjunction with a complete refresh of the platform, which we think will drive tremendous opportunity across all of the devices we talked about and many others, and again is sort of the fuel for the innovation we can collectively bring together.

So, it's a very big year. We're very excited to participate and be a part of this. I've seen tremendous energy here at COMPUTEX already. I got the opportunity to visit the Acer press conference earlier week. ASUS had one, Intel has been here, AMD and all the conversations, there's just again phenomenal energy.

So, what I wanted to do today was spend some time going through each of the areas. I thought I'd start with server, then we'll do Embedded, phones, and then, of course, we'll spend the bulk of our time at the end on the PC category.

I was going to start with servers and Embedded, because truly servers while they're not the big end-user purchase you go make at a store, they drive a lot of the services that our end users are coming to use and love, and make the devices and the ecosystem unique.

We have two sides to our server story. For many years we've built servers for on-premise or you could think of private cloud capabilities. We've build specialized servers, things like a MultiPoint Server for education, Small Business Server for small businesses, but also infrastructure-class servers, the Windows Server, SharePoint Server, Exchange, management; we have a full array of servers to basically create the infrastructure for a large organization like Microsoft with 90,000 people, as well as in the current generation building private cloud technology.

In addition, we run a set of services on top of a public cloud. So, we've taken all the technology and all the learning we've had, and we've actually built the public cloud infrastructure to run some of the world's largest consumer services: Hotmail with over 500 million users, Skype runs at about 235 million users per month in terms of connecting in, Xbox Live is actually the largest media service at 30 million users or subscribers today. So, we have experience on running close to half a billion servers around the world in huge public datacenters, and we're taking that knowledge in terms of how to build very, very scaled architectures and bringing it to both what we do on-premise as well as to what we're doing with our partners through Azure.

So, you take a consistent set of technologies -- identity, virtualization, management, development -- and it allows our partners and our customers to build applications or services that they can run on-premise or in a private cloud, that they can run off-premise or in a public cloud, and actually more seamlessly go back and forth. And it's that symmetry that makes our offerings unique.

There are people obviously that build public cloud services. Amazon builds them, Google builds them, et cetera. But they don't have a private cloud server, there's no ability to create a private cloud or something for on-premise.

At the same time, there are people who build private cloud technologies or on-premise, whether that's VMware, Oracle or others, but they don't have a scaled public cloud where they're running hundreds of millions of users off of a scaled cloud offering.

So, that symmetry or that ability to learn from both sides is fueling our next generation of release. With Windows Server 8 and the 8 family we're bringing the modularity that allows people and our partners and our customers to think about how you can build for a single company or a single entity all the way up to building scaled public cloud-based capabilities. It's a very, very scalable architecture.

And one of the things we've been working with the hardware community and our partners on is building a private cloud fast track. This is the ability to take our server technologies, marry them with the hardware technologies of the ecosystem, our partners here in Taiwan and around the globe, and build essentially a private cloud in a box.

I can take something at the level of the rack I have over here on the right from Quanta, which is a single rack, I can build that out into a container. We actually have one behind our Executive Briefing Center that actually has all of the plumbing, the hardware, the air cooling, the backup and failure, the power management, et cetera, for a private cloud container. And so we're giving our partners the ability to take all the knowledge we have in terms of the software side of this and the scaling, and our modular components, and create offerings for their customers or end users as a private cloud in a box that they can turn around and sell.

So, that is sort of a unique capability. The server conversation is obviously very rich. We could spend time on private cloud or public cloud or truly in most cases a hybrid offering, but our ability to bring those technologies into the community and work with the hardware partners and community to bring that offering forward is something we feel very good about as we head into the next year and as we go forward.

Now, if servers are one end of the spectrum, I'm going to jump to embedded devices. Embedded devices also are the type of devices that most end users walk into the store to buy. Embedded devices, there's more than a billion chips sold a year into this space. These are all the devices out on the end points or the nodes that provide information back in, in many ways, to the cloud with a ton of information, right? They're used in manufacturing, they're used in retail, they're used in many areas. In some ways I'm not sure people recognize all the places that embedded devices show up in our everyday life today. So, what I thought I'd do is I'd run a little video that gives you a sample of some of the places we might see embedded devices in our everyday life.

(Video segment.)

(Applause.)

**STEVE GUGGENHEIMER:** Forty-five devices in a single day. It's actually an incredibly rich ecosystem. It doesn't connect in to the standard distribution today, you don't find it at retailers, but incredibly powerful and growing. The prediction is to grow from one billion to two billion over the next five years, and then some. So, it's just incredibly rich and diverse.

And if we look at it from our standpoint, you see it show up in a variety of industries: manufacturing, building a car in basically under 80 minutes, doing it all with robots; in medical from dispensing of medicine to being able to provide information to doctors; point-of-sale systems, we see them all over. There's a large number of vertical industries that take advantage of this technology.

There's two others I thought I'd highlight since the timing is good for that. So, I'm going to click on this. Why don't we head over here? This week Ford announced that they're bringing the new Focus and Sync technology to Taiwan. They've sold 4 million of these, of cars with Sync in it today, and they actually used embedded technology, the Sync system, as a differentiator, right? The ability to have access to and control with your voice the navigation system, the radio system, the ability to use obviously the phone or Bluetooth to the phone, the ability to have all the information there in one area, that is a differentiator that they use in marketing. They think they'll sell another 9 million Sync-based systems, including China and Taiwan, over the next couple of years. This week, they announced bringing this car to Taiwan with both Mandarin and English. So, it's a really good example of an embedded system that people won't think about relative to Windows but it is a Windows-based device that's in these cars that shows up sort of behind the scenes that helps Ford in this case differentiate their vehicles.

Another one I thought I'd show is a very different class. This is a digital sign. Digital signage is a big area, right? Whether it's looking at a menu on a restaurant when you're doing a drive-through at least in North America where we have lots of those, or if you're looking in stadiums or other places, the ability to have information on a digital sign is interesting.

This is a unique one that we just got lent to us, thankfully, from our friends at LG, and this is actually sort of a shadow box. So, inside we have some information on some art outside, and inside we have this translucent screen so that we can see through and see what's in the shadow box.

And this is actually a live digital sign. You can see there's information on the screen. I can touch it at any point and move out to the video, and now we have an advertisement running, in this case for a shoe, and as this sort of flows through we'll see in a second that they can go back and forth between both translucency, which means I can see in and so I could have some shoes hanging here, but also it's a very rich, touch-interactive system, taking advantage of the best technologies, which obviously is sort of a big conversation at the show today. I'm getting information, I have the ability to interact. Plus I have this unique shadowbox effect or this sort of translucency at the same time.

So, again good innovation, it's a great opportunity for both the end users to have a rich experience and for whoever is building or designing the information.

And all of these embedded technologies, whether it's again in the digital signage area or manufacturing, they're all providing information, back into services, back into the cloud. We're able to provide richer experiences to the end users based on the information provided back, and we're also able to mine or have access to a very rich set of information, I'll call it from the edges.

Now, we've been very committed to Windows Embedded for 15-plus years now, and we will continue to drive it forward. Embedded is essentially taking our platform technology, think of Windows 8 as an example, and building a componentized version for special function devices. We have a compact version which is used more for industrial devices and devices that have less UI, but we're also taking Windows 8 and creating a componentized version or an embedded version that our partners can use for building the rich set of devices.

Now, why do people choose Windows for their embedded technologies? Well, if you think about the richness of the ecosystem from the components in the IHV side to the software side and development, if you want to build an embedded device quickly and have speed to market and take advantage of all the technologies that are out there, Windows is by far the easiest platform to build on, and that's what we hear from our partners over and over again.

And so I'm very happy to announce today that we're releasing the next customer technology preview of Windows 8 Embedded, the standard edition. We've put in more capabilities for starting to build Metro style applications, which will be used in the embedded space. We've started to build in more controls for creating that single-purpose or that single-function device. We've made a lot of upgrades. So, we are driving towards the engineering of Windows 8 Embedded to power those billion devices in all these industries, and we're happy at COMPUTEX to announce the next customer technology preview release of that. More information is available on the Web and in the booth, and there's obviously a lot more examples of what you can do with it there as well.

So, we sort of covered I'll say the non-consumer sides of things. We talked about the server side, we talked about Embedded; I want to spend just a few minutes on phones. You know, phones is an area where we are not at our next milestone, so there's not so too much new news to talk about here.

I do want to recognize that our partners continue to build innovative platforms: the Nokia phones, we have four of them, Samsung, HTC, LG, Acer and Fujitsu. If I go to the back wall here, you can see all the phones laid out. We'll continue to see innovation in this space.

One of the areas that we work on, of course, is driving or working with our partners on the application ecosystem. We're up to about 88,000 applications in the store today and continuing to grow.

But another area that we've been working on is our own services, and one of the things that Microsoft invested in is building a set of customer experiences or services that build on top of a platform to show what's possible.

I'm just going to do one quick example from Bing. I have a translator application here. Let me let them zoom in on it. And so what the translator app basically allows you to do is I can speak into the phone obviously and do translation, but I can also use the camera.

So, what I have here is menu. So, I'm just going to hold this up in front of the menu and give it a second. And it's translating it: shrimp dumplings, green onion pie -- I'm not sure what the second one is. I have a shadow there with my hand. Rainbow meat dumplings, green onions, red bean cake, et cetera. That's a pretty handy tool, and as a person who travels to Taiwan and China often I can tell you I'm not capable of reading that menu yet but maybe I should be, but having this type of technology is one of the areas where Microsoft is investing using that machine learning, using that capability in the cloud and the technology we have, and then bringing it to life in a very useful customer experience.

Now, we work on a variety of experiences at Microsoft for the end user to take advantage of the platform. Bing is one area. We do things in productivity with things like Office where Office I can run both on the phone and on the PC, things like voice over IP so Skype on the phone and Skype on the PC with video, the same with Lync.

I wanted to have my colleague, Ryan Asdourian, come out and show us a new one. At E3 this week, which is the entertainment show, we showed off a new media or entertainment scenario that allows people to see what's possible with entertainment across multiple screens. So, Ryan is going to come out and give us a sample of some new technologies being worked on or a new experience that bridges phone, PC/tablet, and TV through the Xbox.

So, Ryan, welcome. I'll hand it off to you.

**RYAN ASDOURIAN:** Great, thank you.

All right, so I'm going to take you through a quick entertainment scenario that really shows how I bridge a lot of my favorite devices. Over here I've got my Windows 8 tablet. It's logged in with my account from the U.S.

And what I'm going to do here is just kind of show -- I'm going to open up this video right here, and I'm going to go ahead and start playing that. Now, that starts to play up on that screen over there.

The other thing that I want to show is here I've actually got my Xbox. I'm going to go ahead and load my Xbox. It's on the screen right here, but we're going to load that up on these two screens.

I've got my tablet right here and I've got some controls that I can do from right here with inside this app.

Now, one of them allows me to play on Xbox. I'm going to go ahead and hit play on Xbox, and what that actually does is it stops my video and pauses my video where it is, and it knows because it's talking to the cloud where in my video I am, it's going to send that directly to my Xbox. So, it's actually talking to my Xbox right now. I'm setting this down.

Now, this is a great scenario where if I'm walking around with my tablet using it around my house, and I want to sit down on my couch and enjoy where I have surround sound, I can actually just kind of throw that content to my Xbox, and what it will do is it will understand where I was in that actual video and start it on my Xbox directly in the same place.

Not only that, now my tablet actually tells me what content I'm watching, and I get that rich experience. And you see on my Xbox it's actually started to play that video directly from where I left off.

Now, I also have my Windows Phone over here. I've got this right here. Now we'll go ahead and put this up on the screen. Let me adjust right here. Sorry, there we go.

So, I'm going to go ahead and launch my Xbox Companion app. Now, what this allows me to do is get my phone also talking directly to my Xbox. So, it goes ahead and it starts connecting to this. This is going to allow me to really have some of those same rich controls that I have on my phone that I also showed you on my tablet.

And so once this connects it will allow me to go ahead and I'm going to be able to pause the video, I'm going to be able to sit on my couch and actually have the control right here.

Now, this is taking a little bit to load. We'll wait. There's a lot of people connecting to Wi-Fi. So, hopefully this will connect in just a second.

But one of the things it allows me to do is not only pause it but I'm actually also able to control other parts of my Xbox.

There we go. So, now you can see this.

I'm going to go ahead on the bottom and I hit pause. You notice that it paused right there. I go ahead and hit play and it's going to start playing this again.

And I have some links right here right on the screen. So, some of my favorite content, you know, I love playing “Kinect Sports,” and so what I can do is I can actually control that directly from my phone. So, I hit that, and I can also use my phone as a controller.

So, what you see now on the Xbox is pause that movie where I stop, talking to the cloud, it knows where I am in that movie, and I can actually go ahead and use this as a controller. I'm going to go ahead and hit play now, and this is now fully controlling my Xbox.

Now, what's also happened in the background is I had my tablet with a lot of information on it. That's actually changed as well. You'll see that it actually says Xbox dashboard right now; I've switched to the Xbox. But as it starts to load a lot of this content, whatever content I'm in, it allows all my screens to talk to each other. I'm using it on my phone to control it, I'm getting that game loaded up on my Xbox, and now you see on my tablet it actually gives me the information about “Kinect Sports Season Two,” which of course I can play on my Xbox using Kinect, get a little bit of exercise and have a lot of fun.

So, this is a little bit of how all these screens talk to each other constantly no matter what I'm doing, and it really allows me to bring entertainment to all of my favorite devices.

Thank you.

**STEVE GUGGENHEIMER:** Give a hand for Ryan. I thought that was a great job. Thank you, Ryan. (Applause.)

You know, building the services that bridge the devices is an area of focus I know across the community. We'll do some, our partners will do many, and again that ability to use the platforms to create these really rich, interactive experiences for end users that are truly seamless is the direction we're going in. When we think about that converged group of ecosystems, this is one of the positive outcomes is the experience we can deliver.

I'm going to switch gears a little bit right now, and I'm going to go talk a little bit about hardware and components as we head into the Windows 8 and the PC discussion.

I think one of the things that's always important to both remember and recognize is before we can get to PCs we have to have great components, and in Taiwan or in the region overall we have tremendous partners building very innovative capabilities. Whether we're looking at components, whether it's chips and what we can do with system-on-a-chip now and chips in general, whether it's memory and storage and optical drives and how they continue to reduce in size and power utilization, whether it's materials, everything from sort of new metals to glass to new polymers to all different types of materials, we continue to have the ability to have both diversity of choice but also thinner, wider, longer battery life, all the things necessary to drive forward.

Glass is an incredible area of innovation. Corning has been kind enough to lend me a couple pieces of curved glass here. I have a small one and a large one. And they actually lent me a roll of glass. So, this is the level we can get to in terms of class of glass creation today. This is a thin roll. You can actually get rolls that are essentially eight or 10 feet wide, huge rolls that you can pull up. This is incredibly thin. I'm not going to roll it out because you actually should do that with the right machines and robots; otherwise as humans we tend to not do a very good job. But it's incredible the innovation that's going on in this particular area, and I think over time what we'll see is new shapes, the flexibility that we're getting from the glass, the ability to take this as glass and bend it, you know, these huge angles. You can imagine the types of consumer devices you can build and/or the very large screens we'll be able to create that people can interact with, they can use for touch, they can use for devices, so an incredible technology.

Another area that I find interesting that people may not think about as much is the notion of hinges, right, how do you make a computer open or close, how to use that, and I have some samples here from some of our local ODM partners. This one is from Wistron.

And what's interesting here is if you want to talk about touch, and a big conversation at the show, when you open a laptop you need the ability to push on it without having it move. And so here you see a hinged design that cantilevers and locks in the back so that as I push on it this doesn't go anywhere. I have another design up here that does it in a different way. It uses a different mechanism so when I get to the top it locks. So, that notion of building hinges, while not something that I would say is hugely romantic or people spend a lot of energy on, is incredibly important.

So, as we move towards PCs and what we're building we have to remember and recognized the component technology, and both appreciate it and know that it continues to move forward.

That's one of the things I wanted to show was sort of the marriage of hardware and software but from a technology perspective.

This is a demonstration that our friends at Sharp have lent us, and this is a high-resolution screen, but what they've been working on is improving capacitive touch, right, so removing the background noise, making it higher fidelity.

So, in this case normally I would have a stylus, right? If we want to write on a computer we'd grab our stylus and we'd go write. If you lose your stylus, you've got to go find one because it doesn't work otherwise.

This is just a normal lead pencil, right? I can write on the paper right here. It's just a normal pencil. But given what they've done with this device I can actually take it and write on the Sharp monitor, and it's very smooth, very fluid, right, very thin. This is very cool. My writing is not very nice but the screen is gorgeous, right, and I can just go all over it, and just incredibly powerful. So, a standard pencil writing at essentially what is the thickness of a pencil line today, super thin, very fluid and nice.

The other thing, of course, is if you're working out in the field somewhere or you're outside where it's raining and you have gloves on, you can't work with capacitive touchscreens with gloves today. But as again we make this sort of higher fidelity, you can. So, this notion of having again more capabilities in the marriage of hardware and software truly an impressive piece of technology that will help us move forward, and again the types of innovation that our industry thrives on and as we go forward we'll see come to market.

One last one I wanted to show you, I'm going to ask Ryan to come out and help me again. This is purely a research demo. It comes out of our research department. They were kind enough to lend it to me for today. And you can imagine that Ryan, who's going to go sit down over there, is back in the U.S.

What we've done is we've taken some camera technology and some software and put them together, and created the ability for Ryan and I to interact on a single sheet of paper essentially remotely. So, you'll see I'm going to wave my hand over it and you see my hand. Ryan, you want to wave your hand over?

Okay, so now we can work together on a document, we can play a game together, tic-tac-toe. Ryan, you want to kick us off here?

**RYAN ASDOURIAN:** Sure. Well, one of the things that I wanted to show you actually right here is this little thing I've got. It's a hinge design. I know you were talking a lot about hinges.

**STEVE GUGGENHEIMER:** Right.

**RYAN ASDOURIAN:** So, I don't know if you have any ideas around this but I wanted to kind of share this with you over this technology.

**STEVE GUGGENHEIMER:** You know, it's an interesting hinge. Obviously if I was mechanically inclined I might figure out how to draw a better hinge, but I think I'll just -- I've got a better hinge over here, so I'll -- you know, we can compare hinges here.

**RYAN ASDOURIAN:** Going to draw.

**STEVE GUGGENHEIMER:** Yeah.

**RYAN ASDOURIAN:** All right, there I go, pretty cool.

And, you know, one of the things I can actually do, I don't know if you're -- what you kind of think of this demo, but I can actually start to draw this, and what do you think?

**STEVE GUGGENHEIMER:** Oh, you know, I can finish this off, but I have to say it's --

**RYAN ASDOURIAN:** Oh, look at that. We've got a little of it. There you go.

**STEVE GUGGENHEIMER:** So, a quick example but that notion of sort of very remote connectivity, the type of technology we can build into systems over time and take advantage again of that hardware-software integration is both impressive and I think very cool.

So, I want to thank Ryan for helping out with that one. Thank you, Ryan.

**RYAN ASDOURIAN:** Thank you. (Applause.)

**STEVE GUGGENHEIMER:** So, we've done, you know, a quick tour of some of I'll say the technology work that goes into what we all do as we work to produce computers and phones and servers and devices that our end users buy.

As we do that, what I wanted to do then is sort of take a look at what's been happening in the last two and a half years and is currently going on relative to the PC space.

Now, Windows 7 as we've had incredible success together, and the innovation in the last few years has continued to drive forward. It's a very innovative few years relative to what's happened in the laptop space in particular.

So, I was going to run a short video that actually starts when we launched Windows 7, and we were here about two and a half years ago talking about that, and where we are today and the devices that are available in terms of Windows 7. So, I'll say go ahead and roll the video.

(Video segment.)

**STEVE GUGGENHEIMER:** So, I want to say with Windows 7 we're collectively on a roll. We've made great progress in terms of the designs and the products that we're collectively building and offering. The momentum is incredible. We now, I'm happy to announce today, reach 600 million licenses of Windows 7 since we shipped. That's close to 40 percent of all Internet-connected devices on the Web today are Windows 7.

So, that innovation and that working together as an ecosystem starting with components, working together with our ODM partners and with OEMs is paying off. We're collectively driving the innovation forward, and we've reached a tremendous milestone with 600 million Windows 7 devices or users out there today, something that we can all feel very good about.

Now, the journey continues. There's a great set of seven devices shown at CES, we saw some more here at the show, and we're on a path towards the next release of Windows with Windows 8.

We've had tremendous feedback, tremendous participation. This is a journey. I'm very happy that at COMPUTEX the energy around this has been very positive. We'll go through and we've seen some phenomenal designs on the hardware side that our partners are working on.

Last week, we reached our next major development milestone. We were able to release the release preview, which allows anyone to download and get access to Windows 8 and start using it, to generate their excitement and enthusiasm. I wanted to run a little video that we have on the Web that sort of captures the energy around Windows 8, and we'll go ahead and run that.

(Video segment.)

**STEVE GUGGENHEIMER:** The energy for a beta product or a release preview has been very high. If you look at some of the press feedback and analyst feedback, a couple of quotes: "Windows 8 is the most dramatic overhaul of Windows in at least the last 15 years." When we talk about Windows 8, we don't say it's the next version of Windows, we like to talk about Windows reimagined, a complete re-imagination of Windows.

Another quote, "What's consistently striking is how lovely the apps look, whether it's those built by Microsoft to do simple things such as show mail or the weather, or those built by a growing number of third parties such as Amazon for the Telegraph." Written by the Telegraph on that one.

"All in all this an impressive and surprisingly rich release, largely thanks to the diverse collection of apps it includes."

If you think back a year ago, we were at COMPUTEX and we showed just early, early work in Windows 8. We were just beginning to talk about it and show it. Tremendous progress in a year, and it is the combination of the ecosystem here along with the software ecosystem and the developer ecosystem that has gotten us to this point.

What I'd like to do at this point is I'm going to invite Aidan Marcuss, my colleague from the Windows group, to come out. Aidan is going to give us a demonstration of Windows 8, in particular the release preview and some of the applications, and then talk a little bit about the work we've been doing with the community to help get us ready as we're on our journey towards Windows 8. So, with that I'm going to welcome Aidan. Hi, Aidan. How are you?

**AIDAN MARCUSS:** Very good.

**STEVE GUGGENHEIMER:** Here's the clicker for you.

**AIDAN MARCUSS:** Excellent.

**STEVE GUGGENHEIMER:** You're in charge.

**AIDAN MARCUSS:** Thank you.

It is really great to be here. This week has just been so exciting. Getting to walk around the booth, getting to meet with all of you, our partners, and seeing all of the progress we've made in the last year is really stunning.

So, I want to show you just a little bit about the release preview, what's new, some of the apps, and all the great experiences that come with Windows 8 and are in the Windows Store.

So, I'm actually going to start out with the tablet right here. So, to log in I'm just going to use picture password. This really never actually gets old to just really quickly and seamlessly log into my system.

And here you can see here's my Start screen. You can see it's starting to fill up with more and more apps. All the apps and the tiles are alive, and you can start to see really fun stuff like I've actually pinned all the people I care about, and I'm seeing their statuses in real time. So, it jumps right into an app, all that content coming right to the surface.

Now, when I pinch out I can see all the apps I have installed, and everything I'm showing you today is all available in the Windows Store at release preview. So, everything you're seeing here you can go get.

So, let me start with a really simple one, right, the mail app. The mail app is really central. It's how you get your mail, whether it's personal or work mail.

So, we've now added deep linking. So, I actually can jump in and I've pinned a specific folder. If you're anything like me you go to a conference, you get a bunch of email that has information you need, and you save them all in a folder.

So, in this case, I jumped right into my COMPUTEX folder and someone sent me the briefing book. So, I'm just going to tap on it and open it up. And what you see is, I'm coming right to the Windows desktop. So, go from that really full-screen immersive mail client, and go right to an environment everyone in this room knows. This is Word, just like you'd expect, works great with a mouse and keyboard.

Now, Windows is a part of a bigger ecosystem, the software and services of Microsoft. And SkyDrive is a critical part of that. We've been working hard to make sure SkyDrive really completes the cloud scenario for Windows. So, let me show you another kind of very common thing. I do a lot of work when I'm sitting at home on my big all-in-one on PowerPoint. And at this time when I ran out of the house to catch my flight to Taiwan I totally forgot to save my file on SkyDrive, or email it to myself, or anything.

But one of the new things in the new SkyDrive, so this is the SkyDrive website, just what you'd expect, all my pictures of things I care about. You also see my PCs that are the SkyDrive client installed on the left-hand side. And so you can see my home PC. When I click on that what's actually happening is, SkyDrive is going back to my PC, and letting me get all of the files there. This isn't stored in SkyDrive, it isn't synched. It is all locally on my home PC back in Seattle.

So, I can click on my desktop. There it is, there's my COMPUTEX folder. I need to open up that PowerPoint slide I was working on. And just that easily and quickly, I've run all the way back to that PC sitting on my desk and getting a file. The cloud really connects me and my content across all of my Windows devices.

All right. That's a lot of work. That's a lot of work. Let's do something that's a little bit more fun. So, I'm in Taipei, and it's time to go check the sights out. I always like to see something new when I'm here. There's a new app called the Bing Travel App, and just tap in here, and you'll notice this is just really immersive way to look about travel destinations. I can see featured destinations. I can see information. I can see these, should be cool, 360-degree panoramas.

So, this is Chicago. And I can actually zoom in on Lake Michigan. I can zoom back out, and pan around really, really fast and fluid. But I'm in Taipei; I'm not in Chicago, right? So, let's see what there is about what there is to do in Taipei. So, I just swipe in from the right-hand side. I tap on search, and this is my universal metaphor to get access to stuff within my apps. So, in this case I'm just going to use the keyboard, actually. I'll type Tai ‑‑ so there's Taipei.

And it's there. So, now I've got a full-screen, really immersive view of what there is to do here in Taipei, content from all over the place. I've even got these really cool panoramas here, too. So, this is a temple a friend actually recommended to me, zoom in and check out what the view is like, and what the themes to see are, really quick and really seamless.

Now, a couple more things I need to do before I actually go and tour. I have to first figure out how much it's going to cost in dollars to take a taxi. So, I'm going to ‑‑ again, I'm actually going to search. So, in this case, I know that the currency is the Taiwan dollar. Actually, you know what I'm going to do. Let me show you this currency app. Zoom back out, and I have this currency app. It's actually built locally. It's called XECurrency. And so in this case I can see what $100 is in a bunch of currencies. I'm just going to use search again.

Okay, so let's get the Taiwan, there it is, the New Taiwan dollar. Let's add it to my list, and right there I can see an instant translation of what $100 is in New Taiwan dollars, the same metaphor, totally different app.

So, let's do one more. So, I need to look up taxis. There's a good app called Doctor Eye for local language search. Let's see, taxi, Doctor Eye, there you go. That was so fast, I didn't go back to the start screen, I didn't switch apps, I just searched and tapped on Doctor Eye. So, a really fast and fluid experience.

Okay. But before I get to go do something fun, we do have a team dinner tonight to thank everyone for the hard work here at COMPUTEX, and I agreed to pick the drink for the evening. There's a really cool app. We had a number of cooking apps, but there's this really fun one called Cocktail Flow. I like it because it's just so alive. It's just beautiful and crisp and clean.

So, my colleague Todd, here is the guy I've got to pick the drink for, the whiskey guy. Let's see, up, green, and sure, why not. Why not the Four Leaf Clover, right? Look at all those animations. It's just really rich. It's really sort of immersive. I can see other drinks that are like it. A Merry Irishman, actually, that's probably more like him.

And so now I've got the drink recipe for the team dinner tonight. I can share it with them just as easily as I searched, right? Swipe in from the right-hand side and then tap on share. And now, I can share it in a bunch of ways. I could post it on Facebook, or I could tweet it, but I also can just email him. Tap on email Todd, and right in line, right in that Cocktail Flow App, I can email him the recipe instantly.

Okay, so I know where I'm going to go. I've done my sort of homework, which is to pick the drink for tonight. The last thing I want to do before I head home is, I want to send my friends what I'm doing here at COMPUTEX. They're always really curious what's COMPUTEX, and what's going on? And there are some really cool apps that kind of help me complete that. So, Wikipedia has done a really fun and interesting Metro style app. It's got everything you would expect, all the content and pictures, and what happened this day in history.

When I go to search, though, I can go here, actually already search for COMPUTEX. And one of the things that's great, and this is where these Metro style apps really come to life, watch, when I pinch to zoom out I get the table to contents. That's not what the website does. The website you actually have to kind of scroll up and scroll down. This is where these Metro style apps really come to life. They really make the content on the Web really feel richer and easier to navigate.

So, I could send this to a friend, but you know there's one more thing I want to show you. There's this news app. It's kind of like the travel app, it brings you news from all sorts of sources. In this case, I could scroll around. Again, I get the really fast and fluid scrolling. So, I'm going to search for COMPUTEX again, and find a good news article about COMPUTEX. Okay, that's one I like. That's a pretty good news article: Tablets and Windows 8 look to dominate COMPUTEX. And so I want to share with my friends and family what I'm doing here and send this article. I just do share again. A totally different app, but just as easy to do. In this case, I'm actually going to post it on Facebook. Right in line, I get a nice preview, and I can post without leaving the app I'm in. So, just to give you a little bit of a sample of what some of these new apps are like.

But, I've shown you a lot of work and business stuff. I'm about to head home and one of the things I find these days is that my son is often more excited to get his hands on the tablet than he is to see me when I come back from a trip. And that's partially because there's just so much great stuff on it for him.

One of the really compelling things about Windows 8 is I can log in as him, right. He can have his own account where all of his stuff is totally separate, so that when I hand it to him he has his own apps and his own content, my stuff, my email, my work content are all safe and secure. So, I'm going to set it up for him. He's a Bert and Ernie fan, so his picture password is a left eye, a right eye and a middle nose, and there we go. We're in. Bert and Ernie always hold the key.

So, there's a bunch of fun game apps. But, there's also just some really compelling sort of educational apps to start to show you the power of a Windows device. So, I want to jump into this really cool star chart app. This lets you navigate around the solar system and see the constellations that you can see. Today, I'm not sure if everyone has kept track of this, but Venus has transited the Sun. That won't happen for another 115 years. So, let me see where Venus is right now. I'm just going to search, the exact same search I showed you a second ago, different apps, totally different context. Okay. So, Venus' transit of the Sun is now complete. You can see it's actually across. And it really starts to show you how these metaphors work across a broad range of applications.

Now, that's educational, fun does have to be had. So, let's find some fun games to play. A lot of kids love flash games on the Web and you can't play them on a lot of devices. One of the things we announced in the release preview is that we support Flash for very popular content sites in Internet Explorer. So, PBS Kids is a very popular website for games for kids in the U.S., and it runs in full fidelity with Flash, a really touch-optimized experience, and so my son can get access to all the games he wants, the rich games on the device and the Flash games online.

Let me show you one or two more, one or two more, so let's talk a little bit about Fit Ball. This one is just totally unexpected, and this is where I hope some of you will laugh a bit. Fit Ball is a way to burn calories for those of us who spend a lot of time on the road, all right. What's going to happen here is I'm going to get some red balls I've got to hit and get the music up, let's see. I've got four ‑‑ just one calorie down, just one. Okay. That's probably enough embarrassment with enough pictures taken for the time and for posterity I have these very, very few pictures stored on the machines that I will not be sending around. So, it's just a totally different app that brings a really immersive experience.

All right. The last one I want to show you is Fresh Paint. Fresh Paint is a deceptively simple painting app, right. We've all seen a lot of touch-based painting apps. I'm not a very good painter, but let me actually ‑‑ I'm going to pull up a picture I'm going to trace for a second, just pull up a picture from my picture folder, I've got a picture on this canvas, and I can do everything you'd expect.

Let me take some yellow paint here, and I can paint just what you'd expect in a device like this. I'm going to do that stem in green; I think that's a green. Let me start to show you, though, where this really comes to life. I'm going to undo that green. Look at what you're seeing. You're actually seeing the texture of the underlying paper, as the paint blends down it's actually laying down and it's doing a bunch of really interesting sort of texturing on that device, on that paper canvas. I'm going to zoom back out. I've got to do a kind of combination red-yellow. I'll take the palette that I have up here. If you look how really rich this thing gets. So, I can do some yellow, a little bit of red, start to mix it in here, so I get a nice sort of combination color to do that spot. Take this paintbrush and watch as I zoom in with really high fidelity, look at that. It's just really compelling. It's a lot less messy than having paintings hanging around the house, but it gives a really cool sort of full experience. So, this is what it means to have the power of a full PC in a lot of ways, right.

In one single machine, I've gone from checking my mail, opening my Word documents, getting my files stored on my home PCs, looking at a PowerPoint, looking at full-screen immersive apps, having fun, that's one device. And that really does bring to life this Windows 8 no-compromise experience. And what I really want to spend a second on now is just talking about how we're ready for us to build all these things together.

All right. So, I've really shown you three things, a system, peripherals, mice and keyboard, you didn't even probably notice my switch from touch to a mouse and keyboard, in apps. And with the release preview, the toolkit that the ecosystem needs to build great pieces of hardware, great peripherals and great apps, are all ready for you to use. It really takes this combined partnership. All of the things we see on stage come from that joint work we have together.

On the system side we've been working really hard to make sure that we support all of the new hardware out here in the ecosystem. We support system-on-a-chip architectures, and new ARM architecture from NVIDIA, TI and Qualcomm. We support UEFI, multi-touch, and USB 3, and a whole array of sensors, all let us build these types of devices with that full power of a PC.

We've done a lot of work to help the tools that you use to build great PC experiences really help you understand how to deliver that delight to a customer. The adjustment and deployment toolkit runs real-life workloads, so you can see what's Web browsing like on my machine, and actually debug down to the driver level what's happening, why is the Web browser being slow, or what do I need to do to make that experience just a little bit smoother for the end user.

We have also worked hard to make the Windows Hardware Certification Kit, or as we lovingly named it, the WHCK, much simpler for you to use. It automatically figures out now what hardware device supports. It can run the tests for certification, distributed across a broad array of machines. So, your testing times can be cut down and made easier. We've already with your help run these tool kits in over 800 shipping Windows 7 machines. This helps us know how to make sure that Windows 8 machines will be great.

Let's talk about peripherals for a second. Peripherals bring the Windows ecosystem to life. We've done a lot of work to make peripherals a strong part of the Windows 8 story. From adding new class drivers for printers, mobile broadband adapters, and webcams just to name a few, so that when you plug a device into a Windows 8 device, or a Windows RT device, these will get the zero-install experience instantly, and it just works.

We've added the ability to write Metro style device apps. These Metro style device apps let you actually bring up a rich, full-screen experience, just like those apps, so that a printer manufacturer can show the ink levels, or a webcam manufacturer can let you actually, as soon as you plug in the device, automatically get an app that completes the scenario. That same certification toolkit that we use for PCs, we also use for peripherals. And it's been streamlined to be easier, to automatically figure out what a device supports and run just the tests that are important. Today on Windows 7 we have over 50,000 unique peripherals that are certified and logoed for Windows 7. With Windows 8 we want to make sure all of those run great and add a whole new host of devices.

And then the certification program is the evolution of our logo program. That's how you get a device to get the Windows 8 or Windows RT logo, so that a customer can have the confidence that that device is ready to go when they buy it. And the last piece is that it is really astonishing to think about how much work the ecosystem has done in the last 18 months. We had BUILD in September of last year and we had about 4,000 developers with their release of the consumer preview in March we kicked off a series of worldwide events. We've had over 500 events and 194,000 developers sitting in chairs, much like yours today, learning how to build great Metro style apps.

The Windows Store, with the release preview, expanded to take applications from over 38 markets. There are hundreds available in the store today, as I said, everything you saw you can go get, and I hope you do. And we're getting more every day.

And then the Windows app certification kit is how you test both Metro style apps, so that you can know whether or not an app, whether an app will pass all of the technical checks before you submit it to our Windows store. You can know it all before you submit it. And you can know whether or not the desktop software that you've written is compatible with Windows 8. We've already tested over 13,000 desktop applications to make sure we've got great desktop compatibility with Windows 8.

So, what's the call to action? That's what I really want to leave you with here. All of the kits I talked about are done. You can start building devices, printers and apps today. They're all available up on the Windows Dev Center, Dev.Windows.com, so the number one thing to do is to get up to speed.

On the PC side, using the ADK to test the machines you're building to make sure customers have great end-user experiences is a priority. And then, you can test with the WHDK and submit your PC for logo today on the Windows desktop.

For peripherals, number one thing, test all of your Windows 7 peripherals. If you've got a logo for Windows 7, test it on Windows 8. Go to Dev Center and learn more.

If you're building a new device, go to a certification workshop. We're running them around the world. You can find out more in the Dev Center. Think about how a Metro style app can bring your device to life. Putting it up in the store means the customer gets it automatically when they plug your device in to a Windows 8 device. And then test and submit your devices for logo with the WHDK.

On apps, excuse me, on apps, test all your desktop apps. It's the number one thing to do. Make sure that you get everything you've got running on Windows 7 today Windows 8-certified and -logoed. Next thing, learn about building Metro style apps. As I said, we have a lot of tools online. We also have dev camps running all over the world. We see a lot of engagement when folks sit down with our tool chain. The release preview includes a fresh build of Visual Studio, our world-class development platform, and has all the tools you need to build the types of experiences I showed you today.

And then get ready to submit your Metro style apps. Get ready to put it in the store. We have programs in place so that we can start getting the store filled with great applications as we head into the RTM and general availability milestones.

So, hopefully I've given you a little bit of a tour of the release preview. I've shown you how it's both great for work and great for play, and how it's evolving with great applications in the Windows Store.

I think a great way to kind of bring it all together is to invite Guggs back out to show us the types of system that you guys are working on to build for customers.

**STEVE GUGGENHEIMER:** Thank you.

Great job. That was just a really, really good overview of Release Preview. I think you can see how the apps are starting to come along. Aidan did a really nice job of weaving it together and talking about how Windows 8 provides the no-compromise solution.

What I thought I would do now is spend a little bit of time, then, taking all of the things we've sort of seen and talked about today in terms of the components, the software, the services, the release preview, and look at some of the innovative work the ecosystem has done to bring all that together on some early machines.

These are samples of some of the designs that are being worked on for launch. This is truly a subset of what's going on in the industry. There are many, many more machines that are being built that aren't here today, but I'm very grateful to our partners who have lent us some to show off here, and again to give a sample of what is going on.

I have a variety of machines from the largest screen all-in-ones down to the smallest screen thin and light devices and convertibles. I have multiple different types of chips on these devices. We have some SOC, and we have obviously some of the higher power X86, so it's a variety of devices and machines, and I thought we'd just do a little tour.

Some of them you've seen at the show, and some of them you haven't. I think in the all-in-one category, it's interesting because first off we're getting some beautiful designs. So, see the Samsung one at the center, and the ASUS, both of these are new designs being worked on for Windows 8. Obviously, if you think about that paint app that Aidan showed on a screen this size would be truly incredible. There's a lot of things you can do. You'll notice how the design lays out and you see more tiles by default on these larger screens. So, very compelling, very beautiful systems.

We had a nice demonstration on Monday of the new Acer device. This one is really cool. When we talk about hinged design we normally think about the laptop, but hinge is also applied to all-in-ones. This one swivels, it goes both horizontal to vertical. It lays down flat. You'll notice I have a vertical mode where it's just a beautiful, in this case, reader. It's set up for a document that we can look at and the Web and the news. So, truly an innovative piece of hardware and software together that brings the best to life in terms of Windows 8.

One more on the end, again, that hinge design is a very interesting area, and it applies to all-in-ones. This Lenovo I have up, obviously I have it set for a game, but I can swipe it across and restart Mahjongg. And, again, that notion of gosh does it support 64-finger touch, maybe I want to have multiple people playing. I picked Mahjongg because I know several of my colleagues here enjoy it. But I could take this one and in the same way I can lay it down flat, and now we can sit around this particular device and use it to play games. We can do some of the drawing and things that Aidan showed. But here we could play a multi-person game. So, again, that form factor, that functionality with these large screen devices create some very rich and compelling experiences.

Now, let's shift into the laptops over here and some of the convertibles. I'm going to start with what I'll call the raw scale or the raw base of devices in that 13- to 15-inch category that are the high volume sellers today. This is where, as an industry, we sell most of the PCs, right, 13- to 15-inch. And what I have here is a variety of systems. Aidan talked about no compromise. These are all keyboard and mouse. These are not touch. Some of them are new designs for Windows 8, but what it says is that broad-scale area where we build devices today, there will still be that same differentiation, that same opportunity for partners to create devices, and they'll be great with keyboard and a mouse.

You see a lot of the different vendors where they tend to differentiate, HP, whether it's CPM technology or Beats Audio, Sony, I've got a couple of new VAIOs that are under design here. These are from Sony. They do a great job of media; they do a great job of design. Here is a gaming laptop from ASUS, that's again a high-area category. This is the XPS Dell that we talked about. This is a carbon fiber design, again, using a new material. Toshiba, again, built a PC here that's the 800 series, which is used for both small business and consumer, comes with TPM full functionality. Acer up here. This is a rather unique Toshiba. This is a 21x9 screen. So, when you think about Snap and the ability to use the UI for that ‑‑ I accidentally went into the other, let's go back here with the desktop. This is a beautiful screen if you think about a wide-screen design, very unique, very new coming out, a couple of others here.

Now, one I wanted to highlight real quick, I'm going to plug Acer, when we talk about innovation in design, this is one of the thin, light designs that are coming out now, these really thin ones. This one is quite unique because a lot of people still want the full port. You want access. There's a button on the front here, and then I'm going to press a button. What you'll see in the back, if the camera will pick it up, you'll actually see the port mechanically come down, and now I have access to USB ports, an HDMI port, et cetera. So that's kind of a very cool way of solving the interesting problem of having the thin light design, but also having access to ports which a lot of users really appreciate.

Now, let's start to switch gears. We can take these same class of device and start to add touch. So now we have the ability to take a variety of devices, here's the Samsung series, where we have touch now integrated into the laptop form factor. Here's a beautiful one from ASUS. We take that very thin and light Zenbook design which we're all familiar with and add a touchscreen to it. So, I have the best of both worlds.

And now we're starting to bring together that no compromise of touch, keyboards and mouse, thin and light, beautiful design. I wanted to highlight one from Acer here, which I think does a really good job of starting with the components we talked about earlier. This is an incredibly thin touchscreen. If you look at this, it's probably two millimeters. What they've done is they've used glass as the technology to provide the rigidity needed on the screen. So, it's thin and light with the glass that we showed earlier combined with, again, great touch capabilities.

The other thing, we talked about hinges, right? This is a design where it's very easy to move it up and down. Yet, when I get to the point that it's up, it's very rigid. So as I tap on it it's easy to work with. And, of course, if I want to then I can lay it down flat. So an incredible piece of innovation that brings together that hinged design, the screen design, the components that allow for thin and light design, plus touch, plus ultra-portable and battery life, really again bringing all the technology together for a next-generation, truly no-compromise laptop.

Now the next area to think about as we move on, there's a lot of discussion on tablets and things that we can do, and I'll start with convertibles. At CES this year Lenovo showed off the Yoga, which you can think about the hinge design here, I can flip it all the way back, I can set it all the way up. I think I lost the browser there. So this is an example of sort of having the ability to translate or rotate a device around, and there are others in that family.

The next level, though, is the notion of one that you can sort of, I'll say, take apart or put together, depending on how you look at it. The Samsung device, Aidan showed the Series 7 that we gave out at BUILD. This is sort of setting the course of that next generation where you can bring it up and work with it, and have that as a separate one. I'm going to stick that one back.

The Fujitsu is the same class of device. I really like these because it's very light, and very thin, actually running. It fits into the keyboard when you want to use it as a laptop, it looks like a laptop, but then I can take it out and use it.

Now, in terms of concepts and design, this one from Acer, I'm going to have the button here, this one, now we're really getting ‑‑ this is a high-power design, but you'll notice how thin this design is, super light, long battery life, very responsive. Now, again, when we think about no compromise, this is a media tablet. I can take it with me, it runs all of my applications, it's very powerful and high performing. And, at the same time, I've got my docked keyboard. This particular set up is very ‑‑ it's sort of very clean, it takes that very thin and light look. Now, you can take other approaches, this is an Acer design that was shown on Monday. And as opposed to having the sort of docking keyboard and mouse, this is set up more like a desktop. I can hook up a wireless keyboard and mouse to it. I can rotate it vertically or horizontally, absolute differentiation in terms of the approach.

Now, if you head towards the last screen, now we're getting thinner and lighter. These are fan-less designs. I'm going to take this ASUS out to start with. This is a fan-less design. It's very, very thin, very, very light, right, beautiful screen, this has the ability for inking, so I can take advantage of that style of work that we saw earlier. This can have a TPM in it for commercial use.

The keyboard and sort of the place that I set it back into, that has an extra battery in it, so not only do I get long life here, but I get additional long life when I hooked into the battery. So, this is sort of, again, heading down that no-compromise setup. I'm actually going to lay this here so I don't have it on this plastic stand. It's a beautiful design, it's still running. So, that is sort of the direction that we're heading in. This is another one from Acer where I can run it, I can pull it out, I can flip it over in clamshell, or I can run it in sort of a presentation mode.

So, again, we have the Windows 8 here, fan-less, we have another one fan-less. I'm going to take one more, this is the last ASUS design, and this is a 10.2, so it's even smaller. This is about 500 grams, so extremely lightweight, extremely thin, beautiful screen, right. This one is an RT device, this is Windows RT running on this particular device. Again, you'll notice it's incredibly light, right. So, now, again, I'm sort of having that capability of thin, light, all-day battery life, all three of these, four of these are all-day battery life types of designs.

So, if we think about where we started, we started with an all-in-one design, right, at the very largest end. We come all the way down through a set of laptops, traditional 13-, 14-, 15-inch laptops. We've gone through a set of convertibles. We have sort of high-powered designs within the tablet mode that have all the support. We've gone down to the thinnest and lightest-weight, no fan, long all-day battery life. So, as they've worked on no-compromise, I think we're blending no-compromise software with no-compromise hardware, and our partners are doing a phenomenal job, in terms of the innovation in the industry from the chip design, from the hinge design, from the glass and the mechanics, all aspects of the PC are being re-imagined. This is an incredible time, as a result, for our industry. We have sort of the most momentum we've ever had with Windows 7 in terms of the release, and as we head into Windows 8 the ecosystem is coming together to deliver solutions, the kinds of which we've never seen before, and the likes of which are truly no-compromise and really are delivering a Windows re-imagined world.

So, as we had through this, one question I quite often get is, Windows 8 hasn't shipped yet. We still have a lot of Windows 7 PCs to provide. One of the things we work on always is to have an upgrade task for our Windows 7 users. People that are purchasing machines today, they want to know that you get there. We've created a very easy way for customers to get Windows 8 when it ships. Anyone that buys a machine from June 2nd, or last Friday, all the way through January, has the opportunity to basically get a low-cost copy, like $14.99 in the U.S., copy of Windows 8 that they can use to upgrade their PC. That way customers can be confident today that they can buy a version of Windows, a Windows PC, and there are a lot of them out there.

Aidan talked about the testing we're doing, and know that they have the opportunity to upgrade it to Windows 8 and in that way we're going to help keep the market moving forward. So, not only do we want to sort of continue to prepare for Windows 8 and do a good job, but we want to continue to make sure as an industry we keep the business moving forward between now and when Windows 8 ships. And so it's with that piece of work I think we're getting good feedback. That's another way we're making it seamless for the industry and for our end users.

I would say this is an ecosystem readiness event. COMPUTEX is a phenomenal venue; it's a phenomenal place. I truly want to thank the Taiwan Computing Association, and all of our partners. This is the place where it all comes together. We see the very best from the hardware side, from the software side, from all of the parts of the industry coming together to deliver the solutions that our collective customers are looking for. Windows 8 Embedded. We're on path, you saw the CTP release today.

Windows 8 Server, we have the fast-track work that we're doing with our partners. Windows phone and the application marketplace there continues to grow. And then both Windows 7 designs, which we're still seeing great innovation there, and the next-generation Windows 8 designs. Again, I showed a small sampling today. There are many more under development, but I hope you can see and get a sense for I think as an ecosystem we're getting ready. We're doing a great job.

Aidan, I thought, did a great job showing off the product. I think the hardware that we've been lent by our partners does a great job showing off the hardware. Aidan talked about all the tools available for systems, for peripherals, for developers to help us get ready, this is a journey. It's a partnership. I'm very, again, pleased and honored to represent our company working with everyone else here. If you want to see more, you want to see a Windows 8 Kindle again, if you want to see some of the embedded devices and scenarios, or some of the other solutions, we have a booth. So, come and see us at the Microsoft booth in the Nanding Hall. And otherwise, again, a true thank-you. This is an industry effort. We appreciate the partnership and support from the Taiwan community, from all our global partners. This is a great venue to have this conversation. So, we appreciate your time. I want to thank everyone, and say have a great day, and a special thanks to all of our partners that are here.

Thank you so much. (Applause.)

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