

# Microsoft's Special Event about AI

## Company Participants

- Adrienne Brewbaker, Director of Product Marketing, Surface
- Brett Ostrum, Corporate Vice President, Surface
- Carmen Zlateff, Vice President of Product Management
- Colette Stallbaumer, General Manager, Microsoft 365 & Future of Work
- Divya Kumar, GM, Search & AI Marketing
- Nicholas Payne, Presales Partner Specialist, Surface
- Satya Nadella, Chairman and Chief Executive Officer
- Unidentified Speaker
- Yusuf Mehdi, Corporate Vice President, Modern Life, Search, and Devices

## Presentation

### Satya Nadella {BIO 3224315 <GO>}

Good morning. Good morning and welcome. It's fantastic to be back here in New York City. We have a lot to show you this morning. It's hard to imagine that it was just 10 months ago that ChatGPT first came out. And it's clear, like if you just look around since then that something new is happening in our industry and far beyond and it's exciting. And we've done a lot in these last 10 plus months. GitHub Copilot is turning natural language into programming language. In fact, last night in my hotel room, I was so excited to have access to Copilot Chat in my personal account. Finally, it's awesome.

It's -- even think ChatGPT and Bing Chat, I mean, what should I say? I mean, in a market that's dominated by one player, we are striving to breathe some innovation and life into it. And even with Microsoft 365, there's a wait list. I mean, it's crazy. It's kind of like the 90s are back. It's exciting to be in a place where we are bringing some software innovation and really having fun enjoying this entire journey. Of course, it's not just about the Copilots that we are building, it's all the apps that are being built by partners, whether it's Spotify or Shopify to the London Stock Exchange to Epic. Each piece of software from consumer tech, to financial tech, to healthcare tech is changing. And we've learned a lot in these last several months.

It's been energizing to see and hear what you all have been able to do with these new capabilities. From developers who say, finally, Copilot has brought joy and flow back to their work, to artists who say it sparked their creativity, to all of us as knowledge workers and first-line workers, right, who are able to rid ourselves of just this drudgery of sometimes this work. Business leaders who finally have a new tool to be able to reimagine, simplify, optimize business processes, whether it's sales, marketing, finance, customer service, what have you.

In some sense, perhaps the biggest learning is what God has all started, whatever, in the last 70 plus years around this computing revolution in the first place. I recently had a chance to reread a book, Bootstrapping, which I think came out perhaps in the early 2000s. It's a story of Doug Engelbart and his life, his vision. Obviously, everyone knows about his contributions to some of the seminal things that we all enjoy in personal computing, whether it's the mouse or the graphical user interface. But the thing that he writes about, how he chose to sort of get into the computing industry and motivated his life's work, deeply resonated with me. He felt that both the complexity and the urgency of the humanity's problems, both big and small were growing at such a fast rate that our ability to cope with them was being challenged.

And he envisioned, therefore, a new system of computer and human collaboration that could augment human capabilities and give each of us more agency in tackling these challenges. And that's always been the ultimate dream of this entire computing revolution. And now, as we stand here today, we have a couple of new capabilities. To me, there are two real underlying technology breakthroughs with this new generation of AI. The first is that we now finally have, I mean, we've been talking about moving [ph] for decades, but I feel we are at the place where we finally have a new natural interface and it starts with language, but it's going to quickly go beyond that, right, you've to see, to hear, to interpret and make sense of our intent and the world around us.

And a new reasoning engine, which helps us make sense and find patterns in all that is digitized, right, which is people, places, things. And together, they have created what is essentially a new category of computing. This is as significant as the PCs in the 80s, the web in the 90s, mobile in the 2000s, the cloud in the 2010s. Just like you boot up an operating system to access applications or use a browser to navigate to websites, you will invoke a Copilot to do all these activities and more, to shop, to code, to analyze, to learn, to create. And we believe it has the potential to help you be more knowledgeable, more productive, more creative, more connected to the people and things around you.

It starts with building on what we have learned to date. We've seen that the most magical and empowering moments people have experienced with AI is when it's informed with the context that extends way beyond what's in front of them. For instance, when you're able to create a PowerPoint presentation, taking advantage of all the conversations you previously had in Teams, Outlook, even the files you have. Or when you're able to plan a family vacation based on your preferences, communications, and what Bing knows about the destination you're trying to go to.

The more context and memory a Copilot has, the more planning capabilities it has, the more valuable of a companion it becomes. This requires that what we think of today as separate categories, research, productivity, operating systems, devices, all come together and evolve. So the context and intelligence of the web, your work data and what you're doing in the moment on your device are presented together in a single unified experience centered around you, informed by your preferences and permissions. But it's a lot more than that.

We think there's also an opportunity beyond work and life to have one experience that works across your entire life. After all, you're a salesperson by the day, a musician by the night, a manager and a parent, a shopper and a creator. And this requires a real rethink, a user experience scaffolding that cuts across devices, operating systems and applications. And that's what brings us here today. That's why today, we're announcing Copilot, our vision for everyday AI companion for you. Copilot is one. Yeah.

You're going to see a lot of it. Copilot is one experience that runs across multiple surfaces, understands your context, brings the right skills to you when you need them, it adapts to you. You no longer have to be the orchestrator of your apps, operating systems and devices. We are building Copilot into all of our most used products and experiences and allowing you to summon its power as a standalone app as well, from Bing and Edge to Microsoft 365 and the newest version of Windows. Today, we will show you how Copilot can make your life better. And we're introducing exciting new surface devices that bring together these innovations and innovation in silicon hardware and software all coming together. No matter the context you're in, no matter whether you are at work, school, or home, no matter your device, operating system or app, the Copilot is always going to be there to help you.

It simplifies the complexity we face today. You can see this in this picture built by Bing Image Creator, in fact, powered by DALL-E 3. And it's exciting to see this kind -- it's kind of like your PC now, it's kind of becoming your CP. We believe Copilot will fundamentally transform our relationship with technology and ushering a new era of personal computing, the age of Copilots and an era that uplifts every person, community, industry, and country. I started at Microsoft when our mission was to put a PC in every home and every desk and today, we have a vision for a Copilot that can empower every person and every organization on the planet to achieve more.

So with that, I'll hand it over to Yusuf and the team to show you more. Thank you all very, very much.

## **Yusuf Mehdi** {BIO 1823106 <GO>}

Thank you, Satya, and welcome, everyone. It's so great to be back here in New York with you all. I love this tradition. Once a year, we come back and we talk about the Windows that we all know and love, and some of those new surface devices that we crave. And we will. But as Satya laid out, today is also a new day. We're starting a new beginning in the phase of development of the PC. And in many ways, more importantly, a new era, which we're empowered to be smarter, more productive, more creative, and ultimately more connected to the people and the world around us.

In this age of AI, which really kicked off for most of us in the past year, I always think we just got to stop for a second and just sort of look at what has happened now and what you can do now that you couldn't do even a year ago. Any of us can create some of the most breathtaking images in the world just by using our words. We're

going to show you that. After a busy week where you've got so much going on, you can now make sense of all those emails, the text messages, team's messages, even your documents, just by saying, hey, what happened this week? Tell me what happened.

And lastly, you can even take a photo of, let's say, a pair of shoes that you love and you can go from picture to purchase with a camera snap. It's incredible. We really live in an amazing time. And in this new era of AI, we at Microsoft are embarking on the journey to reimagine everything that we build, software, services and devices to put you at the center. There's an incredible team here today and they are excited to share with you some of the first steps in this direction. None are more important and profound than what Satya just mentioned, the introduction of Copilot, your everyday AI companion. I want to reintroduce you to AI Copilot. Let's take a look here.

Now as you can see, Copilot is going to have an energy and approachability. It embodies our vision for AI to be in service of you. It's a handshake between you and technology available when you need it and out of the way when you don't. It'll anticipate your needs and increasingly it's going to understand your intent. Now we plan to make Copilot seamlessly available across all of our apps and experiences that you use most. Starting today with one of the most important Copilot will be available on the Windows 11 desktop, and with a single click you can launch Copilot and your AI companion is instantly available. It's informed by what you're doing on your PC.

Copilot will also be available across the entire Microsoft 365 offerings. Here, you see in PowerPoint and Excel and in Teams with the power to harness all of your work data and intelligence. And of course, we're going to have Copilot in Edge ready to help you across your entire web experience and Copilot is built on top of Bing Chat, so you can harness the full power of the internet.

Now it's not just an app or a chat window, it's woven throughout your entire experience. It'll reveal itself with a right click or you can invoke it with your voice. Now over the next 45 minutes, as Frank said, you got to buckle up because we're going to show you a lot of new innovation and capabilities. First up, I'm excited to share that Copilot will begin to rollout as part of a new Windows 11 release starting on September 26. This release will have over 150 new features and I believe it's the most ambitious update to Windows 11 since we first released it. Let's take a look.

(Audio-Video Presentation)

What do you think? I'm so excited to use this release. One of the things you're going to see, there's just so many features in here. We've really reimaged all of those inbox apps that you're used to, photos, paint, they're all reimaged with AI. But what really makes it come to life, of course, is Copilot and Windows. And here to tell you more is one of the leaders of our Windows Engineering team, Carmen Zlateff. Welcome, Carmen.

## Carmen Zlateff

Thanks, Yusuf. I am so excited to be here. We have built an incredible new Windows 11 set of features that will begin rolling out on September 26th. Get the update and you'll see the new benefits of Windows 11. New ways to express your creativity, increased security and accessibility and so much more. I'm honored to be here representing an amazing team of product makers from Windows. And today, I'm excited to talk about how Copilot in Windows 11 empowers you to take advantage of all those features and capabilities in an easier and more powerful way. Because Copilot is built into Windows, it has a view across your applications, the web and even your devices. And with that understanding, it can help you get things done more quickly and efficiently than ever before.

Think about all those little things you love in Windows, like copy and paste, that have been saving people time for years. What if Copilot could take those things and make them even better? Now you can copy paste and do. Let me show you what that means. Here you see a long email, oh gosh, what a wall of text. I'm trying to figure out the places around this venue that I can go visit while I'm here. I see those places in this email, but I wonder how far these are from here. It doesn't say.

As soon as I copy the text, Copilot appears and offers suggestions for what to do next. I really just needed a more readable and I want to know how far they are. In seconds, all of this information is neatly organized. And it even tells me how far away each location is, doing that research for me. But I only want to see the options that are less than a 10-minute walk away and it does that too, by translating from miles to minutes. Did you see that? I said I wanted to walk, and it knew that telling me how many minutes was a lot better than telling me how many miles. That was so easy. And now I'm ready to send it back.

Next, we're excited to share a brand new feature coming to Windows, Ink Anywhere, which means you can use your pen to ink in any text box anywhere in Windows 11. Let me show you how the pen and the power of Copilot come together to complete a task. Let's use a simple example about math equations. Have you ever tried to write a complex math equation with your keyboard? I'll tell you it is not easy to do. With Ink Anywhere and Copilot, you can write complex math equations into the text field and get an answer immediately. Pretty simple, huh?

But what if that math problem includes a graph? How can pen and Copilot help? Since you can use your pen across apps like Snipping Tool, watch as you can use the pen to snip a photo of the math problem, you see Copilot immediately start solving just from that snip. And not only does Copilot solve the math problem, which feels magical, but trust me it's real and powerful, but it explains how to solve it. And this serves as a great learning moment for all those future equations you'll need to solve.

Next, let's talk about how Copilot works across your devices. We rely on our phones for so many things, they're with us all the time and they're the bridge that connects us to our world. Copilot on Windows has context from your phone, so it's easy to find the information I need from a text without spending time searching through

hundreds of messages. I'll be back in New York in October and I'm trying to remember when my flights are. I know I have that info in my phone, so I just ask Copilot, please find my flight info. And as you can see, Copilot has the flight info from my texts, from my texts on my phone in Windows.

I want to catch a play while I'm in New York on that trip. So I ask Copilot to write a text to my husband with the list of plays that are happening. Copilot uses the information about the dates of my flight that it found on my phone. It also finds the plays going on during those dates and that have available tickets and Copilot texts that to him right from my PC. Now that really felt like an assistant.

Microsoft is where powerful AI experiences come together simply, securely, and responsibly in the products you use most like Windows. And for nearly 40 years, Windows has been the heart of how we collaborate, communicate, and create. Bringing together people, information and ideas in a way that's more personal and productive. And we aren't just infusing AI into the Windows 11 shell, we're infusing it into our free inbox applications like Paint, Snipping Tool, Photos, Outlook, and more. Our journey with AI and Windows has only just begun. Windows 11 is the home for innovation and creativity, collaboration and communication, entertainment and education. And now with Windows and CoPilot, it's your home for the best AI experiences. Thank you.

## **Yusuf Mehdi** {BIO 1823106 <GO>}

Thank you, Carmen. Now, we want to dig in a little bit deeper into some of the innovation that we're going to bring to you in Bing Edge and in Microsoft 365 to let you really harness the power of the internet with some of the new capabilities we've just built and to really unlock a whole new way of working. First up, to tell you more about the advancements that we're making in Bing and Edge, I'd like to introduce to you one of the leaders of our Search and AI team, Divya Kumar. Welcome, Divya.

## **Divya Kumar** {BIO 15068418 <GO>}

Thanks, Yusuf. When we launched the new AI-powered Bing and Edge in February, we wanted to solve for the fact that roughly half of over 10 billion daily searches go unanswered. People prefer to get answers versus a page of links for many of their questions. We've had over 1 billion chats to date and with our combined leadership with ChatGPT, we've learned a lot about how people are using and benefiting from these incredible tools. Today, I'm excited to introduce several incredible new features coming to Bing and Edge. One of the most valuable and yet underserved categories of search is shopping and I love shopping. With the introduction of AI powered Bing, we made shopping easier. Soon we're taking that to the next level by introducing your Copilot for shopping.

Let me give you an example. My nephew loves playing soccer and I want to get him some new cleats. I'm not an expert. So Copilot in Microsoft shopping would guide me to find the best pair by asking smart questions like his skill level, which is not something I would have thought to consider. Next, it asks me to choose the type of field he'll be playing on. I can even compare my options of top name brands from

thousands of online merchants. I can get summarized reviews, including the pros and cons of the shoe and Copilot gets me to a recommendation. I can even find the best price in online promo codes.

You can see that at Edge, we have built-in coupons and cashback, making it incredibly easy to save money when you shop. The shopping features in Microsoft Edge delivered more than \$4 billion in savings in the past year. I'll also be able to use a photo or saved image as a starting point for my shopping. My nephew saw a pair of cleats that he loves and sent me a picture. I can use that picture to quickly find something similar. A bit flashier than what I picked, but regardless, Copilot for shopping made it so easy for me to make a confident purchase. It's like having my own personal shopper.

Now, let's talk about one of the most exciting capabilities of AI, creating images with just words. Bing Image Creator was the first to add AI image generation to chat, making it easy for you to create any image you can dream up and people love it. Soon, we'll be upgrading to the new DALL-E 3 model from OpenAI, making Image Creator even more powerful. You can expect breathtaking images. Even the little details like fingers and eyes and shadows are going to be dramatically improved over previous versions.

Let's say I want to create a gaming avatar, inspired by the awesome new Starfield game. With the latest DALL-E model, all I need to do is describe the image I want and I get stunning options in no time and I can modify images directly in chat. The combination of chat and image creation makes it incredibly easy to refine images until I get it just right. But it's not just the quality of the images that's improving. We're also making it easier to identify images that have been created by AI with content credentials. Now every image generated is marked as created by AI using cryptographic methods for better transparency.

All right. Because I can't get over how amazing the new model is, let's take a quick look at the side-by-side comparison of the new DALL-E 3 model to the previous model. It's the same prompt. But because the model now understands the prompt better and is more powerful, the difference is incredible. I really can't stop, so here are a few more I created inspired by the things that I love. The breadth and quality of content that you can generate with Image Creator is awesome. It can really create anything you can dream up and it's entirely free for everyone.

Moving on. Another thing we've learned is that most of us tend to repeat many of our searches for topics on a regular basis. We each have our interests or hobbies like photography, sports, movies, travel, but modern search and chat rarely take recent activity into consideration when generating a response. To help you get the answers you care about faster, we're introducing personalized answers. This means your chat history can inform your results. Here's an example. I'm looking for something to do this weekend and you can see that Bing remembers earlier conversations I had about sports and my Golden Retriever, it takes these earlier conversations into consideration to infer that I may want sports-related or pet-friendly activities. With

just a single prompt, Bing brings me personalized results from across the web that matches my interests. Of course, you also have the option to turn it off.

Now, let's talk about one of the most powerful ways in which Bing and Edge are leveraging AI to transform how people can get things done at work. We launched Bing Chat Enterprise just two months ago and the response has been incredible. Today, I am excited to announce a new suite of features coming to Bing Chat Enterprise, which is now available in Edge mobile app. With Bing Chat Enterprise, I can rest easy, knowing that my confidential work data is protected.

Let's say I'm an architect headed to London to pitch a client. I just learned that my client has updated the specs for the building and I need to redo our pricing and some of the materials we plan to use. No problem. While waiting at the airport, I can ask Bing on my phone to write me a few paragraphs to reflect these changes and in no time, I've got a great starting point before I board the plane. Finally, now you can also search with images and create images in Bing Chat Enterprise with multimodal visual search and image creator.

Let me show you an example. I grabbed a power converter before I left for the airport, but I'm not sure it's the kind that works in the UK. Fortunately, I can simply take a picture of the one I packed and ask if this will work in London. Bing is going to use GPT-4 and its image recognition capabilities to understand both the question and how it relates to the image to get the answer. All right. Looks like I packed the right one, so I can relax and enjoy the flight across the pond. Copilot powered Bing and Edge are transforming how people use the internet to search, learn, and create.

Now let's take a look at how we turbocharge your productivity and creativity with Microsoft 365. Welcome, Colette.

## **Colette Stallbaumer**

Thanks, Divya. Time is our most precious resource and perhaps nowhere is Copilot better poised to tame the complexity, eliminate the drudgery and help people reclaim time than at work. Microsoft 365 Copilot is your AI assistant at work. After months of learning alongside hundreds of customers like Visa, General Motors, KPMG, and Lumen, I'm excited to share that Microsoft 365 Copilot will be generally available for enterprise customers on November 1.

In March, we showed you how Copilot can unlock productivity and unleash creativity in the apps millions of people use every day across work and life. Word, Excel, PowerPoint, Outlook, and Teams. Copilot makes you more creative in Word, more analytical in Excel, more expressive in PowerPoint, more productive in Outlook and more collaborative in Teams. Today, we're introducing a new hero experience in Microsoft 365 Copilot, Microsoft 365 Chat. You got a glimpse of M365 Chat in March, but thanks to rapid advances over the past few months, today, we're taking it to a whole new level, going far beyond simple questions and answers to solve your most complex problems at work. Let's take a look.



(Audio-Video Presentation)

M365 Chat has a deep contextual understanding of you, your job, your priorities and your organization. It's like having someone attend all your meetings, even the ones you skip. Read all your emails, including the ones you missed, know what's in every single file and recall it all at the speed of light. But seeing is believing, so let's jump in.

Let's say you're a marketer at a national chain of home improvement store. You start your day with Copilot, asking what's hot in your inbox today. It does some thinking and gives you an overview of the most pressing items. Great, looks like the new store opening could use your attention. Let's dive in deeper there. Copilot gets to work, combing through all your recent emails, meetings, even the ones you didn't attend, chats and files, to get you up to speed in moments.

Now, this is pretty sophisticated. It didn't just summarize a single document, it knew what sources to pull from and what information to extract from each. Next up, you need to do some market research. Let's say you want details on square footage and proximity of competitors to your new location. Now, typically this would take a few hours. Now, you can just put Copilot to work. It scours the web and within seconds it finds everything you're looking for. Note that it includes references to all the sources, so you can easily fact-check the results.

Okay. You're curious. How does this stack up against the other competitors, other stores you opened in the past year? Copilot identifies the relevant stores, crunches the numbers and gives you an answer. You just saw a complex multi-step process where Copilot understood your intent, cross-referenced information from the web with your unique universe of data at work and connected the dots to give you just what you needed. Next up, it's time to finalize the date and speaker for the grand opening event. Now there's been a lot of back and forth on this topic and you missed the last meeting where this might have come up in conversation, no problem, Copilot's got you covered, getting you up to speed in seconds.

It looks like it was a pretty dynamic discussion and you're on the hook to make a final decision. To do that, you need to understand all the factors at play, including the implications on your grand opening timeline. Copilot extracts the relevant details and organizes them into a table. But you're still not seeing a clear answer, so you ask Copilot to recommend the best date and speaker based on the constraints discussed. It not only understands the constraints, it thinks through the options to help you solve your problem, there you go. Now you have a clear recommendation to share with the team. Pretty amazing, right?

Now you can move on to promoting the event. You start with the blog post. It needs to share all the important details and get customers excited. You point Copilot to the right files and ask it to pick the top five things and make them prominent. Note the amount of detail in the prompt. Okay, here it goes. Give it a moment. Okay. Now you've got a blog post. Now that probably felt like magic, but it's not. This is all

working code today. Just imagine doing this with your data. This store will be the first to unveil your new home improvement concierge service and you need a catchy tagline. You ask Copilot to generate some options. Now, this is great for when you've got a case of writer's block.

Okay. Now, you've got some solid choices. You'll notice this starts to feel a lot like a conversation because it is. The more you work with Copilot in this iterative way, just like you with a colleague, the more natural it becomes. This is what we mean when we say Copilot really is a whole new way to work. Okay, back to the blog post. Now you want to add a blurb about the new store manager and highlight their impressive retail experience. Copilot pulls the information from LinkedIn and puts it in the blog for you. And with that, you're nearly ready to publish.

Now the opening is just around the corner, and you've got to send an email to the team to get them ready. Now, one of the amazing things about Copilot is you don't need to worry about things like punctuation, spelling or being super structured in your prompt. You can just give it a total brain dump, as you see here. And what you'll find is, the more context you give it, the better your results. Almost forgot, there was a great quote in a store walkthrough video you saw that you want to include here, but you don't remember where you last saw it or have time to search for it, let alone find the quote. Based on your quick description, Copilot finds the exact quote you're thinking of, extracts what you wanted and plugs it into the blog post.

Okay. Now I'm excited to introduce one of my favorite new features in Outlook, Sound Like Me. It's going to take this email from good to great. Let's hop over to Outlook to refine the email. So you like this draft, but it just doesn't sound like you. Which sound like me and Outlook, Copilot can personalize any email to match your unique style and tone of voice. It even gets the subtle details right, like how you sign off your emails.

It's time to book your travel, so you can be at the grand opening. Now booking travel can be a hassle. What if you could reserve the same flight and hotel as your coworkers using just your own words? Copilot can connect to all sorts of business data. In this case, we're using a plugin to connect with your travel booking system. It matches their itinerary and with that, you're all set. It's off to the grand opening.

We want to help everyone learn to work iteratively with AI and get the most out of Copilot. Introducing Copilot Lab, a new experience that will help people build new work habits for a new AI-powered era of productivity. Copilot Lab is a place to experiment, to learn the art and science of prompting. You'll learn how to turn a good prompt into a great one, share your favorite prompts with co-workers and get inspired as we all learn to work in this new way together.

Now, the need to be creative doesn't stop when the workday ends. Let me show you how I use Copilot in my personal life. I love fall, it's my favorite season. Let's say I'm planning my neighborhood's annual fall festival. Microsoft 365 Copilot helps anyone bring their idea to life and we're making it easier than ever to get started. I just tell

Copilot what I have in mind for my fall event, again, this doesn't need to be formal or even fully baked, just enough of an idea to get started. And it takes me to word and my first draft is already there. Now all I have to do is iterate and refine the details.

Let's say I want to add another day to the plan. I just direct Copilot to do that here. I can also easily make it more concise. Okay. This has all the information I want, but I want it to come alive visually. My 13-year old daughter is a natural at design, but for me it doesn't come as easily. With designer integration in Word, I can easily create custom graphics right in my document. I ask Copilot to generate a banner and customize it by selecting one of my photos. Okay, that header looks great.

Let me show you more. To do that, I'll pivot over to the Designer app. Designer helps you quickly create stunning visuals using some incredible new features powered by OpenAI's Dall-E 3. Let's say you want to erase an unwanted object in the background, like these people right here. Just hover and click. Okay, I love this image in the corner, but I wish the photographer would have shot more of the trees. Now I can expand the image to fill the frame, that's just what I wanted. You can even add an entirely new object, it's as simple as using your imagination and your own words. Maybe I have too many pumpkins here, so let's add some sunflowers. Terrific.

Earlier you saw how easy it is to create images in Bing. Bing is great for generating your first image and soon, Designer integration in Bing will let you fine-tune that image without having to start from scratch. We want to help everyone unleash their creative super powers. I'm excited to share Microsoft 365 Copilot is now in preview with a select group of consumers and small businesses. Today, we've shown you how Copilot is centered around you and your whole life. Soon, you won't be able to imagine life without it.

With that, I'll turn it over to Yusuf.

**Yusuf Mehdi** {BIO 1823106 <GO>}

Thank you Colette and Divya. Now let's turn our attention to where this innovation really comes to life. On new, beautiful, and powerful devices designed to accelerate these incredible AI capabilities. And nowhere does this experience and power of design and hardware, software and silicon come to life like it does with our Surface devices. We've created some of the most loved and capable devices anywhere in the world over the last 10 years with Surface, and we're excited today to show you what's next.

To tell you more, please welcome the leader of the Surface product team, Brett Ostrom.

**Brett Ostrum**

Thank you, Yusuf. I am grateful to be here representing a team of incredible product makers. We started Surface over 10 years ago to inspire people and push the boundaries of what's possible on a Windows PC. Now the team is proud that Surface

has the highest customer satisfaction of any PC. Today, we have two brand new Surface laptops to show you. We will start with the lightest, most portable Surface Laptop Go 3. Take a look.

(Audio-Video Presentation)

This is Surface Laptop Go 3. It's an incredible device for online creators, college students and young professionals who need to get work done from anywhere. It's ultra-portable under 2.5 pounds, with a 12.4 inch touchscreen, and has premium features like a fingerprint power button and an absolutely incredible typing experience. It comes in four stunning colors. It's 88% faster than the original, with all-day battery life to power productivity, creativity and entertainment from early morning classes to the last episode streamed at night. Now, there are so many awesome experiences that come to life on this laptop, but we wanted to show you one of our favorites.

I'm excited to have Nicholas from our team join us to show how easy it is to get creative on Surface Laptop Go.

### **Nicholas Payne** {BIO 3551125 <GO>}

Thanks, Brett. I've been having a great time in New York this week. On my first night, I went to see a DJ, and I want to make a video of highlights from the set to share with my friends. But if you're anything like me, making a video like that can take a lot of time. I recorded the video and it's already on my laptop in the Photos app, thanks to iCloud Photos integration, one of my favorite Windows 11 features. But here's where I need some help. I don't really know how to turn a long DJ set into 30 seconds and thankfully, I don't need to, because I have Clipchamp. This is our all-in-one easy-to-use video editing app, and with the new auto-compose feature, it's really easy to use.

All I need to do, select my video, drag and drop it into the app and get started. I can select as many filters as I like, really making sure that they fit the content of my video. And now, let me take a minute to explain what's happening here. AI models are reviewing my video and selecting the very best moments of the set to highlight for me. It's using generative AI to fill in the background while singing to the audio and building transitions. And now as you can see, all of this happens in less than a minute on my Laptop Go. All I have to do now is select my link and I'm all set.

So here's my video from the set. Something that probably would have taken me hours to create without Clipchamp and I didn't have to watch 20 how to do videos. And with one quick step, I can post my video directly to social channels like TikTok, YouTube, and Instagram. How cool is that?

### **Brett Ostrum**

Thank you, Nicholas. Surface Laptop Go is the lightest, most portable laptop laptop. Now, I want to show you the most powerful one. Take a look at Surface Laptop Studio 2.

(Audio-Video Presentation)

This is Surface Laptop Studio 2, the most powerful Surface we have ever built. Unmatched productivity, versatility and creativity, all in a single laptop. The original Surface laptop studio was the most performant device we had ever shipped and this one is twice as fast. With an Intel 13th Gen i7 H class processor, and NVIDIA GeForce RTX 4050 and 4060 GPUs, for designers, engineers, or 3D artists who need professional workloads, we also offer NVIDIA's RTX 2000. All that to say, this device powers graphics, intensive workloads, with ease.

With NVIDIA's DLSS 3.5, you get sharper textures, smoother gameplay and more realistic lighting, and the HDR boost for increased peak brightness, our 14.4-inch screen looks absolutely amazing. It sounds great, too, with spatial audio from Dolby Atmos on our powerful Omnisonic speakers. And whether you are a gamer, a designer, or a developer, we designed Surface Laptop Studio for you. Now not only does it have a great GPU and CPU, but there's one more processor that I want to tell you about. It's the first Intel NPU on Windows, bringing you Windows Studio FX.

Now let me tell you why that's important. Surface Pro 9 5G set the AI benchmark and now we extend that to Laptop Studio 2. This is Windows as a platform, scaling AI silicon experiences across the entire ecosystem. Now, we're also excited to tell you about the Haptic touchpad on Laptop Studio. It is out of this world. It has precision, comfort, and the perfect feeling click across the entire touchpad. And best of all, it was designed with inclusivity in mind. We are proud to announce that it is the most inclusive touchpad on any laptop today.

Solomon, from our inclusive design team, is here to share more.

## Unidentified Speaker

Thank you, Brett. I was born without fingers on my left hand and that has caused me to use my right hand for double duty my entire life and it's wearing out. I'm developing issues that most folks get later in life, arthritis, repetitive stress injuries and a weaker grip. To rest my right hand, I need to move activities to the left. Mousing is a struggle. Touchpads don't respond to my left hand. As I move my hand across the touchpad, the cursor does not. This is a barrier. As a mobile professional, I can't carry an entire ergonomic setup with me everywhere I go. It forces me and others dealing with similar disabilities to just work through the pain.

But for the first time ever, this new Precision haptic touchpad makes it possible for people like me to use a laptop in the way that is most natural to us. I toggle on Adaptive Touch and all of a sudden it responds to my hand. I can even resize the right-click region to turn the touchpad into a large two-button mouse. I cried the first time I got to use this, because as a product maker, it showed me the amazing things we can do when we include the disability community. And as a member of that community, it was amazing to see myself reflected in the products that we make.

Now the adaptive touchpad features are only the latest advancement in accessibility we've made in the last year. Our adaptive pen grips also make it easier for people to physically interact with their devices. Voice access provides a touchless experience. The Microsoft adaptive accessories and Copilot reduced the number of clicks and keystrokes necessary to complete a task. We are empowering people to use their devices in ways we never could before. Thank you.

## **Brett Ostrum**

Thank you, Solomon. Now that was incredible. We love that Surface Laptop Studio is providing everyone with more ways to work, learn and create. To share more, I would like to welcome Adrienne to the stage.

## **Adrienne Brewbaker**

Thanks, Brett. There's really no other laptop out there where power and versatility come together quite like this. Let's see what that means using Adobe Photoshop and their new generative AI tools. So first, I'm going to move the screen down here into studio mode. Pull up this photo I took. This is Obi-Wan, he's my dog nephew. I'm going to zoom in here, I can interact naturally with touch and I'll pick up my slim pen, which is always stored and charging under the keyboard. Now I want to make a few changes here. I'll remove some of these buildings, clean it up a bit. Just like that, they're gone.

Now I took this photo on my phone in portrait and I want to get it into landscape. And using Adobe's tools, I can just select the image and kick off generative fill. So what's happening here is Adobe Firefly generative AI is essentially going to infer what this picture would have looked like if it were taken in landscape. Think about it like cropping an image, but in reverse. It's super powerful, something that would have taken me hours before now takes seconds. So again, this is what we started with and this is what we did in just a few seconds with no keyboard, touchpad or mouse on the new Laptop Studio.

Now let's switch gears a bit and think about the performance of this device. Surface Laptop Studio is an incredible tool for creators. We're achieving up to two times more graphics performance than the MacBook Pro M2 Max. But let me make that real for you in the life of a 3D designer. I have a model open here in Blender, it's a popular open source 3D creation app. And I have a MacBook Pro M2 Max here next to my Surface. We're going to do a bit of a side-by-side comparison of a real-life rendering workflow.

So I'm going to kick it off here right now. I'm rendering the same exact model on both devices, it's from a short film by Blender Studio. It's an animated image, so it's super demanding on the GPUs. The speed in which it's rendering here on the laptop studio is going to really show off. There we go. It's going to really show off the power of the device. And when combined with the versatility of a touchscreen, pen, and three modes, it truly is the ultimate device for creators. It looks like the Laptop Studio has finished here and the Mac is still going.

## **Brett Ostrum**

Pretty fast, 37 seconds for the Surface Studio to finish. What can we do while we wait for the Mac?

## **Adrienne Brewbaker**

Do you want to run a 7 billion parameter model locally?

## **Brett Ostrum**

Let's do it.

## **Adrienne Brewbaker**

All right. So let's check this out. This is the Llama 2 LLM running locally on Laptop Studio. It's a generative language model and it's trained on 2 trillion tokens that you can chat with. It's pretty awesome. So if you're a dev, you're going to want to run large language models like this locally and to process these AI models, you need these powerful GPUs. As you can see, it's running seamlessly on Laptop Studio.

## **Brett Ostrum**

Awesome. It looks like Surface Laptop Studio 2 twice as fast as the MacBook Pro M2 Max.

## **Adrienne Brewbaker**

Pretty amazing.

## **Brett Ostrum**

Thank you, Adrienne. We, the team, and I are pumped about these devices. They're both available October 3. Pre-order starts today. We can't wait to see what you can do with Copilot, Windows 11 and Microsoft 365 on Surface. Thank you. Now, Yusuf.

## **Yusuf Mehdi** {BIO 1823106 <GO>}

Thank you, Brett. That was awesome. I've got a birthday coming up. I've got to put that laptop too on my list. Thank you so much to Carmen, Divya, Colette, Brett, Nicholas, Solomon, and Adrienne. Today, you saw how we're going to build Copilot as your everyday companion that will help you work across your entire life, whether it's shopping or planning a vacation, creating a design or getting ready for a meeting. You also saw how we're leading with new hardware to accelerate this vision for AI and this is just the beginning.

You're going to see us continue to add powerful capabilities to Copilot throughout the year. We believe Copilot is going to fundamentally change how each of us interacts with our technology. But for us, it's not just tech for tech's sake, it's about connecting that innovation with the needs of every person and every company on the planet because that's our mission. We can't wait to see what you in the world are going to be able to do with these new capabilities. Thank you so much for your time and being here with us. I'm going to give you one final look at the new age of AI and Copilot.

(Audio-Video Presentation)

*This transcript may not be 100 percent accurate and may contain misspellings and other inaccuracies. This transcript is provided "as is", without express or implied warranties of any kind. Bloomberg retains all rights to this transcript and provides it solely for your personal, non-commercial use. Bloomberg, its suppliers and third-party agents shall have no liability for errors in this transcript or for lost profits, losses, or direct, indirect, incidental, consequential, special or punitive damages in connection with the furnishing, performance or use of such transcript. Neither the information nor any opinion expressed in this transcript constitutes a solicitation of the purchase or sale of securities or commodities. Any opinion expressed in the transcript does not necessarily reflect the views of Bloomberg LP. © COPYRIGHT 2024, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.*