

Microsoft Corp Annual Shareholders Meeting

Company Participants

- Amy E. Hood, Executive VP & CFO
- Bradford L. Smith, President & Chief Legal Officer
- Carolyn Frantz, Secretary
- Jessica Rafuse, Unknown
- John Wendell Thompson, Independent Chairman
- Michael Spencer, General Manager of IR
- Satya Nadella, CEO & Director
- Sohana Punithakumar, Unknown
- Solomon Romney, Unknown
- Unidentified Speaker, Unknown

Other Participants

- Doug Kilgore, Analyst, Unknown
- Jesse L. Jackson, President and Founder, The Rainbow PUSH Coalition, Inc.
- John Osborn, Analyst, Unknown
- Ken Copley, CEO, Capital Executive LLC
- Tyler Eckel, Analyst, Unknown
- Unidentified Participant, Analyst, Unknown

Presentation

Unidentified Speaker

Today's presentation may contain forward-looking statements which are predictions, projections or other statements about future events based on current expectations and assumptions. Actual results may differ materially from these forward-looking statements because of a variety of risks and uncertainties about our business, which are discussed today or described in our filings with the Securities and Exchange Commission, including our Form 10-K and 10-Q. We do not undertake any duty to update any forward-looking statement.

Please welcome to the stage, Microsoft Chairman, John Thompson.

John Wendell Thompson {BIO 15832126 <GO>}

Good morning. Welcome. I'm John Thompson, Chairman of the Board at Microsoft. For those of you who are here with us at the Meydenbauer Center in Bellevue as well

as those of you viewing online, we welcome all of you to our Annual Shareholder Meeting. We're streaming live from our Investor Relations website. We strive to make the meeting as inclusive as possible by offering our shareholders the opportunity to participate and vote via the virtual shareholder meeting. I'd like to share with you the presenters of today's meeting. I will be joined by: Satya Nadella, our Chief Executive Officer; Amy Hood, our Executive Vice President and Chief Financial Officer; Carolyn Frantz, our Deputy General Counsel and Corporate Secretary. And Carolyn will address the business portion of the meeting, followed by Amy, who will review Microsoft's financial results. And finally, Satya will reflect on our progress over the past year and our opportunities that lie ahead. Following his remarks, we'll then show you some exciting innovations happening throughout Microsoft, especially in the areas of accessibility. And then we'll have an opportunity for Q&A. But first, let's attend to the few formalities that are important for this meeting.

Broadridge Financial has been appointed the inspector of elections for the meeting. The inspectors are located at the reception table in the lobby. Most of you have already voted your proxy or your proxy votes have already been tallied. If you're a shareholder of record or a beneficial shareholder holding a legal proxy from your bank or broker. And you want to vote your shares now or change your votes, ballots are available from the inspectors at the reception table in the lobby.

Filing a ballot and giving it to the inspector will revoke your earlier proxy statement. If you're a beneficial shareholder with a voting instruction form, you also may submit those forms and use the computers at the reception table to cast a new vote. The polls are now open and will close in a few moments after the presentation of our business matters here today.

As Satya said in his letter to you, we are proud of the accomplishments and the innovation that has occurred and the customer help that we have navigated through in this transformation. We are even more optimistic about the opportunities ahead. I want to thank all of you for your continued investment in Microsoft as well as the excitement that you have about the company and our stock performance over the last year or so.

We believe these results stems from Microsoft's commitment to business strategies that provide long-term sustainable growth for our company.

The Board works to ensure that Microsoft's continuing success and represents shareholder interest. Together, we rely on our diversity of experience, perspectives and skills to provide guidance and oversight to help Microsoft effectively manage its risk and realize its strategic opportunities in a dynamically transforming world.

To better understand the Board's unique skills and perspective, I encourage all of you to view our directors video series. The series can be viewed on our corporate governance website.

Now I'd like to introduce the nominees for the Board of Directors who are here with us today: first of all, our cofounder, Bill Gates; next, Reid Hoffman, our Technical Advisor to the CEO; Hugh Johnston is a member of our Audit Committee; Teri List-Stoll is a member of our Audit Committee and the Governance and Nominating Committee; Chuck Noski is the Chair of our Audit Committee and a member of the Governance and Nominating committee; Dr. Helmut Panke is Chair of the Regulatory and Public Policy Committee and a member of the Audit Committee; Sandy Peterson is a member of the Compensation Committee and the Public Policy Committee; Penny Pritzker is a member of the Regulatory and Public Policy Committee; Charlie Scharf is a member of the Compensation Committee and Governance and Nominating Committee; Arne Sorenson is a member of the Audit Committee; John Stanton, Chair of our Compensation Committee and a member of the Regulatory and Public Policy Committee; and finally, Padma Warrior is a member of the Compensation Committee.

Also here with us today is Steve Sinwell, representing Deloitte & Touche, our independent auditors. And now I'd like to call the annual meeting for 2018 to order. I'll be serving as chair of the meeting and Carolyn Frantz will serve as secretary. As chair of the meeting, I've adopted an agenda that will be governed or will govern the business of the day and the rules of conduct for the meeting. Copies of the agenda and the rules are available at the reception table outside the meeting room. The rules of conduct also govern the Q&A session. Carolyn will join us to report on the notice of meeting, the proxies received and present the matters to be voted on. Carolyn, please?

Carolyn Frantz {BIO 20191721 <GO>}

Thank you, John. Welcome, everyone. This morning, I'll walk us through the short formal meeting and then, as John said, you'll hear from Amy and Satya, followed by a Q&A session. The notice of the meeting and Internet availability of the proxy materials were mailed by Broadridge Corporation beginning October 16, 2018. And it went to all shareholders of record as of September 26, 2018. As a result, the meeting is being held pursuant to proper notice.

We have received proxies representing more than 87.5% of the roughly 7.7 billion shares of the company's stock that are eligible to vote. This means we have a quorum present. And the meeting is duly constituted and will proceed.

This morning, we have 3 management proposals for you to consider. They were all described in the proxy statement for today's meeting.

The first item is the election of directors. The following 14 people have been properly nominated by the Board: William H. Gates III; Reid Hoffman; Hugh Johnston; Teri List-Stoll; Satya Nadella; Charles Noski; Dr. Helmut Panke; Sandra Peterson; Penny Pritzker; Charles Scharf; Arne Sorenson; John Stanton; John Thompson; and Padma Warrior. The Board recommends a vote for each of them.

The second item is an advisory vote to approve executive compensation as disclosed in the company's proxy statement. The Board recommends a vote for this proposal.

Last, the third item, we ask that you ratify selection of the company's independent auditor, Deloitte & Touche, for fiscal year 2019. The Board recommends a vote for that proposal.

The discussion of the matters for shareholder consideration is now closed. And the polls are now also closed. Now I'll share with you the preliminary voting tabulation.

First, all 14 nominees on the ballot to become director are elected with over 95% of votes cast. They'll serve until the next Annual Shareholders Meeting and until their successors are elected and qualified.

Proposal 2. The advisory vote on executive compensation has been approved with by more than over 95% of votes cast.

Proposal 3, ratification of the company's auditor, Deloitte & Touche, has also been approved by over 95% of votes cast. We expect to post the details of the final voting results and all these matters on our Investor Relations website later today. We'll also report the results in a Form 8-K that will be filed with the Securities and Exchange Commission within 4 business days.

With that, we've completed the formal portion of the meeting. And the meeting is now adjourned. Let me hand the stage over to our Chief Financial Officer, Amy Hood.

Amy E. Hood {BIO 18040963 <GO>}

Thanks, Carolyn. Hello, everyone. And thank you for being here today or watching online. 2018 was a record year for Microsoft. Revenue grew over 14% to \$110 billion, operating income grew 20% and EPS grew 18% as we continued to execute well across priorities like commercial cloud and gaming.

The year began with the most significant sales and marketing reorganization in the company's history. We added industry and technical expertise to partner more deeply with our customers on their digital transformations. We also reorganized our engineering teams to align with emerging technology trends to better serve the needs of our customers today and long into the future.

To further enhance our capabilities and increase future growth, we completed 9 acquisitions in addition to GitHub, the largest platform for the developer community. We acquired Avere, a leading provider of high-performance storage for cloud, hybrid and on-premises environments, giving customers from all industries the flexibility to process and store data wherever necessary for large-scale compute workloads.

In gaming, we purchased PlayFab, a complete backend platform for mobile, PC and console game developers to build, scale and launch cloud-connected games.

And we've announced the addition of 7 new studios since the beginning of fiscal '18 to bolster our first-party content and fast-growing gaming services.

As we continue to invest in M&A and our own organic growth, we retained our commitment to capital return, which included a total cash return of \$21.5 billion.

In September, we announced a 9.5% increase in our quarterly dividend and we're continuing to execute against our current \$40 billion buyback authorization.

Now let me share a few highlights from the last fiscal year. Our commercial cloud business grew 56% to surpass more than \$23 billion in revenue, exceeding the ambitious goal we set, to achieve \$20 billion in annualized commercial cloud revenue by the end of fiscal 2018.

We saw strong growth across each of our services: Office 365 grew 41%; Azure grew 95%; and Dynamics 365 grew 65%, as customers continue to choose Microsoft's commercial cloud.

Importantly, we delivered on our commitment to make significant improvement in our commercial cloud gross margin percentage, which expanded to 57%, up 7 points year-over-year.

For the sustained effort of our engineering, sales and marketing teams, we drove gross margin improvements across each of our key services.

And in the first full year, post-acquisition, LinkedIn revenue exceeded \$5 billion. And we surpassed our original financial commitment to be accretive to EPS, excluding the impact of purchase accounting.

Platform improvements across mobile, video and messaging grew record levels of engagement. And we delivered key product integrations such as the LinkedIn Profile Card in Outlook and the Resume Assistant in Word.

Our server products and cloud services business grew to \$26 billion and grew 21% as we continue to address our customers' real-world hybrid needs.

From a technology and licensing perspective, we're truly delivering differentiated value and giving our customers the flexibility they need to transform at their own pace.

Now let's turn to progress across our Microsoft 365 offering. We continue to see healthy commercial and consumer demand for Windows 10, increasing our base of

active Windows 10 devices and contributing to growth in our search business. Our Office business saw double-digit revenue growth, as we reached even more commercial and consumer users by helping people across all of our customer segments be more productive and collaborative.

Surface also saw double-digit growth from continued innovation across a broad portfolio of devices.

Our gaming revenue exceeded \$10 billion. And we've surpassed 57 million Xbox Live monthly active users, as we invested across content, community and the cloud.

Now a few comments on our current fiscal year. First, as we do at the start of each fiscal year, we updated our investor metrics, based in part on feedback from you. We have now included the commercial portion of LinkedIn in all of our commercial metrics, to give investors a more complete view of our performance. In addition, we added a LinkedIn revenue growth metric so that investors can track our progress on this business on a quarterly basis.

Second, we're off to a strong start in fiscal '19, with double-digit revenue and operating income growth in Q1. This reflects our commitment to long-term strategic investments and consistent execution to deliver top and bottom line growth.

For the full year, we expect operating margin expansion, even accounting for the total impact of the GitHub acquisition. That includes purchase accounting, integration and transaction-related expenses. Looking forward, we believe that the highest shareholder value was created by investing in our future and creating differentiated value scenarios for every organization and person to achieve more.

We have focused on the right secular trends, invested in expanding markets. And we're confident that our ability to execute against our innovation roadmap positions us for continued growth as we remain deeply focused on our customers' success.

With that, please join me in welcoming our Chief Executive Officer, Satya Nadella.

Satya Nadella {BIO 3224315 <GO>}

Thank you, Amy. And good morning, everyone. And thank you for being here today as well as all those watching online. And more importantly, thank you for your commitment to Microsoft as shareholders. I'm proud of the progress we've made in the past fiscal year as we innovate and help our customers with their digital transformation journeys. And I'm even more optimistic about our tremendous opportunity that lays ahead.

We're living in a very crucial time in history, where the impact of digital technology on every part of our daily life and work and every aspect of our society and economy is even more acute. It's therefore incumbent on us as industry leaders to ensure that the technology we build always creates more opportunity. Too often, we celebrate

technology disruption without reflecting on the unintended consequences. What the world needs is technology that benefits people in society more broadly and where trust is earned each day.

At Microsoft, we are guided by our mission to empower every person and every organization on the planet to achieve more. Our business model is fundamentally dependent on our customers' and partners' success. We create economic opportunity in every community, in every country, helping drive creativity in us all, small business productivity, large business competitiveness, public sector efficiency. We support new startups. We help improve educational and healthcare outcomes.

Our culture at Microsoft, which is at the core of everything we do, enables us to pursue this mission. Each day, we push ourselves to be more customer obsessed, be more diverse and inclusive internally and come together as One Microsoft to serve our customers and ultimately, make a bigger difference.

Now everywhere I go, I see this mission and culture at work. Let me share just a few examples. Right here in the state of Washington, Karrick Johnson, an 8-year-old with dyslexia, avoided reading in class until he started using learning tools in OneNote.

And in Kenya, a startup, M-KOPA Solar, is using our cloud to connect hundreds of thousands of homes to the power -- solar power for the first time. And as a byproduct, even helping all of those households develop a credit history.

In Poland, MedApp is using HoloLens to help cardiologists visualize a patient's heart as it beats, reducing the time it takes to perform open heart surgery.

And large multinationals from Coca-Cola, to Shell, to Volkswagen, to Walmart, are all using Azure and Microsoft 365 to build their own digital capability so that they can thrive in a world where every company, every business is a software company.

As Amy said, all of this broad impact is fueling strong results and yet the opportunity ahead is unprecedented. Think of computing going forward not as being separate from the world. But being deeply embedded in the world. Every walk of life, every part of our economy and society is being digitized. Every place, whether it's the home, the office, the stadium, the factory, every industry from manufacturing, to retail, to financial services, to healthcare and everything that we use, from appliances to our cars, are all becoming digital. And that's the opportunity in front of us. And now I'll briefly discuss how we are creating these new experiences and enabling digital transformation for our customers.

We're building Azure as the world's computer, innovating with new capabilities focused on both existing workloads like security and new workloads like IoT and Edge AI. We expanded our global data center footprint to 54 regions, more than any other cloud provider and with the most comprehensive compliance coverage in the industry.

Azure is the only hyperscale cloud with a consistent computing stack that extends from the data center to the edge, where there's consistency in identity, data, application platform and security and management.

All this rich infrastructure will be used to build AI, which will be the defining technology of our time. We are leading in the field of AI research, achieving human parity with object recognition, speech recognition, machine reading and just this year, with language translation. But most importantly, we are focused on democratizing these AI breakthroughs to help organizations of all sizes gain their own competitive advantage because of AI.

Our acquisition of GitHub recognizes the increasingly vital role of developers and the role they'll play in value creation across our economy and in every industry. We're excited about the opportunity to bring our tools and services to new audiences, while enabling GitHub to grow and retain their developer-first ethos.

We're infusing AI across Microsoft 365, Dynamics 365 and LinkedIn to help people and organizations be more productive and digitize mission critical business processes, from sales to marketing to HR. Microsoft 365 is already a multibillion-dollar business that empowers everyone, from large enterprises to small businesses, to students and teachers and more than 2 billion first-line workers. More than 155 million people use Office 365 commercial every day. Every month, Outlook Mobile is on more than 100 million iOS and Android devices worldwide. Microsoft Teams has become a hub for teamwork in more than 300,000 organizations of all sizes, including 87 of the Fortune 100.

Windows 10 now has more than 700 million devices that are active. And Microsoft 365 and Surface are inspiring device innovation, as you'll see from our incredible holiday lineup today.

With Dynamics 365, we are helping customers convert their traditional systems of record and engagement into intelligence. And with LinkedIn, we now have more than 575 million members. We are helping companies transform how they manage their talent, training, sales and marketing.

And in gaming, we are pursuing an expansive opportunity, from the way the games are created and distributed, to how they're played and viewed. And we're investing aggressively in the content, community and cloud services across every endpoint, to expand the usage and deepen engagement with gamers, including the 57 million monthly Xbox Live users.

Finally, we added 7 new gaming studios to bolster the first-party content for our fast-growing gaming services like Game Pass subscription service as well as Mixer.

In closing though, I want to really reflect on the optimism I have for the opportunity ahead. With this opportunity comes even the deep responsibility. It's why we are focused on instilling trust in technology across everything we do. We believe privacy

is a fundamental human right. That's why compliance is deeply embedded in all of our processes and practices. We are working to ensure that our enterprise class security innovation not only helps our largest multinational customers. But also protects small businesses and individual consumers, who are often the most vulnerable to cyberattacks.

And as we make advancements in AI, we are asking ourselves the tough question, like not what computers can do. But what should they do? That's why we are investing in tools to detect and address bias in AI systems and in advocating thoughtful government regulation as well.

Finally, we are putting AI into the hands of changemakers across society's pressing challenges, with initiatives like AI for Humanitarian Action, AI for Earth and AI for Accessibility. This is the opportunity and responsibility that grounds us in our mission. And I could not be more excited about what's to come.

Now let's welcome the team to the stage, to really show you a set of demos. And then we'll move to the Q&A.

Unidentified Speaker

Thanks, Satya. This morning, we wanted to show you a few demos that help bring the Microsoft mission to life. We thought we'd start with gaming. Today, 4 billion people are connected to the Internet. And over 2 billion play games online. As Satya mentioned, over the next decade, we're going to continue to create amazing content in games, invest in the cloud and build communities that allow anyone to participate.

We have a mix of incredible games for people of all ages. But we want to make it easier to discover new games and play them, either on your Xbox or your PC.

Earlier this year, we introduced the Xbox Game Pass, a content service -- a content subscription service for gaming. Just like what Spotify and Netflix have done for music and video, Xbox Game Pass will allow us to reach beyond the 2 billion people playing games today. With over 100 games available for just \$10 a month, we are truly excited to bring gaming to everyone.

But we're also building a robust cloud platform. So that anyone can play the games they want with the people they want, at any time and place. And most importantly, on any device. Earlier this year, we announced Project xCloud, our future streaming gaming platform with the goal of delivering a quality experience for all gamers on all devices. We're building a service that's consistent with the speed and high fidelity that gamers expect on their PCs and their consoles.

This morning, we want to show you an amazing example of a product born from a need and a passion. So to help me with this, I'd like to invite on stage Solomon Romney, who is going to tell us more about the Xbox Adaptive Controller. Solomon?

Solomon Romney

Good morning. So I'm really excited to be here on behalf of Microsoft Stores to demo this controller. So the Xbox Adaptive Controller was designed for gamers with limited mobility. Now limited mobility is a broad term that can mean many things. But for me, it means I have a partial hand. Now you might think that this makes things difficult when it comes to playing games. And you would be correct, which is why we made a controller that is more usable for more people. So would you like to play some Forza Motorsport with me?

Unidentified Speaker

Yes, I sure -- sure, I would.

Solomon Romney

Great. Well I'm going to use the Adaptive Controller. And this is going to be you. So give me just a second here.

Unidentified Speaker

Cool.

Solomon Romney

And we will get you set up.

Unidentified Speaker

Now in the meantime, I see that we have all these different buttons, triggers and configurations on this controller. But I only see 2 buttons on the Xbox Adaptive Controller.

Solomon Romney

That's correct. So there are 2 big buttons built into the Adaptive Controller. But really, what makes it the first of its kind is, if we take a look at the back here, we've got all of these different ports. And every one of them is unique and matches up to the figure - the inputs on a standard controller. So simply, I take a peripheral, which in this case is my little PDP One-Handed Controller here, I plug it in. And away we go. So what I've got figured here is what I like to call my 3-finger Forza setup. I'll have gas, brake and steering right here on my one-handed lightweight controller. So when you are ready...

Unidentified Speaker

I'm ready. Let's go.

Solomon Romney

You are ready to go. So I will be in blue, you will be silver. And may the best man win.

Unidentified Speaker

I wish you luck.

Solomon Romney

You're going to need it.

Unidentified Speaker

See, I'm already in first.

Solomon Romney

I know, I'm giving you a head start.

It's foreshadowing. See how this works.

Unidentified Speaker

We can't have -- we have the investors here, we can't -- I can't lose that battle on camera.

Solomon Romney

All right. We will try this later. And we'll see who wins. But...

Unidentified Speaker

Hopefully when the cameras are off.

Solomon Romney

That's right.

Unidentified Speaker

That way you can win.

Solomon Romney

So up to this point, if someone needed to build a controller around their mobility, they had to hack apart our hardware, prototype, solder, assemble, build a whole new device, which took a ton of time and money. And with the Xbox Adaptive Controller, we've simplified all that by creating a hub that is easy to use, affordable for all gamers, flexible to all setups and available through our Microsoft Stores.

Unidentified Speaker

Now you all -- even made changes to the packaging, didn't you?

Solomon Romney

Absolutely. We wanted to make sure that from the controller, to the accessories app, to even the packaging, that it was all as accessible as it possibly could. I have one here. And we're going to open it up. So just to show you how easy it is, this loop on the outside here. And the box just really blossoms right open. Then I take this other loop right here and I grab that. And that's it. There's our controller. Slides right out. Easiest thing in the world. We really see this as the beginning of a new era in inclusive design. And this was born out of a Hackathon project, during which we partnered very closely with our gamers with disabilities community. There is a saying, it has a special meaning in the disability community, "nothing about us without us," which for us meant including gamers with disabilities during the entire development process. This was. And remains, a core tenet of our design process. Thank you.

Unidentified Speaker

Thank you. So much, Solomon. So this gives you just a glimpse into how we're creating amazing content in games, with Xbox Game Pass, investing in the future of gaming with Project xCloud. And designing products like the Xbox Adaptive Controller to help build communities that allow anyone to participate.

But now I'd like to show you -- talk to you all about Microsoft 365. As Satya said, this is already a multibillion-dollar business for Microsoft and empowers everyone, from the largest of enterprises to small businesses. And even teachers and students around the world. So I wanted to give you a sense for how I use Microsoft 365 every day.

I'd like to start with the app I use most for work, Outlook Mobile on my phone. If you have an iPhone or Android phone and you're not using Outlook Mobile, you're missing out on the best e-mail experience available today, regardless of whether you're using it for Hotmail, outlook.com or Microsoft 365 work account or even Gmail.

So Outlook brings together your e-mail, calendar, contacts and files to help you get stuff done, even on the smallest of screens. As you can see here, at the top, Outlook intelligently separates my mail into 2 tabs, focused and other. These mails on the other tab aren't necessarily junk, they're just less important than those in my focused inbox. Outlook is using AI to (where) what's most important to me and prioritizes the

e-mail based on importance. We all use e-mail differently. But for me, I spend those precious moments I have between meetings prioritizing my e-mail. And Outlook makes this incredibly easy. You simply swipe to take an action on a message and Outlook will let you customize the action to match how you work. I have mine set up so I can archive this one with a simple swipe to the left, or I can flag it to follow up later with a swipe to the right.

It's not just about getting through my e-mail effectively. It's about being smart. It's about not distracting me when I need to focus, like a meeting or when I'm away from work.

Our Android version of Outlook has a new feature that allows you to set an amount of time to do not disturb. Or you can have it set to automatically turn off e-mail notifications during evenings or weekends, or even during calendar events like meetings. Which -- like that.

Now I'd like to switch gears to Microsoft Teams. Microsoft Teams is a shared workspace for my -- for all of my team conversations, files, meetings and apps. It gives me real-time chat with anyone inside or outside of my organization. And here, you can see the chat I have with all of my coworkers.

It's also a full calendar and online meeting experience. But where Teams really shines is how it allows us to collaborate -- how it allows me to collaborate in this shared Teams workspace. As you can see, I can converse with the team, share and co-edit files or even pin apps, depending on what works best for the team. Here, I have pinned apps so we can watch a previous demo that I've done on -- with Microsoft Stream and with YouTube. And here, I can check social media metrics to see how our demo did online.

Also, if I want to add another app, I have a tab here where I have a big selection of first; and third-party apps to choose from. For instance, I could choose Excel, I could choose OneNote, or if I was on a development team, I could add a shared code repository on GitHub.

Microsoft Teams brings together everything you need in one place, letting you work from anywhere and making it easy for you and your team to connect, share files and work with all of your business applications.

Now I'd like to introduce you to Microsoft Search. What I'm about to show you is available for public preview for Microsoft 365 subscribers. With Microsoft Search, the best way to get internal company information about people before you meet with them is the same as what you're already used to doing. Just search for it on Bing. A Bing search in every mobile browser for Chris Capossela, who is the CMO and my boss, gives me key information about him at a glance. Because I am signed into Bing with my Microsoft 365 credentials, I can see internal company information as well as Bing public search results, like his LinkedIn page and his Wikipedia entry.

In addition, I can see his office location, files he's shared publicly, where he sits in the org chart and even groups he's a part of. All of this from a single search in Bing and a browser on my phone. But of course, it's also available on PC.

As you know, we're in the middle of the holiday season. And I'd love to take some time off around Christmas to go visit my family back in Maryland. But I can never seem to remember the URL or the name of our internal time off management tool. So I can just search for something as simple as "vacation." And there it is, our internal time off management tool. I could never remember the official name, the Timer reporting tool. And before Microsoft Search, if I didn't search for those words exactly, I never would've found it. I could navigate to the full tool. But for now, I can just show the basics. I can check how many vacation days I have, how many days of sick leave and how many floating holidays. And I can do all of this without leaving the search experience in the modern Power Apps widget.

Being able to find corporate resources using natural language is a powerful tool to increase employee productivity. And we're going to be bringing this capability to many more Microsoft 365 products in the coming year.

Now I want to show you a new experience between my Windows phone -- my Windows 10 PC and Android phone that we just released this fall, called Your Phone. So often, I'm sitting at my PC trying to be very productive. And I get that text from my friends or family. I pick up the phone to answer and the next thing I know, I've already lost 10 minutes. Not only do I have to respond to that text on the phone keyboard. But I get sucked into other notifications, social media posts and all the other things that smartphones do to distract us.

Now with the Your Phone app, I can get my text and photos right on my PC. Let me show you how it works. This is the Your Phone app I downloaded from a Microsoft Store. You can see all the recent text conversations I have right here. And I can reply to it. My Forza skills do need work. But I can reply to it on my keyboard so I can type my message faster. I no longer get distracted by the 5 missed calls from telemarketers that I didn't want to talk to. And I can reply and just get back to getting work done on my PC.

Another fundamental experience on our phone is photos. We've all had that moment where we had taken a picture (of) a phone. And we want instant access of it on our PC. Let me show you how that works. I can paste pictures of the Xbox Adaptive Controller for a presentation I have later for work, since I work in Xbox marketing. So what we can do is I can just take a picture of the setup. And it shows up in -- almost instantaneously on my phone -- on my PC. Then we can drag this photo directly from here, right into the PowerPoint presentation I've been building. I really love how easy this makes it for me to use my phone and PC together. Your Phone is available on the Windows 10 and Android phone app stores today. So this gives you a sense for how I use Microsoft 365 each and every day. But so much of the work we do is about empowering others. So I'd like to invite on stage Jessica Rafuse from our Accessibility Team to show us some of the amazing work we've done to make presentations more inclusive. Jessica?

Jessica Rafuse

Good morning, everyone. My name is Jessica Rafuse. I'm a mother, an attorney, a former administrative judge. And I'm also a person with a disability. At Microsoft, I lead our strategic engagement with organizations that focus on people with disabilities. Microsoft 365 can create and deliver more inclusive presentations for all of us. But today, we're planning a birthday party.

Unidentified Speaker

Let's do it.

Jessica Rafuse

So today, I'm working on a PowerPoint slideshow for the birthday boy, my son, Spencer. First, I'm going to insert a photo of Spencer. Automatically, PowerPoint Designer recommends some layout options for me to choose from. The AI that powers this feature creates an aesthetically pleasing slide in just a couple of clicks. As someone with muscular dystrophy, like many people with disabilities, we are masters at finding efficiencies. Just a few clicks saves us time, which is better for everyone. In addition to layout, AI is also calling on computer vision to recommend alternative text or alt text for the photos I insert.

Alt text is a description of an image that is useful for someone who is blind or low vision, who is using screen reading technology. Our friends, Eric and Rebecca, they live on the East Coast. So they can't make it to Spencer's party. They are blind. And when I e-mail them the slideshow, their screen readers will read aloud the alt text. So they can enjoy the photos as well.

In this image, you see that the alt text is recognized by AI as a young boy in a yard. That's accurate. But I can also modify it to an adorable young boy in a yard. I know, he's pretty cute.

Our birthday party is not complete without a timeline of Spencer's key milestones. PowerPoint Designer can help with that too. A simple list of key moments can be transformed into a beautiful timeline, again, very quickly.

This one looks good.

Unidentified Speaker

That would've taken me forever.

Jessica Rafuse

I know. These inclusive tips are really good for everyone. So our slideshow is almost ready to go. But before we want to ship it, I want to make sure that the entire

presentation is accessible to everyone by using the accessibility checker. In the review tab, right near spell check, you'll find the accessibility checker. This will not only show me the accessibility errors, it will also give me suggestions for how to fix them.

Okay. The day of the big party has arrived. All of the grandparents, the aunts, the uncles, they're all huddled in the living room waiting for me to deliver our slideshow. And AI is here to help too. Presentation Translator is located in the slideshow tab. You simply select start subtitles, choose a language, in this case, English to English. And get started.

So a new slide pops up with the code. You can take a picture of that code. And you can join our slideshow. Our guests who are deaf or Spencer's grandparents who are hard of hearing, even his friend's parents, who speak a different language, everyone can use captions for a more inclusive experience. Go ahead and try it. It's free and available now.

PowerPoint Designer, auto alt text, Presentation Translator, each of these features creates a more inclusive presentation, no matter where you are. And people with disabilities have been critical to the creation of these features. When we innovate through the lens of disability, we build products that make the workplace and our lives better.

So please, everyone, go out, try these features in the latest version of Microsoft 365. And thank you for your commitment to disability inclusion and accessibility.

Unidentified Speaker

Thank you.

Before we go into Q&A, I want to show you one last thing. It's something we've been working on and gives you a sense for what the future of meetings could look like, using some technology that we like to call HoloBeam. It was developed by one of our Microsoft partners, Valorem. They've build a shared 3D-holographic meeting experience that we hope will make every conference call and meeting more engaging than ever before. To show us, please welcome on stage Sohana Punithakumar. Sohana?

Sohana Punithakumar

Thanks, (Jamal).

Unidentified Speaker

You're welcome.

As you likely recall, HoloLens lets you augment world around you with holograms. This morning, I'll be calling a colleague, (Daniella), a design engineer that I've been working with to refine a piece of hardware. CC is here with a camera. So you on the audience can see the holograms that I see in my HoloLens. Okay. Let's get started. Hi, Daniella .

Sohana, how's Bellevue? Are you at the Shareholder's Meeting?

Sohana Punithakumar

I am. Super excited to be here. But I really want to talk about the hardware changes that we made. Have you had the chance to look at them yet? They have the latest casing per your design request.

Unidentified Speaker

I did. But it was difficult to see on the 2D spec sheet.

Sohana Punithakumar

No worries, we can look at it here. Show gateway. Can you see it okay?

Unidentified Speaker

Yes. This is amazing. Oh wow, I can even air it out to get an expanded view. The changes look great, Sohana. We just saved so much time instead of going back and forth on e-mail.

Sohana Punithakumar

Awesome, I'm so glad. Yay. Do you have any other questions, or you?

Unidentified Speaker

No, everything looks great. Thank you.

Sohana Punithakumar

Yay! Awesome. Thanks, (Daniella). I'm so glad we were able to meet here.

Unidentified Speaker

I'll talk to you later.

Okay. Let's take a moment to just recap what we saw. First, I was talking to a hologram, which means my colleague (Daniella) could have been anywhere in the world. But it felt like she was right here. Second, I was able to bring in a 3D model of

the hardware that we wanted to discuss and Daniella , who was remote, could interact with it too. What we saw really just scratches the surface of what's possible with HoloLens and Mixed Reality. We think it could reshape the way people around the globe interact, both at work and at home. Thank you. (Jamal)?

Pretty cool, huh? What we've shown you today is how we're making gaming available for everyone. How Microsoft 365 is improving productivity for everyone, regardless of the device they're using. How PowerPoint can make presentations more accessible and inclusive for everyone. And how HoloBeam can make meetings more engaging and immersive for everyone. The technology...

(technical difficulty)

We give more. Now before we transition to Q&A, let's take a look at the Surface Hub 2. Thank you, all.

(presentation)

Questions And Answers

A - Michael Spencer {BIO 1986631 <GO>}

Good morning, I'm Mike Spencer, Microsoft's Head of Investor Relations. I'll be the moderator for today's question-and-answer session. I now invite the speakers to come back out on stage. And I also want to welcome Brad Smith, our President and Chief Legal Officer, for the session. I hope you enjoyed the exciting product showcase. If you haven't already done so, after we conclude the Q&A, I encourage you to visit with the Microsoft Store associates who are on hand in the room next door to experience firsthand some of Microsoft's latest products and services. They're also available to assist with any technical support questions as well. In the aisles, you'll see microphone stands set up. If you have a question, please queue up at the stand. There's also a representative at each mic from the Investor Relations team that can provide any assistance. And we'll try to get to as many questions as we can. Let's go ahead and start. First here, over here, with mic 2.

Q - John Osborn {BIO 2117701 <GO>}

I'm John Osborn, I'm a physician. I'm representing the shares of Bartlett Naylor. I'm here in support of Columbia River tribes and First Nations. I'm in support of those tribes and First Nations. I don't speak for them. My question, we've heard a couple of phrases today, a crucial time in history and deep responsibility. Microsoft benefits greatly from the cloud and cloud computing, cloud services. Part of that is made possible by the Columbia River and cheap hydropower. While Microsoft had -- has benefited, as many others have, those who have paid the price have included tribes and First Nations. I'm here with a request. And that is that -- and I also asked this of Jeff Bezos at the Amazon Shareholder Meeting earlier this year that leadership here meet with the leadership of tribes and First Nations. It really is a crucial time. The Columbia River was once the world's richest salmon fishery. The dams have changed

all of that. Climate change is underway. I think we're all aware of that. And I think this gets to the global responsibility that Microsoft has. In the Columbia River Basin, the forests are burning, the glaciers are melting, temperatures are rising, the salmon are dying from the hotter temperatures. We have real needs for attention. At the same time, the United States and Canada are negotiating the Columbia River Treaty. The tribes and First Nations have been excluded from the negotiating table. I -- my plea to Microsoft, as a world leader, is, to the extent that you can, to step in and help these indigenous people to right these historic wrongs and be forward-looking in terms of stewardship. I think that Tahlequah, the mother orca who carried her dead calf for 16 days over a thousand miles, riveted the world on the realities of what's taking place here on both sides of the crest. So I make that plea. I have a letter that I will leave with the board, an economic analysis by the tribes, the Catholic bishops' Columbia River pastoral letter and the university consortium's moral responsibility. Thank you very much.

A - Satya Nadella {BIO 3224315 <GO>}

I mean, I -- the one thing -- first of all, thank you for your comments and suggestions. So one thing that we are doing across all of our data center footprint where one of the things I described is how we have 54 regions around the world. And one thing that we have come to realize is that in many of the regions that we operate, the communities that are around our data centers, some of the most high-tech artifacts of the modern world, there is a lot of inequities, there's a lot of -- lack of access to even technology like broadband. So one of the things that we have done, even in the last year, is really taking a bunch of initiatives like Airband to bring, for example, rural broadband connectivity so that they can have access to health care and education. But in the spirit of what we did there is what I think we should definitely take a look at, what you brought up with the Columbia River and the native communities there. And we definitely will do so.

A - Bradford L. Smith {BIO 1721351 <GO>}

Yes, I will just add, we have been working with some of the tribes, including in that area. And as Satya mentioned, we've actually recently, just a few weeks ago, announced an agreement with a broadband provider to bring broadband access to some of these tribal lands. We're also working with them to promote stronger educational opportunities. But we can have a conversation about this. It's a good prod. Thank you.

A - Michael Spencer {BIO 1986631 <GO>}

Okay. Thank you for the question. Let's go to mic 3, please.

Q - Unidentified Participant

(William Nyberg), shareholder. With Azure becoming the world's computer, what will be your strategy to navigate through the immense political differences, including tariffs?

A - Satya Nadella {BIO 3224315 <GO>}

I mean, overall, the goal we have is to ensure that the computing resource, which is I think going to become the most -- one of the most important resources for any society, any economy to thrive, right? As I described, when every walk of life and every part of our economy is increasingly digitized, the new digital -- or rather, the need for more compute is going to be ever-increasing. And that's why we have built the footprint. That also means that we have to be mindful of all of the regulations. And complying with those regulations is a very important aspect. That's why we're not only just building a large footprint but we also have the broadest compliance of any cloud. So that's what we're doing. But at the same time, I think we also work within the framework of laws across the countries in order to ensure that there is really security and privacy in our cloud. And that's something that we ensure for any customer, whether it's a consumer customer or an enterprise customer. I don't know, Brad, if you wanted to add...

A - Bradford L. Smith {BIO 1721351 <GO>}

No. I think that covers it. I was going to suggest, rather than make the guest who's come the longest distance stand the longest amount of time to get to the microphone, why don't we let Reverend Jackson ask a question. And we'll get to the others at microphone 2 as well.

A - Satya Nadella {BIO 3224315 <GO>}

Okay.

Q - Jesse L. Jackson {BIO 14009902 <GO>}

I want to address the shareholders today, as I did a few years ago, the human dimension of this situation as the gap gets greater between the haves and the have-nots, the vertical gaps. We have globalized technology in athletics. We have not globalized human rights and workers' rights, women's and children rights and environmental security. Thus we have this tremendous climate explosion. We have children in cages on the borders and army lineups to shoot refugees. So we're in a crisis that must also be addressed by this vast, vast technology. We've seen some progress along the way. Microsoft has led the way in diversifying its Board of Directors. In fact, three years ago, there were about 3 African Americans on the Board of Directors in leading tech companies, now they are 20. And you are leading the way with literally a Chairman of the Board. Microsoft was instrumental in bringing minority financial services firms into numerous debt offerings in over three years. In three years, the minority firms have demonstrated their talents and capabilities, participating in over 35 tech debt deals generating over \$20 million in fees. You lead in diversity. And supplier diversity programs have broken up the new doors of opportunity. I think, Mr. Chairman, it must be addressed more meaningfully. But despite the new initiatives, the hundreds of millions of dollars deployed, pronouncements should do better and improve. The tech industry is still stuck in the mud, (it's never let 2% problem is) still alive and well. There's not a talent deficit, there's an opportunity deficit. I've said before, inclusion leads to growth. Where there's growth, everybody wins. The 100 largest cities, a majority of black and brown. 2/3 of our neighbors in this hemisphere speaks Spanish. We cannot speak to each other in the hemisphere. And we make enemies of our allies and our natural friends. Over 100 million blacks and Latinos live in these -- the 100 cities. They must be

addressed. And we want to copartner with you in such a process. We must close ranks as never before. How can Microsoft deepen and expand its efforts to accelerate African American and Latinos represented at the company, vertically and horizontally? Can you transfer this minority firm representation and its debt capital market programs to include minority firms in 401(k)s, for example. And pensions. Now tech firms have been in the front end. But perhaps (Verizon) led to addressing that in a very meaningful way because our (somebody-ness) must not be taken away and also don't run the danger of becoming technologically advanced but moral midgets. Today, we are growing at a tremendous rate in our nation. And yet, the -- I think about this that some of our children are in jail on unfounded smoke or weed or some joint, locked out of by education, our seniors who don't have the mobility to get to their medicine and to their food. I'm anxious to work together in some joint venture, some shared way to work on these seniors who are locked out. As I listen to the tremendous work by (Jamal) today, many people I know in these senior citizens homes, this means nothing to them, my mother who just died included. Those youth locked away in jails, when they come out, they're still ours. What do we do with them and those at our borders? And one thing about Microsoft, there are no borders, there are no more foreigners in Microsoft world, many languages, one message. I'm anxious for us to work together on how we can make these technologies real to all of us because if fewer and fewer have more and more, more will have less and less, those who are locked out. The (strobe) was a privilege for the few. Thank you. So very much.

A - Michael Spencer {BIO 1986631 <GO>}

Thank you.

A - Satya Nadella {BIO 3224315 <GO>}

Thank you, Reverend, first of all, for being here as well as your comments and the prod and the suggestions. Maybe I'll start. And then Amy and Brad and John, you can add to it. So the -- on the first point you made around diversity and inclusion, which is a very core priority for us, in fact, even our compensation, for me as well as the senior leadership team, is tied to actually making progress on this year-over-year. And just this -- a couple of weeks ago is when we released our annual report which shows, in a very transparent way, all of our diversity statistics. And it's good to see the progress we are making. Whether it is ethnic and racial diversity or whether it is gender diversity, there is progress. But we are grounded that there is a lot more distance to cover. And every year and every day, we continue to push. Specifically, on the African American, black and Hispanic communities, one of the new initiatives we started was to actually go to the 50-plus institutions, which are traditional HBCUs as well as predominantly Latino colleges and Hispanic colleges. And we are now able to attract a much more diverse student body. In fact, for example, the intern class that I spend a lot of time each year is more diverse than ever before. Each year, we are more diverse. And the entering class reflects that. And so one of the things that we are also working on is inclusion. Because if you get diversity in, one of the main things that's going to keep them at Microsoft is their ability to find that sense of inclusion and belonging inside the Microsoft community. So we are working that every day. That means everyone at Microsoft needs to be trained and mindful and practice the inclusive behaviors. And so that's really what we are doing. But it's sort

of a very important initiative and an important priority for all of us. So maybe on the financial inclusion pieces, do you want to talk a little on that?

A - Amy E. Hood {BIO 18040963 <GO>}

I really do appreciate your acknowledgment of our leadership in terms of supplier and partnering with many minority-owned firms. We continue to be proud of our progress on that front. Your push on the 401(k), I appreciate. We will review that every year. And I think we'll continue to look at a very broad group of 401(k) offerings. We remain incredibly focused on having the best offers for our employees. So that's a good push. And we'll make sure to look into it.

A - Bradford L. Smith {BIO 1721351 <GO>}

And I would just say the other 2 things, first, on your focus on senior citizens. It is definitely something we're focused on. When we think about what it means to develop inclusive technology, when we think of what it means to make our products easier for everyone to use -- you saw some of that I think demonstrated here, just in something like PowerPoint. When we think about what it means in terms of screen readers, changing sizes of fonts, I benefit from that myself directly every day. So we are thinking broadly. You may sometimes walk into a Microsoft retail store and find someone who is older as well. So we recognize the importance of that. And we have the opportunity to work with you, Reverend. And Rainbow Push. There are opportunities in the future. And we welcome the opportunity to do more of that. Then I would just say on privacy, we would agree that privacy is really one of the issues of our time. Microsoft stood up and called for a federal privacy legislation in the United States. And that was the year 2005. And so each and every year, for 13 years, we have consistently advocated for it. And I think the year 2018 is really a watershed year for privacy here in the United States for a few reasons. First, we're starting to see other industry leaders step up as well. When Apple stood up, when Salesforce stood up, those were good days for our industry and I think for the protection of privacy in the United States. Second, perhaps the biggest watershed of the year came in June when the state of California adopted a landmark privacy law. And it's clear to us at this stage that we are going to see more states adopt privacy laws in all likelihood in 2019. And the day will finally come when we will get strong privacy protection for the country passed by Congress. And that will be a good day for people. And in our view, it will be a good day for the industry because it will give people the confidence they need and deserve when they are using our industry's products. And finally, I think in some ways, the most interesting data point of the year, Microsoft was the only company, when the European privacy regulation took effect in May, to say that we would extend the privacy rights that Europeans got under that regulation, not just to the customers and consumers of Europe but to the customers and consumers in the United States and every country around the world. No other major tech company has yet followed us in doing that. And the most interesting thing I think is this, in the months since May, in a region of over 500 million people in the European Union, 2 million EU citizens have made use of their rights with our services. In the United States, a country that's only 3/5 the population of the EU, almost 3 million Americans have used their privacy rights. And I think that more than anything shows that this is an issue of interest to the American public. And we will continue to take new steps. And we are committed to continuing to be an industry leader when it comes to the protection of people's privacy.

Q - Jesse L. Jackson {BIO 14009902 <GO>}

I must -- I'm shaken. To Michael, I was jailed in 1960 trying to use a public library. I watched America grow tremendously at the time when NATO is shaking. When the storms are coming on the East Coast and fires on the West Coast. And we dismiss the tragedy of Pittsburgh and its ramifications and Charlottesville and babies on borders. It's something of a moral nature because if we are successful in all that we do technologically and not inclusive enough to -- put it this way, the reason why I went to see the Seattle Seahawks play the Panthers last week, whether you're in Seattle and Charlotte or whether you're in London, whatever the plan for this evening. And the rules are public and the goals are clear and the referees have fairness, who is transparent we can make it. And this important technology would be a factor in that world because as I listened to more make presentations, this is something of an even playing field world. The inequality, the unevenness jeopardize all that we're doing. So please, we'll work with you on how do we humanize this technology and make it available to those who really need it the most. Thank you. So much.

A - Michael Spencer {BIO 1986631 <GO>}

Okay. Thanks. Why don't we go to mic 4 in the back?

Q - Unidentified Participant

I'm a Windows 7 user. I'll probably just keep using Windows 7 till support ends. But Internet browser support on Windows 7 is I'll. And I'll doesn't render a lot of features that are in a lot of websites today. But there's an easy workaround. All I have to do is install an Internet browser made by another company. But hardly a day goes by when I wonder why is Microsoft outsourcing browser support on an OS that so many users are still using.

A - Satya Nadella {BIO 3224315 <GO>}

Thank you for the feedback.

A - Michael Spencer {BIO 1986631 <GO>}

You might consider Windows 10.

All right. Let's come back to mic 2 here.

Q - Ken Copley {BIO 17030769 <GO>}

Thank you. Ken Copley, Capital Executive. Satya, what a great leader and a great team. You're missing a golden opportunity to satisfy a significant unmet need, societal need, to start as a nation. Are we really doing everything we can to reach out to the next generation during a critical period in self-development, to teach, motivate and develop the next generation to really understand career development. I can't think of a better platform than LinkedIn to help solve society's long-term labor problem.

A - Satya Nadella {BIO 3224315 <GO>}

I mean, first of all, thank you for the comment. But what you just said about LinkedIn as a platform for skills development and, most importantly, for allowing everyone to reach their economic opportunity is what really got us together as Microsoft and LinkedIn. And we're very, very excited. I mean one of the things to me, a daily habit is when I use the LinkedIn app, is you not only see the newsfeed, which gives me all of the relevant information around all of the topics and all of what's happening in the industries that I track and the customers that I track and the topics of interest. But also training. One of the most -- in the last year, if you think about it, there is so many LinkedIn learning courses, which are these micro courses whether it's on leadership or on technical topics or commercial topics, that are right there in the newsfeed where you can go in in snack sizes, you can just get trained. So that you are better equipped for the jobs of the future. Because the thing that is most exciting for us in LinkedIn is there's a real-time feedback, which is what are the jobs, what are the skills required for the jobs, where are you today and how can we bridge that gap. And so you are absolutely right about the opportunity ahead. And I would say we are well on our way to create that platform to be able to sort of really go after that.

Q - Ken Copley {BIO 17030769 <GO>}

I think where I was going with that is really the next generation and some of the youngsters, maybe even in high school, where they could use a little bit more direction, a little bit more coaching in terms of what might be out there and available to them with a little bit of guidance that they might not be getting right now. And that's where I see the beauty. You've already got the professional networks sewed up with the 570 million members. It's the, what I'll term, the next generation. But thank you very much for allowing me to ask this.

A - Michael Spencer {BIO 1986631 <GO>}

Great. Thanks, Ken. Let's go over here to mic 1.

Q - Unidentified Participant

I'm (Paul). And I'm representing the shareholders of the investment (inaudible) from Bonn, Germany. I'm happy to be here. And I have a question. I would like to know what your vision for Skype or the communication between users in general, what role does Microsoft want to play.

A - Satya Nadella {BIO 3224315 <GO>}

I mean it's a very, very crucial part of Microsoft 365 today. We have Skype and Skype for Business and Teams. They're all related in the sense that it's fundamentally about bringing people together with video. But really, what we want is a rich scaffolding. And I think Teams represents that next opportunity for us where video communications is a super important element but so is text messaging and as well as this ability to collaborate and communicate in situ with the communications. And so that's kind of where we're going. Skype's an important asset. It's something that we have now improved the quality of the back end. So that people using mobile phones predominantly are also able to be good Skype users. Desktop to Skype

usage is something that we are very focused on. And recently we did, speaking about education, something called the Skype-a-Thon, which is the ability for teachers and students in a given classroom to be able to tap into the wisdom of teachers and students across the planet and make connections. And so that was a fun thing where around the world, lots and lots of schools got connected just using Skype. So Skype, I think, is that invaluable tool that still remains very popular and something that we're investing deeply in.

A - Michael Spencer {BIO 1986631 <GO>}

Thank you for the question. Let's go to the back there, mic 3, please.

Q - Doug Kilgore

My name is Doug Kilgore. I'm the Executive Director of the Worker Owner Council of the Northwest. We represent building trades pension funds and North American pension funds. Our members are large and long-term holders of Microsoft. I want to commend the company for its ability to improve shareholder value while making substantial gains in social responsibility. And we appreciate the willingness of the company to address issues that we've noticed on its projects here in Washington state. When we look at the policies though that you've adopted for manufacturing, we see some very beneficial things within those policies but no policy that covers construction. So I guess my question is, would you be willing to examine that subject and look into adopting responsible contractor policy that would address its construction needs throughout the world?

A - Satya Nadella {BIO 3224315 <GO>}

Brad?

A - Bradford L. Smith {BIO 1721351 <GO>}

I think we'd be happy to take a look at it. I think we'll have some good things to learn. We'll welcome the opportunity to learn from you and others. I know we have people -- because we do a massive amount of construction work around the world, whether it's our data centers around the world or, obviously, a huge construction project that's just beginning on our Redmond campus. And it will benefit us to understand where our present policies sort of fail to miss the mark. And I think we could sit down and take a look at it. So we'd welcome that.

A - Michael Spencer {BIO 1986631 <GO>}

Great. Thank you. Let's go back to mic 4.

Q - Unidentified Participant

My name is (Bart). And first I'd like to compliment the early founders of Microsoft, how prophetic they were in building buildings 1 through 10 that it sort of looks like Xbox.

A - Bradford L. Smith {BIO 1721351 <GO>}

Well Bill was a visionary and still is.

Q - Unidentified Participant

Which gives me a segue when you're talking all about education and everything. When the buildings 1 through 10 are going to be demolished, you have space for new uses of that area. I was wondering if you would entertain the idea, at least it's my idea du jour, of building a -- having a building there that will be called a renaissance school. I don't know if you're familiar with the term renaissance school, we had it back in New York and I think it's still there. And it talks of the grades of K through 12. And it would be on the campus of Microsoft. The building would rise from the rubble. And maybe the name on the building could be called the mystical building 7. Then to continue along those lines, possibly, the senior software architect can be persuaded to come back to campus to become the dean or the principal of that school. And what's more important in a curriculum than a music component? Now the music component would have a music chair or a music person-in-charge who knows a lot about music and who better than that would be Jim Allchin, who would come back, be a teacher or the head of the music department. Then better than all that, he'd be able to resurrect Uncle Bill's Blues Band. So what say you to my idea du jour, I'm just saying?

A - Bradford L. Smith {BIO 1721351 <GO>}

I think we are better served by being inspired by your idea than perhaps pursuing every aspect of its literal implementation. But let me just say, in all seriousness, we really do think a lot about how to serve education because -- and how to reach people and inspire people and give them new skills and tools. And there are companies, including some great ones in this region that have sort of adopted a school, that have built a school. And we haven't done that. And while we could bring a school into our campus. And we would serve well every student who went to that one school, our real goal is to bring technology and advancements in learning to every school in this area and around the world and, ultimately, to reach every student through devices like -- in platforms like LinkedIn Learning and, ultimately, to serve not just the next generation but every generation because we're all living at a time when we need to keep learning new things. So I would say you're giving us great inspiration. We'll leave it to Bill what he wants to do with his time and Jim, what he wants to do with his time. But I think you can assume that we'll all work hard to sort of put your inspiration into some form of action.

Q - Unidentified Participant

Well I was hoping that, that would be a prototype, the renaissance school on Microsoft. And then you would spread out.

A - Bradford L. Smith {BIO 1721351 <GO>}

You never know.

A - Michael Spencer {BIO 1986631 <GO>}

Thank you for your question. So we actually have time for only one more question. And we have Investor Relations folks in the back of the room for those that we don't

get to. I'd like to go to mic 3 for our last question.

Q - Tyler Eckel

My name is Tyler Eckel. And I have done some Microsoft testing for the blind. And I -- my question is what games do you have -- what are the games -- what games do you have for the blind?

A - Satya Nadella {BIO 3224315 <GO>}

It's a great question. I think I'll have to sort of go back and say what is the gaming investments we are making as well as what are the accessibility investments we are making so that people can play games because of the accessibility work. I mean overall, the things that we have done, whether it's the Soundscape work or Seeing AI, have really helped us make -- break new ground when it comes to, I'll call it, information work or just empowering mobility in a much more general sense. But it's a great prod. And let me sort of go back and sort of talk to the team and come back and, maybe off-line even, get back to you on the specific set of investments around game content that is addressing people with blindness and visual impairment. Thank you.

A - Michael Spencer {BIO 1986631 <GO>}

Great. That concludes our meeting. We thank everyone for coming today. And please travel safe. Again, there are folks in the back of the room if you have additional questions. Thank you.

A - Satya Nadella {BIO 3224315 <GO>}

Thank you.

A - Bradford L. Smith {BIO 1721351 <GO>}

Thank you.

A - Amy E. Hood {BIO 18040963 <GO>}

Thank you.

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